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Effect of Audit Committee Characteristics on Value of Listed Non-Financial Companies in Nigeria

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ABSTRACT: This study examined the effect of audit committee characteristics on value of listed non-financial companies in Nigeria over the period 2014 to 2023. Utilizing an ex-post facto research design, the research analysed secondary data extracted from the annual reports of 107 companies listed on the Nigerian Exchange Group. Panel regression technique was used to assess the effect between audit committee attributes, such as size, independence, financial expertise, and gender diversity and value of listed nonfinancial companies in Nigeria. The findings indicated that audit committee independence has a positive and significant effect on firm value of listed nonfinancial companies in Nigeria. Conversely, audit committee size and financial expertise revealed negative but statistically insignificant relationships with value of listed nonfinancial companies in Nigeria. Gender diversity within the audit committee showed a positive but non-significant association with value of listed nonfinancial companies in Nigeria. Based on these findings, the study recommended among others that nonfinancial companies in Nigeria should establish policies for the periodic rotation of audit committee members to introduce fresh insights and maintain objectivity in oversight functions.

KEYWORDS: Firm Value, Audit Committee Size, Audit Committee, Financial Expertise, Audit Committee Independence, Audit Committee Gender Diversity.

INTRODUCTION

The performance of a firm in today's competitive global economy is increasingly linked to the quality of its corporate governance practices. In Nigeria, where the capital market is rapidly evolving and investor confidence is critical, the role of audit committees has come under intense scrutiny. The Nigerian Code of Corporate Governance (2018) mandates that all listed companies, particularly non-financial firms, establish audit committees primarily composed of independent non-executive directors. This requirement aims to strengthen financial reporting, enhance internal controls, and reduce information asymmetry between management and investors, ultimately contributing to higher firm value.

Recent empirical evidence underscores the relevance of these governance mechanisms in Nigeria. For example, Kurawa and Shuaibu (2022) examined a sample of 76 listed non-financial companies out of a total population of 113 covering the period from 2013 to 2020. Their study revealed that while audit committee meeting frequency is positively associated with improved earnings per share, a higher proportion of independent directors sometimes correlates with lower market-based valuations as measured by Tobin's Q. This paradox suggests that merely increasing the number of independent directors does not automatically translate to better oversight if the quality and expertise of these directors are not adequately ensured.

Moreover, recent work by Abu (2023) highlighted that companies with frequent and well-structured audit committee meetings tend to exhibit stronger internal controls and better risk management practices. However, the study also found that an imbalance such as a disproportionate focus on independence at the expense of financial expertise can adversely affect firm value. In addition, Onmonya and Ebire (2023) have noted that many Nigerian firms continue to deviate from best practices, which not only undermines investor confidence but also negatively impacts financial performance. For instance, despite regulatory requirements, some firms maintain audit committees that are either too large, leading to coordination challenges, or lack sufficient financial expertise, thereby diminishing their oversight effectiveness.

These findings are particularly significant considering Nigeria's economic context. The Nigerian Stock Exchange lists over 100 non-financial companies that operate in a challenging economic environment marked by frequent regulatory changes and market volatility. For example, Kurawa and Shuaibu (2022) found that while audit committee meeting frequency is associated with improved earnings per share, a higher proportion of independent directors is paradoxically linked with lower market valuations as measured by Tobin's Q. Similarly, Abu (2023) reported that although frequent audit committee meetings enhance monitoring, the impact of audit committee independence on market-based performance measures remains inconclusive. In addition, Onmonya and Ebire (2023) observed that deviations from best practices such as an imbalance between independence and financial expertise undermine investor confidence and reduce firm value.

These conflicting findings point to a persistent gap between the prescribed governance standards and the actual practices in Nigerian firms, generating uncertainty for policymakers, board members, and investors. Consequently, there is a critical need for rigorous research that disaggregates the effects of audit committee characteristics such as size, independence, financial expertise and gender diversity on firm value. This understanding is vital not only for academics but also for practitioners, as it informs policy formulation and corporate governance reforms aimed at enhancing long-term value creation. Although Nigerian regulatory frameworks advocate specific audit committee features to improve oversight and firm performance, empirical evidence remains inconclusive, inconsistent, and often contradictory. This raises a fundamental question, can regulatory compliance around audit committee attributes alone be expected to drive firm value, or is more nuanced governance required? Therefore, the study examined the effect of audit committee characteristics on firm value of listed nonfinancial companies in Nigeria.

