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EDITORIAL NOTE

It is with great pleasure and a profound sense of purpose that I welcome you to the maiden edition of the ***FRC Journal of Financial Reporting and Corporate Governance,*** a platform envisioned to deepen scholarship, stimulate policy dialogue, and enhance professional practice in the fields of financial reporting, auditing, assurance, valuation and corporate governance in Nigeria and beyond.

This inaugural issue marks a significant milestone in the knowledge development mandate of the Financial Reporting Council (FRC) of Nigeria. The journal is not only a scholarly repository but also a strategic initiative aimed at promoting transparency, accountability, ethical leadership, and institutional integrity through the power of evidence-based research and thought leadership.

In an era of rapid economic transformation and increasing complexity in financial markets, the need for high-quality financial reporting and strong corporate governance frameworks cannot be overstated. This journal seeks to bridge the gap between theory and practice, providing a platform for academics, practitioners, regulators, and policy-makers to interrogate emerging issues, share innovations, and propose reforms that align with global best practices.

In this maiden issue, you will find scholarly inquiries into the earnings quality of agricultural firms**,** ESG disclosure influences on investment decisions**,** and the effect of fair value hierarchy on accounting quality in commercial banks. Other contributions explore board attributes and human capital disclosure**,** the economic dimension of corporate social responsibility (CSR) in shaping financial outcomes, and enterprise risk management across Nigeria, Ghana, and South Africa. We also spotlight the increasingly vital theme of green accounting within the context of Nigeria's oil and gas sector.

I express deep appreciation to the Executive Secretary of the FRC of Nigeria, Editorial Board members, reviewers, contributors, and the FRC leadership whose commitment and intellectual rigor made this publication possible. Your support has laid the foundation for what we believe will become a respected academic and professional journal in the years ahead.

As we launch this journey, we invite researchers, regulators, practitioners, and stakeholders to engage with the ideas presented herein and to contribute actively to future editions. Together, we can shape a more resilient, transparent, and accountable financial ecosystem for Nigeria and the global community.

EDITORIAL DISCLAIMER: The authors bear full responsibility for the articles published in this Journal, and the opinions expressed do not necessarily represent those of the Financial Reporting Council of Nigeria.

Prof. Suleiman A. S. Aruwa
Editor-In-Chief
FRC Journal of Financial Reporting and Corporate Governance

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MODERATING EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE (ECONOMIC DIMENSION) ON BOARD GOVERNANCE MECHANISMS AND FINANCIAL PERFORMANCE OF LISTED MANUFACTURING FIRMS IN NIGERIA

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Abstract
Board governance plays a significant role in firms in emerging markets. Several previous studies concentrated on the relationship between corporate governance and financial performance, thereby ignoring moderating the effect of CSRD dimensions on each board governance mechanisms. This makes prior research to advocate the need for future studies to examine various board governance mechanisms such as board diligence, board independence, board compensation, board ownership and board size on relationship with financial performance. The objective of the study was to examine the effect of board governance mechanisms on financial performance moderated by CSRD disclosure. The study aimed to examine the effect of board governance mechanisms on financial performance, moderated by the CSR Economic dimension. Using an expo facto design, data from 308 listed manufacturing firms (construction, consumer goods, industrial goods, and agriculture) were analyzed with Ordinary Least Squares (OLS) after conducting diagnostic tests. Findings reveal a positive and significant relationship between board meetings and financial performance, as well as between board compensation and financial performance. Additionally, the results show that CSR economic dimension positively moderates the relationship between board compensation, board meetings, and financial performance.

Keywords: corporate governance, CSR economic dimension, manufacturing companies, foreign direct investment.

Introduction
The issue of poor financial performance has long been a challenge in capital markets, posing a continuous obstacle to sustainable firm development (Ge et al., 2024). Things got even more complicated, which put many businesses at risk and made people question how companies are being managed (Abi et al., 2024). Experts believe that the crisis was due to bad management within companies. They point out that there were issues not just with how companies were run internally, but also with the rules set by outside authorities. This includes problems with how risks were handled, how much executives were paid, how the board of directors operated, and how companies shared information (Chen, 2024). This caused deterioration of financial performance of many companies particularly in African countries.

