Title of the paper

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| **JEL: O14, P24, C41, E13** |  | **Abstract** |
| **Key words:**Manufacturing output, National savings, inflation, labour force, VECM. |  | The abstract of the article should include at least one sentence concerning the purpose of the article, scope of the research, research limitations, design, methodology, approach, findings, practical implications, originality and main conclusions. The abstract is a single paragraph of about 200 words. We encourage authors to use the following style of structured abstracts: *Background and aim*: Place the question addressed in a broad context and highlight the purpose of the study; *Scope*: research limitations; *Methods*: briefly describe the main methods or treatments applied; *Results*: summarize the article’s main findings; *Conclusions*: indicate the main conclusions or interpretations. *Originality*: Focus on the novelty of the paper. *Practical implications*: address the usefulness of the paper to business.**Published by University of Economics – Varna** |

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1. Introduction

Sustainability Reporting (SR) is an emerging voluntary reporting initiative across the globe in recent times. The idea was brought into the limelight following the 1987 Brundtland Report in bridging the gap between environmental and human development concerns (Bebington, & Larrinaga, 2014; Bebington, & Unerman, 2017). The concept was further popularised in academic literature and business environment following the United Nation's (UN) adoption of the Organization for Economic and Community Development's (OECD) eleven (11) Millennium Development Goals (MDGs) which was transformed into Seventeen (17) Sustainable Development Goals (SDGs) in 2015 (Bebington, & Unerman, 2017; UN SDG, 2015). The SDGs aim to address poor business and government's social, ecological and economic outcome. This poor businesses and government outcomes over time have resulted in the increased occurrences of natural disasters like flooding, earthquakes, and the increase in carbon emission as well as pollution (water and air), social inequalities and poverty (Chong, 2019; Manning, Braam & Reimsbach, 2019; Elaigwu, Ayoib & Salau, 2020). Hence, specifically, business firms in particular can contribute to the attainment of the goals through sustainability reporting.

In sum, the purpose of this study is to investigate the influence of a diverse board on sustainability reporting in Nigeria. The choice of our explanatory variables (nationality, age and educational level) motivated the study. There seem to be mixed findings on the nexus between nationality diversity in the boardroom and sustainability reporting (see Sharif & Rashid, 2014; Fuente, Garcia-Sanchez & Lozano, 2017; Zaid, Wang, Adib, Sahyouni & Abuhijleh, 2020; Huijsman, 2017; Hesselink, 2017; Janggu, Darus, Zain & Sogamoi, 2014; Rodriquez-Ariza, Garcia-Sanchez & Frias-Aceituno, 2012; and Khan, Khan & Semturk, 2019a; Ibrahim & Hanifah, 2016; Khan, Khan & Saeed, 2019; Berger, 2019). Also, there is a dearth in literature on the nexus between age diversity, educational level diversity in the boardroom and sustainability reporting (see Baker, Ghazali & Ahmad, 2019: King’ori, Naibei, Sand & Kipkosgei, 2019; Janggu, Darus, Zain & Sawani, 2014). Against these backdrops, this study raised the following research questions:

* What is the effect of nationality diversity in the boardroom on sustainability reporting?
* What is the impact of age diversity in the boardroom on sustainability reporting?
* What is the influence of educational level diversity in the boardroom on sustainability (reporting)?

2. Literature Review and Hypotheses Development

2.1. Sustainability Reporting

According to Aifuwa (2020) and Aifuwa, Saidu, Enehizena and Osazevbaru (2019), sustainability reporting is a blend of two concepts: “sustainability” and “reporting”. Sustainability, as defined by Brundtland (1987), is meeting the needs of the current generation without compromising the ability of the next generations to meet their own needs. Reporting means disclosing an organisation's information fully or partially to stakeholders (Aifuwa, 2020). Therefore, sustainability reporting is disclosing organisational information about its daily economic, social and environmental activities as it affects the society and stakeholders where it operates. Global Reporting Initiative [GRI] (2019) defined sustainability reporting, performance or disclosure as the process whereby organisations provide information about the economic, environmental and social impact caused by its everyday activities. Flowing from the GRI definition on sustainability reporting, visibly, there are enormous benefits to be derived from disclosing economic, social and environmental issues. Aifuwa et al. (2019) opined that the benefits of sustainability reporting include better financial performance, improved firm reputation, the attraction of better investors and high morale among employees[[1]](#footnote-1).

2.2. Board Diversity

The concept of ‘board diversity’ has emerged as the most prominent issue in corporate governance literature in recent times (Rhode & Packel, 2014; Ibrahim & Hanefah, 2016). Ayuso and Argandona (2009) and Van Knippenberg, De Dreu and Homan (2004) defined board diversity as the heterogeneity amongst directors on the board with unique attributes or dimensions. The dimensions of a diverse board can be grouped into observable difference (like race, ethnic background, nationality, gender and age) and less discernible diversity (educational level, educational background, functional and occupational background, industry experience and organisational membership) (Kang, Chen & Gray, 2007).

3. Material and Methods

3.1. Theoretical Framework

This study hinges on the Stakeholders theory of (Freeman, 1984) and the Resource Dependency theory of (Pfeffer & Salancik, 1978) to explain and understand the influence of a diverse board on sustainability reporting in Nigeria. The Stakeholder theory explains the tripartite relationship that exists between the principal (owner of a firm), agent (managers/board of directors) and stakeholders (suppliers, local community, investors and the public) (Aifuwa, Embele, & Saidu, 2018). The theory addresses the expectations of specific stakeholder groups in society and considers the effect of their expectation on information disclosure, bearing in mind the existence of more powerful stakeholders (Font, Guix & Bonilla-Preigo, 2016; Ngu & Amran, 2018).

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Board Member Nationality

Board Member Age

Board Member Education

Sustainability Reporting

Firm Age

Firm Size

Independent variable

Dependent variable

Control variables

Fig. 1. Schematic representation of the variables of the study

Source: …………………

3.2. Development of Sustainability Disclosure Index (SDI)

$$\left(x+a\right)^{n}=\sum\_{k=0}^{n}\left(\genfrac{}{}{0pt}{}{n}{k}\right)x^{k}a^{n-k}$$

We recognised sustainability reporting as the study's dependent variable. In developing the sustainability reporting index, we will use the GRI G4 general framework, which is made (of) economic, environmental and social indicators. Afterwards, we employed content analysis to develop weighted sustainability disclosure index for the economic, environmental and social performance of the sampled firms. If firms fully disclosed economic, environmental and social information, they were awarded one, while zero for non-disclosure, respectively.

Table 1

Measure of variables

|  |  |  |  |
| --- | --- | --- | --- |
| Column heading 1 | **Column heading 2** | **Column heading 3** | **Column heading 3** |
| Sustainability Reporting | Dependent Variable | GRI G4 framework on economic, social and environmental sustainability disclosure; at stated above |  GRI (2013); Anazonwu Egbunike & Gunardi (2018) |
| Board Member Nationality | Independent Variable | Number of foreign directors sitting on the board divided by total number of directors | Anazonwu et al (2018) |

Source: Authors’ Compilation, 2020.

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1. Aaaaaaa [↑](#footnote-ref-1)