Research Hypotheses

$H_0$1: Audit committee size has no significant effect on value of listed non-financial companies in Nigeria.

$H_0$2: Audit financial expertise has no significant effect on value of listed non-financial companies in Nigeria.

$H_0$3: Audit committee independence has no significant effect on the value of listed non-financial companies in Nigeria.

$H_0$4: Audit committee gender diversity has no significant effect on the value of listed non-financial companies in Nigeria.

LITERATURE REVIEW

Concept of Firm Value

Firm value, a pivotal concept in corporate finance, has been defined and interpreted diversely by scholars over time. Traditionally, firm value has been closely associated with shareholder value, emphasizing the importance of maximizing returns for shareholders. However, contemporary perspectives have expanded this view to encompass a broader range of stakeholders. According to Lonkani (2018), the traditional model of firm value is firmly linked with shareholders' value, suggesting that any activities in firms can increase the firm's value if they enhance shareholder value. This perspective has been prevalent in finance and business for many years. However, this traditional concept has been challenged by researchers advocating for a broader stakeholder approach, proposing that firm value should consider all groups of stakeholders, not just shareholders.

Audit Committee Size

The size of an audit committee refers to the number of members serving on the committee. Some studies suggest that smaller audit committees may be more effective in decision-making and oversight due to increased communication and collaboration among members (Klein, 2002). On the other hand, larger committees may bring a diversity of perspectives and expertise (Abbott, Parker, & Peters, 2004). The AC size in Nigeria is specified to be five (5) members (CAMA, 2020). The Act does not state the committee members' minimum size. Nevertheless, previous studies focused on a minimum of three (3) members (Al-Sa'eed and Al-Mahamid, 2011; Badawy, 2020). While there is a theoretical basis for believing that both very small and very large committees could adversely affect oversight effectiveness, the empirical results tend to show that once a certain optimal size is reached (as is the case in Nigeria with a five-member committee as per CAMA, 2020), further increases in size do not have a significant incremental impact on firm value.

Audit Committee Financial Expertise

Audit committee financial expertise is another characteristic that has been associated with audit committee effectiveness. According to the Blue-Ribbon Committee (1999), the term expertise "signifies past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which result in the individual's financial sophistication including being or having been a CEO or other senior officer with financial oversight responsibilities". However, despite these theoretical advantages, empirical investigations into the relationship between audit committee financial expertise and firm value have yielded mixed results. While some studies report that enhanced financial expertise leads to improved oversight and higher market valuation, other research suggests that the impact may be marginal or statistically insignificant.

Audit Committee Independence

Audit independence refers to the impartiality and objectivity of auditors in conducting their examinations of financial statements and related information. An audit committee's Independence is achieved when the members' monitoring mechanism is not interfered with by third parties (Al Farooque, et al., 2019). Audit committee members should be allowed to carry out their monitoring role without interference from the managers and auditors (Eyenubo, et al., 2017). Members of the audit committee should have ample time to carry out meetings and strengthen their internal control. Given these mixed findings, it is pertinent to investigate the effect of audit committee independence on the value of listed non-financial companies in Nigeria.

Audit Committee Gender Diversity

Audit committee gender diversity has been defined by various scholars with a focus on its implications for governance, oversight, and market performance. For example, Huse and Solberg (2006) describe it as the balanced representation of both male and female members on the audit committee, arguing that such diversity enhances the committee's effectiveness by introducing varied perspectives and improving the quality of monitoring. In contrast, Albawwat and Al Harasees (2019) emphasize that the presence of women on audit committees is linked to improved financial reporting quality, suggesting that diverse committees are better able to scrutinize financial statements and detect anomalies. Considering that corporate governance is multifaceted, the overall impact of audit committee gender diversity may be affected by factors such as the overall composition of the board, the level of managerial entrenchment, and industry-specific dynamics.