Furthermore, Nigerians are starting to worry about how well their finances are doing (Ahmed et al., 2024). As a result of many firms were collapsed due to poor financial performance in Nigeria (Ahmed & Yahaya, 2024). There are quite a few well-known companies that have been affected. This includes West African Glass Industries, Vono Products Nigeria Plc, IPWA Plc, G. Cappa, Alumaco Investment, Allied Insurance, Jos International Breweries, Adswitch and Rokann. Even banks like Diamond Bank, Oceanic Bank, and Intercontinental Bank have had similar problems, just to name a few (Dauda & Onipe , 2024). All of this happened because of the nonchalant attitude exhibited by the managers of most companies, which led to financial scandals within these companies. These financial scandals affect the shareholders that invest huge resources with the expectation of high dividend (Uchenna et al., 2020). This result to breach of trust between management and shareholders, and could take various types, including work shirking, perquisite consumption, and overinvestment (Kong et al., 2020). This disagreement between the people running the companies and the people who own shares in them has been studied a lot by academics such as Bahaaeldin Samir Allam (2018) and Umenzekwe Peace et al. (2021) highlighting the difficulty nature of the issue. Additionally, the consequences of such wrongdoings and scandals can have profound effects on companies and their stakeholders, as illustrated in the research studies by Muhammad et al. (2020), Dosunmu et al. (2018) and Mustapha et al. (2020).

While numerous researchers have studied corporate governance, the practices of corporate governance in Nigeria have been widely critiqued. They are seen as significantly deviating from international standards and are currently perceived as quite inadequate (Abbas & Danjuma, 2020; Dosunmu et al., 2018; Ozili, 2021). However, corporate governance mechanisms research are concentrated on the banking sector (Abdulai et al., 2020; Bhatia & Gulati, 2021; Dosunmu et al., 2018; Manukaji , 2018; Omer , 2021; Rihab et al., 2020).

In Nigeria, the manufacturing sector has become crucial for economic growth and environmental impact due to its potential and this has drawn considerable attention (Shabbir et al., 2020). National Bureau of Statistics reported decline in the manufacturing sector's contribution to Nigeria's GDP over the years, with 11.77% in 1982 to 6% in 1998, which signifies that only increase of single digit was witness (National Bureau of Statistics, 2022). This trend has been further worsened which has led to a reduction in Nigeria's GDP growth rate and reduced the manufacturing sector's role to nominal GDP to 12.97% in the second quarter of 2022 (National Bureau of Statistics, 2022).

As several countries around the globe struggle to expand their manufacturing sectors either by financing on other investments or drawing attention of Foreign Direct Investors, which is expected to brought about new technologies, innovations and create more jobs (Chukwuebuka, 2020). Furthermore, United Nations Sustainable Development Goals (UNSDG) for Africa suggested the need for African economies to attract a significant amount of foreign direct investment (FDI) to enhanced growth through investment in important development infrastructure (Appiah-Kubi et al., 2020). African countries are performing very poorly in terms of FDI (Appiah-Kubi et al., 2020). This brought about the importance of corporate governance in recent years, not only in Nigeria but also globally, with many countries adopting codes and principles to promote best practices and improve FDI (Aljughaiman et al., 2024; Almarayeh, 2021; Appiah-Kubi et al., 2020). Nigeria's FDI performance has been low (Oyego & Aras, 2021). Nigeria FDI for 2023 was $1.87B, decline of 1102.46% from 2022 (World Bank, 2024). Nigeria FDI for 2022 was $-0.19B, decline of 105.64% from 2021(World Bank, 2024). Similarly, Nigeria is endowed with availability of raw materials and necessary resources which are very much important to attract the FDI (Haudi et al., 2020). Therefore, CSR economic dimension makes companies to produce high-quality products and services at minimal costs, while employing reusable packaging to minimize environmental pollution (Oláh et al., 2018). Such initiatives could be enhanced through foreign direct investors through production of customize products for developing countries with lower price (Haudi et al., 2020).

Moreover, food and beverage manufacturing companies operating in Nigeria have faced a series of formidable challenges, which have impeded their financial performance and operational activities. Evidently, the sector has been dealing with a variety of issues such as deteriorating cash flows, stagnant turnover, and poor liquidity management. This predicament has consequently led to a decline in profitability indicators, particularly shareholders' returns on equity (ROE) and returns on assets (ROA), as perceptively emphasized by authoritative studies by Hassan et al. (2020) and Umenzekwe et al. (2021). Other companies in the industry have faced similar issues. For example, Ellak Manufacturing has been dealing with potential disruptions in their operations as result of insufficient cash flow caused by poor sales. This shortage of funds has even led to the postponement of important meetings, such as those related to the company's corporate governance (Ellak, 2021).

Considering the crucial significance of corporate governance in fostering economic development, there is a need for more research. This research aim to establish a reliable and complete understanding of the most effective corporate governance mechanisms in Nigeria, extending the focus beyond just the banking sector.

Literature Review

Conceptual Framework

The study aims to explore the connection between board governance mechanisms and firm performance. To achieve this, the researchers design a model that considers both board governance mechanisms and corporate social responsibility (CSR) Economic dimensions.

This present model of this study is an extension of work of Adedeji et al. (2020) investigate different proxies for corporate governance mechanisms, including Board Composition, Board Size, and the presence of a board audit committee. The authors used sustainability initiatives as mediators, considering both social and environmental dimensions.

Lu et al. (2021) examined internal corporate governance mechanisms such as chief executive officer (CEO) power, the board size, independence, ownership concentration, managerial ownership, and audit quality on the connection between firm performance moderated by CSR, which only social dimension of CSR was examined. This present study have examined this model below in listed manufacturing firms in Nigeria in order to fill the gaps identified by previous studies.

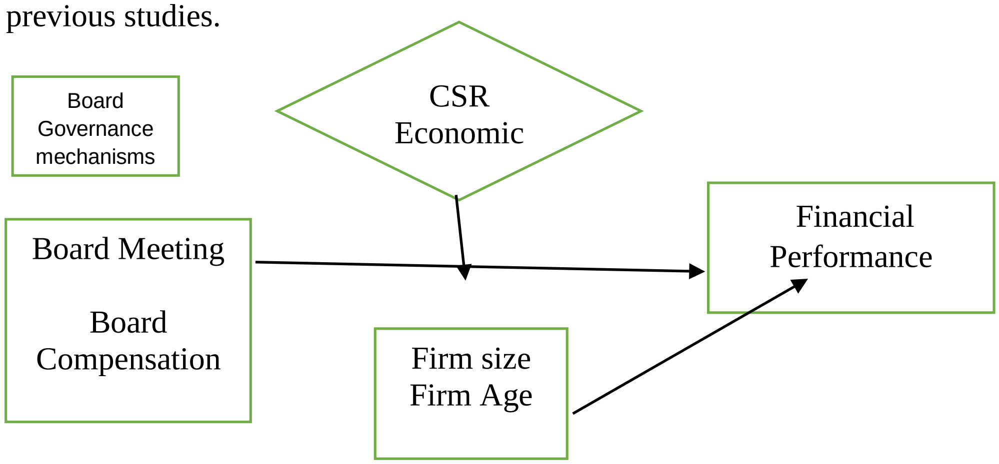

Figure 2.1: Conceptual Model of the study

The conceptual model presented directly above addresses the research needs identified by respected academic scholars. Its importance lies in its potential impact on advancing scholarly inquiry in this field. This contribution aligns with perspective Patrick (2022) emphasizes the necessity for future research efforts to focus on developing and validating innovative theories, frameworks, and models that explain the intricate and dynamic relationships between Corporate Social Responsibility (CSR), corporate governance, and firms' financial performance. However, the link between corporate governance mechanisms and financial performance may not always yield conclusive results. Scholars have proposed exploring the use of moderators or mediators in future studies to better understand these relationships (Puni & Anlesinya, 2020). This present study aims to fill several gaps and make significant contributions. Firstly, it expands upon the limited research regarding our understanding of board governance mechanisms and their impact on the financial performance of manufacturing companies.