Empirical Review

Ghina and Mohamed (2023) explored the effect of audit attributes and boards of directors on firm performance. Taking a sample of 96 companies, the results show that a more extensive and independent board positively affects business results, and the same applies to the implementation of an audit committee. However, our results found no link between the different characteristics of audit committees with firm performance. The findings above give us insight into how companies' governance operates. The study provides a comprehensive analysis of various audit and board attributes, such as board size, independence, and the financial expertise of audit committees. The inclusion of both resource dependency theory and agency theory offers a balanced perspective on the potential effects of these attributes on firm performance. The use of a sample of 96 companies enhances the generalizability of the findings.

Mustafa-Alshorman et al. (2022) examined the effect of audit committee financial expertise and its independence on the performance of Saudi Arabian banks. In addition, the paper assesses the moderating effect of Environmental Disclosure (ED) on the association between audit committee characteristics and bank performance. The study's sample was drawn from banks listed on the Saudi Stock Exchange (SSE) between 2016 and 2020. Descriptive statistics and correlation analysis were applied to the collected data. The results suggested that audit committee independence and financial knowledge of audit committees positively affect bank performance in KSA. Moreover, ED moderated the relationship between audit committee independence and bank performance in KSA, as well as the relationship between financial knowledge of audit committees and bank performance in KSA. In future studies, the researchers propose using alternative accounting metrics and market measurements to provide a more complete picture of a firm's performance than conventional accounting measures.

Ajibola, et al., (2024) investigated the effect of audit committee and earnings management on firm value of quoted oil and gas firms in Nigeria. Ex-post facto research design was adopted. The population of the study was the nine oil and gas firms listed on the Nigerian Exchange (NGX) as at 31st December 2022. The study employed the nine firms as sample size using the census sampling technique. Data were obtained from the audited annual financial reports of the firms for a period of 2010-2022. Panel least square (PLS) was used in analyzing the collected data. The study found that earnings management has significant negative effect on firm value and audit committee has insignificant effect on firm value. The moderating effect of audit committee independence was discovered to be significant over the relationship between earnings management and firm value using accruals as proxy of earnings management. The reverse was the result when earnings management was proxied with total assets and profit. The study concluded that earnings management is a significant underlying factor that can negatively influence the value of firms and cause a decrease in its intrinsic value.

Abdulqawi et al. (2023) determined the effect of audit committee characteristics on the performance of the eleven insurance companies listed in Oman between 2015 and 2019. This study focuses on the audit committee meetings and their frequency, the size of the committee, their independence, and the knowledge or expertise they possess. After conducting data analysis on the specified dataset, the regression results revealed that audit committee size is statistically significant at a p-value less than .05. This indicates that the size of an audit committee has a significant impact on an insurance company's performance. In addition, the audit committee independence was statistically significant at p=.05, demonstrating that the independence of an audit committee plays a significant role in determining the performance of a company. Moreover, the Audit committee expertise variable had a p-value of less than 0.05, indicating that it is statistically significant. This can be interpreted as meaning that the frequency of meetings has a statistically significant impact on the performance of a company. The statistical significance of only three of the four variables was determined. The variable was excluded from the regression model because its p-value was greater than .05.

THEORETICAL FRAMEWORK

This work reviewed some theoretical frameworks and is underpinned by the following theories: Agency theory, and Resource Dependence Theory.

Agency Theory

Agency theory, as initially advanced by Jensen and Meckling (1976), posits that conflicts of interest arise between managers (agents) and shareholders (principals) when managers pursue personal objectives that may not align with those of the owners. This theoretical framework is highly relevant to our study because audit committees serve as a critical monitoring mechanism intended to mitigate agency problems by ensuring that management decisions are made in the best interests of shareholders. In this context, the inclusion of female members on audit committees is seen to enhance oversight and bring diverse perspectives that can improve decision-making processes and financial reporting quality, thereby potentially increasing firm value.

Researchers such as Huse and Solberg (2006) argue that gender diversity within boards and committees can lead to more effective monitoring, as diverse teams are better equipped to question and scrutinize managerial actions. Similarly, Albawwat and Al Harasees (2019) have demonstrated that the presence of women on audit committees is associated with improved financial reporting outcomes, suggesting that such diversity strengthens governance practices. Moreover, Huang et al. (2011) have found that gender-diverse audit committees send positive signals to financial markets, thereby enhancing firm performance through better alignment of managerial behavior with shareholder expectations.