Additionally, this study is one of the first to explore the influence between board governance mechanisms and financial performance, with the moderation effect of corporate social responsibility (CSR), specifically including the economic dimension. CSR Economic Dimension means socio-economic aspects of the business such as economic recession (Ghaderi et al., 2019). This will help manufacturing companies become more sustainable, navigate challenges effectively, and position themselves as competitive leaders in today's market (Yasamin et al., 2019). For manufacturing companies to have competition over rival companies, this was usually determined by total cost involved in manufacturing a particular product (Gao et al., 2020). This is another CSR (Economic dimension) measures known as product price (Orji, 2021). This entails product availability, as well as consumer choice options regarding delivery service, abilities to produce in smaller batches, mass customization processes (Esper et al., 2021). Scholars have also found a lack of sufficient literature specifically addressing the economic dimension of Corporate Social Responsibility (Bastas & Liyanage, 2018; Maignan, 2001, 2003; Martínez-Ferrero & García-Meca, 2020; Marwa Elnahass et al., 2020; Muhmad & Muhamad, 2020). Chen Jun et al. (2023) includes several control variables to consider factors that might influence financial performance.

Conceptual Review

Financial performance

Financial performance is crucial for an organization's ability to generate revenue by efficiently utilizing the available capital in the market (Akinyemi et al., 2021). In addition, financial performance serves as a critical instrument of an organization's effectiveness and efficiency in achieving its objectives. It reflects to what extent the company uses available assets to produce revenue within the market (Karamoy & Tulung, 2020). This brings about effectiveness of an organization hinges on management's ability to define clear goals and select the appropriate strategies to achieve them. This was done all in order aligned purpose with action (Karamoy & Tulung, 2020). In today's business environment, assessing financial performance extends beyond being a mere concern for company administrators and investors. It has become a vital facet with significant implications across the entire sector. Emphasis on financial performance is essential for decision making and ensuring sustainable growth (Abdel-Basset et al., 2020). In today's severely competitive business environment, companies strive to secure top positions within their sectors, thereby enhancing their competitive edge in the global market. Similarly, these rankings are often established based on thorough evaluations of firms' financial performance. Understanding and optimizing financial performance becomes a vital role in achieving sustainable success (Abdel-Basset et al., 2020).

Board Meeting

Board meetings are a clear sign of how engaged and active a board is in overseeing company management. The frequency of these meetings signifies involvement in the monitoring process (Kapil, 2023). Board meeting involves bringing together the board's directors to deliberate on matters pertinent to the Company (Kakanda et al., 2016). For the board to effectively discuss company issues, a platform known as Board Diligence must be utilized. This platform allows directors to access firm-specific information crucial for making strategic business decisions and monitoring management activities. It could be primary source of information for the organization (Arafat Hossain & Elaine Yen Nee Oon, 2021). Not only did it act as a principal source of information, but it also functioned as a mechanism to enhance corporate governance quality. This, in turn, paved the way for optimizing tax issues, thereby improving the firms' performance and value (Barros & Sarmento, 2019). To enhance firm performance, the Board of Directors must serve as an integral part of the internal control system, responsible for supervising and guiding management. This oversight is conducted primarily through regular board meetings (Gafoor et al., 2018). Furthermore, board diligence is a tool where good corporate guiding principles, are implemented in the organization and provide reports on the number of meetings carried out by the board of directors and the attendance of each member of the board present at the meeting (Afriyie et al., 2020).

Board Compensation
Board compensation includes salaries, bonuses, incentives, or allowances provided to board members (Nadia Khairani & Harahap, 2017). Researchers globally are interested in this topic due to its significant influence on board functions Compensation is crucial for researchers, policymakers, and regulators, but there’s a risk of directors expropriating funds (Khatib et al., 2023). Effective corporate governance is needed to minimize this risk (Nadolny et al., 2020). Managerial power during negotiations can increase compensation if the company performs well (Chen et al., 2020; Dah & Frye, 2017) Frequent board meetings can also raise compensation, motivating thorough examination of operations and aligning interests, leading to higher stock market valuations (Elnahass et al., 2020).

Empirical Review
Board meeting and financial performance
Shahrina liza salisi et al. (2024) employed hierarchical regression analysis to observe the interdependence between corporate governance, capital structure, and firm performance. The study applied both agency theory and resource-based view theory (RBVT) to explain the relationships. The frequency of board meetings was positively and significantly related to firm performance. Companies listed on the main board of Bursa Malaysia were chosen using a stratified random sampling method. Relevant data were extracted from the annual reports of selected companies for two periods: 2015-2016 (before) and 2018-2019 (after) the revised code. Mechanisms of Corporate Governance used in the study were Independence of Audit Committee, Board Meeting Frequency, Director’s Remuneration, Board Independence and Risk Management Committee.