Recent empirical studies such as those conducted by Ahmed et al. (2024) in the Egyptian banking sector and by Oradi and Izadi (2020) in Iranian firms further support the notion that agency theory provides a robust framework for understanding the benefits of audit committee gender diversity. These studies illustrate that diverse committees are more likely to curb managerial opportunism and reduce information asymmetry, ultimately contributing to improved firm performance. By applying agency theory to our investigation of Nigerian non-financial companies, we aim to explore whether ownership concentration moderates the relationship between audit committee gender diversity and firm value, thereby extending the theory's application to emerging market contexts and providing nuanced insights into corporate governance practices.

METHODOLOGY

This study adopted expo facto research design. The choice of the design was because the nature of the variables, especially the data for the study involved repeated observations of the same variables over periods. The population of the study is the one hundred and seven (107) listed non-financial companies in Nigeria and the decision is to use the entire population of one hundred and seven (107) listed non-financial companies in Nigeria for the study reflects a deliberate and comprehensive approach to research design.

Secondary source of data collection was used in the study. The data were extracted from the annual reports and accounts of the sampled companies, listed on the Nigerian Exchange Group and other relevant sources for a period of ten (10) years (2014 to 2023). The study used panel regression technique for data analysis. The technique was used to examine whether each independent variables is associated with the dependent variable and the moderating role of firm size.

For this study, models are specified and estimated.

$$\mathrm{FV} = \mathrm{f}(ACSIZE, ACFEX, ACIND, ACGDV)$$

$$FVit = \beta 0 + \beta 1ACSIZEit + \beta 2ACFEXit + \beta 3ACINDit + \beta 4ACGDVit + \mathcal{E}it$$

Where:

FV = Firm Value measured with Tobin's Q

ACSIZE = Audit Committee Size

ACFEX = Audit Committee Financial Expertise

ACIND = Audit Committee Independence

ACGDV = Audit Gender Diversity

β_0= coefficient of the parameter estimates.

εt= Error term of company i in time t

Table 1: Variables and their Measurement

Variables	Sign	Measures	Source

Firm Value	FV	Tobin's Q is calculated by the ratio of the market value of the firm plus debt divided by the book value of its assets.	Endri 2019 Almaqoushi& Powell (2017), Agyemang-Mintah & Schadewitz (2017), Zubair (2016)
Audit Committee Size	ACSIZE	total number of audit committee members of the company	Ozcan & Riza (2016), Gurmeen (2015) Orjinta and Ikueze; (2018)
Audit Committee Financial Expertise	ACFEX	Measured by Total number of members with accounting qualification, finance industry experience or membership of professional associations of audit committee	Muhammad, Suleiman, and Sani (2017); Bouaziz (2012)
Audit Committee Independence	ACIND	Ratio of number of non-executive members to total number of audit committee	Madrigal et al (2015)
Audit Committee Gender Diversity	ACGDV	measured as the percentage of women on the audit committee of a company	Hoa and Robert (2007); Peter and Hannu (2017) Qi and Tian, (2012),

Source: Researchers computation, 2025

RESULTS AND DISCUSSION OF FINDINGS

Table 2: Descriptive Statistics

	Mean	Max	Min	Std.Dev.	Skew	Kurt	Obs
FV	0.069022	0.125555	0.010000	0.029480	-0.29173	1.889062	210
ACSIZE	5.785714	8.000000	4.000000	0.608383	-0.74981	5.862946	210
ACFEX	0.150669	0.400000	0.000000	0.080132	-0.4422	4.013911	210
ACIND	0.402381	0.500000	0.166667	0.108734	-0.66485	2.414758	210
ACGDV	0.337902	0.750000	0.142857	0.119863	0.442689	3.356935	210

Source: Eviews Output, 2025

Table 2 presents the descriptive statistics for the key variables in the study, providing insight into the governance profiles and performance measures of the sampled firms. The firm value (FV) variable, with a mean of 0.069, ranges from 0.010 to 0.126 and has a standard deviation of 0.029. The slightly negative skewness (–0.292) indicates that the distribution is marginally left-skewed, with a few firms exhibiting higher firm value ratios. The kurtosis value of 1.889 suggests a relatively flat distribution with fewer extreme deviations than would be expected in a normal distribution. These figures suggest that, on average, the firms in the sample have modest market valuations, with limited dispersion—a finding that is consistent with studies on firm performance in emerging markets (Fama & Jensen, 1976).