Fater et al. (2024) examined the importance of corporate governance mechanisms on the cost of debt for consumer goods companies listed in Nigeria, the study specifically observes the influence of board size, board gender diversity, board independence, board meetings, and audit committee size on the cost of debt. The research employs an ex-post facto design, using data extracted from published audited annual financial reports of 16 sampled consumer goods companies listed on the Nigerian Exchange Group over a ten-year period (2012-2021). Rigorous testing for validity and reliability includes correlational tests, variance inflation factor analysis, and normality tests. Regression post-estimation involves heteroskedasticity testing. Panel data analysis is utilized, and multiple regression analysis using the Ordinary Least Square (OLS) model is most appropriate for testing the formulated hypotheses. The findings show that Board Meeting Attendance (BM) also significantly reduces the cost of debt.

Board Compensation and financial performance

Elnahass et al. (2022) examined the impact of compensation of directors' schemes on valuation of stock market in dual banking system, this made Islamic and conventional banks inclusive. Data from 2010 to 2015 was collected from sources like Thomson One Reuters DataStream, Bankscope, bank annual reports, and the World Bank database. Using Pearson Pair-Wise correlation matrix analysis and regression models with panel data estimation, the study addressed endogeneity issues. Findings showed a significant correlation between net income and board compensation for Islamic banks (0.216) and conventional banks (0.309) at the 5% significance level, highlighting a positive result on stock market valuations.

Mun et al. (2019) examined the influence of board of director compensation on the operational and financial outcome of U.S. restaurant firms using data from the COMPUSTAT database over 24 years. Analyzing 797 unbalanced panel observations, Tobin's Q was used to estimate expected board compensation. Results showed a significant correlation between board compensation and Tobin's Q. Interestingly; overcompensation did not negatively affect the operational and financial performance of these firms. The methodology was supported by previous research and justified accordingly.

Board Meeting and Financial Performance

Studies have shown that board meetings improve control within the institution and consequently promote the performance of the establishment of the hospital. Board Meeting serves as a tool for implementing good corporate guiding principles within the organization (Afriyie et al., 2020). Shahrina liza salisi et al. (2024) authors used a view of agency theory and resource-based view theory (RBVT) to clarify the relationship between corporate governance mechanisms and firm financial performance. The findings show board of directors' meeting frequency was positive and significant relation to firm performance. Fater Atagher and Iorlaha (2024) found board Meeting Attendance (BM) also significantly reduces the cost of debt, this could enhance financial performance. Based on the previous studies findings there is a positive relationship between board meeting and financial performance.

Board Compensation and Financial Performance

Resource theory suggests that larger boards can leverage their networking capabilities to enhance a firm's performance. Consequently, this improvement may lead to higher compensation offerings (Nadolny et al., 2020). In addition, the board of directors' compensation also seems to be influenced by firm performance and risk. Specifically, equity compensation is positively associated with Return on Assets (ROA (Dah & Frye, 2017). Ebimobowei Appah and Tebepah Sekeme Felix (2023) Researchers discovered that board compensation correlates positively and significantly with the return on equity of consumer goods manufacturing firms listed in Nigeria. This finding suggests financial rewards and benefits received by executives are linked to enhanced financial performance for these companies.

Based on the previous studies findings this study hypothesized a positive relationship between board compensation and financial performance.

Moderating effect of CSRD (Economic Dimension)

Corporate social responsibility (CSR) standards can promote a company's reputation and brand value by reducing the likelihood of noncompliance and avoiding reputational damage (He et al., 2024). It was confirmed that the CSRD economic dimension has a greater influence on utilitarian value than the social and environmental dimensions, which implies that companies tend to be more productive, with better economic performance in the longer period, and provide avenue for good products at competitive prices that will bring about sensations of utilitarian value for consumers (Currás-Pérez et al., 2018).

Abreu et al. (2021) found that CSR (economic dimension) increased customer value, this could enhance firm performance. Bae and Masud (2018) Researchers found that having more independent directors on company's board is associated with an increased emphasis on Corporate Social Responsibility (CSR), leading to greater Total Sustainability Disclosure and improved firm performance. In a separate study, it was found that companies with high ESG (Environmental, Social, and Governance) ratings generate abnormal returns. These positive returns ultimately contribute to higher profitability, which in turn leads to increased dividend payouts (Lagasio & Cucari, 2019). Based on the previous studies findings there is positive moderating relationship between CSRD economic dimension and financial performance.