The audit committee size (ACSIZE) variable has an average value of approximately 5.79 members, with the observed values ranging from 4 to 8. This aligns with typical recommendations set by the Nigerian Code of Corporate Governance (2018), which prescribes a minimum number of independent non-executive directors on audit committees. The negative skewness (–0.750) indicates that more firms tend to have committee sizes above the average, while the high kurtosis (5.863) suggests a leptokurtic distribution. This points to a clustering of values near the upper limit and the presence of a few firms with unusually large committees, which may reflect strategic choices or regulatory compliance pressures (Kurawa & Shuaibu, 2022).

Audit committee financial expertise (ACFEX) shows a mean of 0.151, implying that on average, about 15% of the audit committee members have specialized financial expertise. With a minimum of 0 and a maximum of 0.400, the variable exhibits moderate left skewness (–0.442) and a kurtosis of 4.014, indicating heavier tails compared to a normal distribution. These findings suggest that while many firms maintain a relatively low proportion of financial experts, a subset of firms significantly emphasizes financial expertise consistent with the challenges faced by emerging market firms in attracting qualified professionals (Abu, 2023).

Audit committee independence (ACIND) has a mean of 0.402, meaning that roughly 40% of the audit committee members are independent. The distribution's negative skewness (–0.665) suggests that while a few firms approach higher independence levels, overall, the average is below the optimal threshold often recommended by best practices. A standard deviation of 0.109 indicates moderate variability across firms, hinting at significant differences in how firms adhere to governance standards (Kurawa & Shuaibu, 2022).

Finally, audit committee gender diversity (ACGDV) has a mean of 0.338, with values ranging from 0.143 to 0.750. The positive skewness (0.443) indicates that most firms have lower levels of female representation on their audit committees, though a few firms achieve considerably higher diversity. A kurtosis of 3.357 points to a moderately peaked distribution, reinforcing the notion that gender diversity is an area of uneven implementation among firms. This observation is in line with recent findings in Nigeria, where gender diversity on boards remains suboptimal (Onmonya & Ebire, 2023).

Table 3: Correlation Matrix

Correlation Probability	FV	ACSIZE	ACFEX	ACIND
ACSIZE	0.074845			
	0.2803			
ACFEX	0.077631	-0.202450		
	0.2627	0.0032		
ACIND	0.212126	0.043914	-0.139342	
	0.0020	0.5268	0.0437	
ACGDV	-0.175945	-0.287705	0.121555	-0.104884
	0.0106	0.0000	0.0788	0.1298

Source: Eview Output, 2025

Table 3 presents the correlation coefficients among the key variables used in the study, namely firm value (FV) and various audit committee characteristics—audit committee size (ACSIZE), audit committee financial expertise (ACFEX), audit committee independence (ACIND), and audit committee gender diversity (ACGDV). The correlation between FV and ACSIZE is very weak ($r = 0.0748$, $p = 0.2803$), suggesting that the size of the audit committee does not have a statistically significant direct relationship with firm value. Similarly, the relationship between FV and ACFEX is weak ($r = 0.0776$, $p = 0.2627$) and also not statistically significant, indicating that a higher proportion of financial experts on the committee does not directly translate into improved firm value in a straightforward manner.

In contrast, FV exhibits a moderate positive correlation with ACIND ($r = 0.2121$, $p = 0.0020$), which is statistically significant. This finding implies that an increase in the proportion of independent directors on the audit committee is associated with an improvement in firm value. Such a relationship supports the notion that board independence enhances oversight and reduces agency conflicts, as proposed by Fama and Jensen (1976) and observed in recent empirical studies (Kurawa & Shuaibu, 2022). On the other hand, the correlation between FV and ACGDV is negative ($r = -0.1759$, $p = 0.0106$) and statistically significant, suggesting that higher gender diversity on the audit committee is associated with lower firm value. This counterintuitive result may reflect challenges in implementation or other contextual factors affecting female representation on audit committees, as noted in the literature on Nigerian corporate governance (Onmonya & Ebire, 2023).