Utilitarian Theory

Utility approach is the expression of utilitarian philosophy as mainly advocated by Jeremy Bentham (1748-1832) among others. The theory further states that social rules and arrangements are imperative to happiness and good of every individual while satisfying the desires of the whole society (Richard, 2019). The theory further classified into various aspects. These are economic perspectives, social cost, functionality view and Neo-functionalist. This present study used economic perspective as corporation is regarded as a part of the economic system, primarily concentrate on profit maximization (Secchi, 2007).

Methodology

This research employs ex-post factor design which deals with repeated observations on the same entities (e.g., individuals, firms) across multiple time points. These data structures allow for the examination of both individual-specific and time-varying effects (Dimitrios Asteriou & Hall, 2021). Data was collected from listed manufacturing companies in Nigeria. These companies consist of four sectors. These are Agriculture, Industrial goods, Consumer goods and construction. The target population for the study is listed manufacturing companies on the Nigerian stock exchange from 2012 to 2021 was purposively selected as they are the companies with publicly published financial reports, in order to get the required data. About 308 observations were used in the study. Furthermore, Companies with missing key variables such as corporate governance and CSR were excluded (Borchers, 2022).

Data was analysed using Ordinary Least Squares (OLS) estimation procedure. The regression model is specified below.

Y = f (BG, CSR)

Where Y represent firm performance, BG is the Board Governance and CSR is the Economic dimension, of Corporate Social Responsibility. Y is provided by Return on Asset.

BG = f (BM, BCOM).

Therefore, $ROA_{it} = \beta_0 + \beta_1 BM_{it} + \beta_2 BCOM_{it} + \varepsilon_0$-------------------Equation 1

Therefore, it $ROA = \beta_3 BM_{it} \times CSR + \beta_4 BCOM_{it} \times CSR$-------------------Equation 2

Variables Measurement.

Table 5: Variable Measurement

S/N	Variables	Variable Name	Measurement	Source
1	***Dependent Variable*** Return on Asset	ROA	Net earnings/total assets	(Ciftci et al., 2019)
2	***Independent Variable***			
	Board Compensation	BCOM	Salaries, bonus, in kind benefits and directors' attendance fees.	(Marwa Elnahass et al., 2020)
	Board Meeting	BM	Number of meetings held during the year.	(kanakriyah, 2021)
	Moderating Variable			
	CSR Economic	CSRD	GRI index	(Pucheta-Martínez, 2018)
3	**Control Variables**			
	Firm size	FS	Natural Log of Total assets of a firm.	(Rita Wijayanti & Setiawan, 2023)
	Firm Age	FA	the aggregate number of years elapsed since its establishment	(Mine Aksoy et al., 2020)

Results and Discussion

1.3.1 Descriptive Statistics

Table 1

Variables	Mean	SD	Min	Max	N
ROA	0.1449	0.270996	-0.4043	0.8136	308
BSC	4.43290	1.009051	2.5172	7.9956	308
BM	0.728831	0.382238	0.22	0.52	308

Table 1 shows mean of ROA is approximately 14.49%. This indicates the average return on assets across the sample of companies. The positive mean shows that, on average, companies generate a return on their assets. The standard deviation of 27% indicates the variability or dispersion of ROA values around the mean. A higher standard deviation suggests greater variability in how companies perform in terms of ROA. Companies with ROA values farther from the mean may have more volatile financial performance.

Table 1 shows mean value which indicates that, on average, board members receive approximately ₦4.43 million. The minimum compensation is approximately ₦2.52 million, while the maximum is around ₦7.99 million. This findings is similar to that of Mun et al. (2019) found mean value of total board compensation was about $7.78 million with a mean number of directors of 5.87. Authors found board compensation has a positive effect on firm growth and capital investment in USA restaurant companies.

Table 1 shows this mean value indicates that, on average, board members attend approximately 72.88% of scheduled board meetings. Standard Deviation 38.22%. Some board members may attend significantly more or fewer meetings than the average. The minimum attendance percentage is approximately 22%, indicating that some board members attend relatively few meetings.

Correctional Analysis

Table 2 Correlational analysis

	Correlational Matrix		
Variables	ROA	BSC	BM
ROA	1		
BSC	0.1827	1	
BM	0.087	-0.0898	1

Table 2 shows results of Pearson correlation matrix, which indicate the absence of multicollinearity problem. Because maximum values do not exceed the threshold value (0.90) of correlation and (10) of the VIF (Dimitrios & Hall, 2021). This signifies that existence of perfect multicollinearity indicate that OLS method cannot provide estimates for population parameters (Dimitrios & Hall, 2021).

Table 3: Test of Hetroscedasticity

Fitted values of ROA (Return on Assets)		
chi^2 value	**df**	**P**
32.84	1	0.0000

Table 3: shows very low p-value (less than 0.05) indicate that null hypothesis of constant variance is rejected. This indicates that there is significant evidence of heteroskedasticity in the model concerning the fitted values of ROA (Dimitrios & Stephen, 2007).

Table 4: Multicollinearity

VARIABLES	**VIF**	**1/VIF**
BSC	1.32	0.756387
BM	1.17	0.856682
AGE	1.26	0.795734
LOGFS	1.69	0.593346
MEAN VIF	4.17	

Table 4: shows the Mean VIF is 4.17 fall within acceptable range. This indicate there is no multicollinearity between the variables (Dimitrios Asteriou & Hall, 2021).

Regression Result

relationship between board compensation and board diligence with financial performance with statistical significance of $p < 0.05$. The findings are in consistence with Secchi (2007), which supports utilitarian theory through emphasizing actions that maximize happiness. Furthermore, Mishra & Vishvas (2019) affirmed that the CSRD economic dimension fosters economic performance, while Cuesta-Valiño et al. (2019) highlighted its role in enhancing customer loyalty and satisfaction. The coefficient for board compensation (BSC) is estimated at 0.0583037, indicating a significant positive relationship with Return on Assets (ROA) $p < 0.05$. The findings is consistence with Mun et al. (2019) and Elnahass et al. (2022), who confirmed a positive influence of board compensation on stock market valuations and financial performance across various sectors. The coefficient for board diligence (BM) is 0.0905654, indicating that an increase in board meeting diligence corresponds to a 0.0905 unit rise in ROA $p = 0.028$. This results is in line with Fater et al. (2024) and Salisi et al. (2024), who found board meetings positively influence firm performance and cost of debts.

Table 4.6: Ordinary Least Squares

Ordinary Least Squares				
Dependent Variable: ROA				
	Coef	Standard error	Robust standard error	P Value
BSC	.0583037	.0151683	.0159114	0.000
BM	.0905654	.0409404	.0440092	0.028
AGE	.0000637	0008869	.0440092	0.727
FS	-.0456737	.0168801	.0176523	0.039
Bsc-csreco	.0115449	.0009635	.0007785	0.00
Bd-csreco	.019655	.0008745	.0009754	0.025
Number of obs	308			
F(4, 303)	5.56			
Prob > F	0.0002			
R-squared	0.1683			
Adj R-squared	0.0560			
Root MSE	.26329			

ROA=Return On Asset, BSC= Board Compensation, BD= Board Diligence, FAGE=Firm Age, FS= Firm size.

Source: STATA

The Corporate Social Responsibility Disclosure (CSRD) economic dimension strengthens the monitoring bodies such as Central Bank of Nigeria (CBN), benefit from this results as flow of FDI into a country transforms into uninterrupted flow of foreign exchange. This aid Central Bank maintain a contented reserve of foreign exchange (Haudi et al., 2020). Practitioners in manufacturing industries made a serious concern regarding shortage of funds has even led to the postponement of important meetings, such as those related to the company's corporate governance (Ellak, 2021).

The study contributes to corporate governance literature by demonstrating how CSRD economic dimension interacts with board governance mechanisms, reinforcing utilitarian theory in financial performance relationships with board governance mechanisms.

Conclusion and Recommendation

In conclusion, this article contributes to knowledge of how board governance can moderate financial issues in manufacturing companies. By emphasizing the significance of CSR economic dimension, the research provides practical implications for policymakers and regulators. Strengthening CSR economic dimension enhances financial performance and promote foreign direct investment through product innovation which bring about high quality product, these strategies attract foreign investors.

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