Examining the interrelationships among the audit committee characteristics themselves, ACSIZE is negatively correlated with ACFEX ($r = -0.2025$, $p = 0.0032$). This indicates that larger audit committees tend to have a lower proportion of members with financial expertise, potentially due to coordination challenges or a dilution of specialized skills. Additionally, there is a negative correlation between ACFEX and ACIND ($r = -0.1393$, $p = 0.0437$), suggesting that committees with a higher level of financial expertise tend to have slightly fewer independent directors. Lastly, ACGDV is strongly and negatively correlated with ACSIZE ($r = -0.2877$, $p < 0.001$), implying that larger committees are associated with lower levels of gender diversity. Its correlations with ACFEX ($r = 0.1216$, $p = 0.0788$) and ACIND ($r = -0.1049$, $p = 0.1298$) are not statistically significant, which indicates that gender diversity may not have a straightforward relationship with these other committee attributes.

Table 4: Results of the Regression Analysis

Dependent Variable: FV				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
ACSIZE	-0.001118	0.001384	-0.807674	0.4203
ACFEX	-0.007908	0.012780	-0.618812	0.5368
ACIND	0.071720	0.009575	7.490631	0.0000
ACGDV	0.014418	0.008774	1.643301	0.1020
R-squared	0.897791	F-statistic		67.70923
Adjusted R-squared	0.884532	Prob(F-statistic)		0.000000

Source: Eview Output, 2025

The regression analysis in Table 4 evaluates the influence of various audit committee characteristics on the firm value (FV) of listed non-financial companies in Nigeria. The model exhibits substantial explanatory power, with an R-squared of 0.8978 and an adjusted

R-squared of 0.8845, indicating that approximately 88.45% of the variability in firm value is explained by the included variables. The F-statistic of 67.70923 and its corresponding p-value of 0.000000 confirm the model's overall statistical significance. The coefficient for ACSIZE is -0.001118, with a t-statistic of -0.807674 and a p-value of 0.4203, suggesting a negative but statistically insignificant relationship with firm value. This finding aligns with previous research indicating that merely increasing the number of audit committee members does not necessarily enhance firm performance (Lamido et al., 2023).

The coefficient for ACFEX is -0.007908, with a t-statistic of -0.618812 and a p-value of 0.5368, indicating a negative and statistically insignificant effect on firm value. This result suggests that the presence of financial experts on the audit committee alone may not directly influence firm value, potentially due to contextual factors within the Nigerian corporate environment (Yayangida et al., 2023).

ACIND shows a positive and statistically significant relationship with firm value, with a coefficient of 0.071720, a t-statistic of 7.490631, and a p-value of 0.0000. This suggests that a higher proportion of independent directors on the audit committee is associated with increased firm value, supporting the notion that independent oversight enhances corporate governance and firm performance (Kurawa & Shuaibu, 2022). The coefficient for ACGDV is 0.014418, with a t-statistic of 1.643301 and a p-value of 0.1020, indicating a positive but statistically insignificant relationship with firm value. While some studies have found that gender diversity within audit committees can enhance decision-making and firm performance, the lack of significance in this context may reflect the relatively low representation of women on audit committees in Nigeria (Onmonya & Ebire, 2023).

CONCLUSION AND RECOMMENDATIONS

The examination of audit committee characteristics and their influence on firm value among listed non-financial companies in Nigeria reveals several insights. Regular rotation and the independence of audit committee members are associated with enhanced firm value, suggesting that fresh perspectives and unbiased oversight contribute positively to corporate performance. The presence of financial experts within the audit committee significantly influences corporate performance, indicating that financial expertise enhances the committee's effectiveness in overseeing financial reporting. An optimal audit committee size is crucial, as both excessively large and small committees can negatively impact financial reporting quality and firm performance. Gender diversity within the audit committee has been found to have a positive but non-significant effect on corporate performance, suggesting that while diversity may bring varied perspectives, its direct impact on firm value is not substantial.

In light of these findings, these recommendations are proposed. First, firms should institutionalize periodic rotation of audit committee members to introduce fresh perspectives and prevent entrenchment, which can compromise objectivity.

Second, while financial expertise is valuable, it should be complemented with practical oversight experience to ensure meaningful contributions. Third, companies should adopt a balanced approach to committee size avoiding excessively large or small groups to promote effective deliberation and decision-making.

Based on the findings, companies should aim for an audit committee size that balances diverse viewpoints with effective decision-making.

Finally, gender diversity should be promoted as part of broader inclusive governance reforms, even if its immediate effect on firm value is not significant, as it contributes to long-term cultural and institutional development.

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