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Transparency and Integrity in Nigeria Listed Firms
(The Saints and Sinners Behaviour toward Corporate Performance)

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Abstract: *The study empirically reviewed transparency and integrity in Nigeria firms with focus on the saints and sinners behaviour towards corporate performance. Secondary data were collected from published financial statement of sixty (60) firms to represent saints and sinners firms from 2008-2021. Return on assets was used to proxy corporate performance (dependent variables), while board size, board independence, board meetings, board diversity, audit committee meeting, audit independence and audit diversity were used as proxy for transparency and integrity. The data were analysed using the panel OLS regression analysis. It was established from the result that board size, board independence, audit committee meeting and audit independence all have noticeable influence on corporate performance. It was therefore recommended among others that to improve corporate performance those at the hem of affairs should beam their spotlight on increasing board independence and audit independence as this will ensure greater transparency and act as effective monitoring tool.*

Keywords: Corporate Governance, Transparency, Integrity, Corporate Performance, Saints and Sinners Firms

Introduction

The issue of corporate governance cannot be over emphasized. Academics and the business world have recently focus their attention on topics such as participation in company management, the structure and composition of the board of directors, the power and responsibility of boards of directors, institutional investors', and remuneration policies for senior managers and directors among others. Regulators, Practitioners, and researchers have recognize the significance of excellent corporate governance, an observant board of directors, a well-timed and sufficient disclosure of financial information, and significant disclosure about the corporation, and obvious ownership in enhancing the well-being of the company. (Saito & Dutra, 2006).

Corporate governance principles in the management of organizations is a force to reckon with, particularly in acknowledgement of the importance contemporary firms plays in the development of any economy, the need to make certain good governance standard to the effective management of the organisation. (Amoateng *et al*, 2017). In view of the above, corporate governance has turned into a critical subject matter due to the considerable changes in corporations and firms lately (Elshandidy & Neri, 2015).

Many studies have opined that openness, disclosure and integrity will help organization to reduce information asymmetry among investors. For the public confidence to be restored, organization must provide transparency and superior information on resources and control structure of how the company is been managed. (Bauwhede & Willekens, 2008; Djokic & Duh, 2015).

Openness and adequate information disclosure on resources and control structure keeps investors abreast about the way a company is being managed and these tend to re-establish public trust in the markets (Patel & Dallas 2002; Bauwhede & Willekens 2008). Prior studies have shown that improved disclosure has an optimistic impact on the competent working of capital markets (Healy & Palepu 2001; Patel & Dallas 2002).

As a result of the incessant scandals organisations are involved in, corporate governance has now become an important topic in virtually all fields of human endeavour. (Larcker & Tayan, 2011). Also, most research on corporate governance is directed towards good governance, which is considers interests of different groups of stakeholders.

This study therefore seeks to examine the association between transparency, integrity and corporate performance in emerging market such as Nigeria.

Concept of Transparency and Integrity

Transparency and integrity of companies is one of the major issues bothering people who are related with the capital market from various nations. According to Jahanshad, Heidarpoor, and Valizadeh (2013) transparency is the availability of broad access to significant and trustworthy information regarding the financial performance, governance, investment opportunities, vibration and risk taking in economy. Transparency of firm assures overall investors of receiving consistent dependable information concerning the organization's value as well as making managers and stakeholders alike not to violate their rights. Also, instead of pursuing short term individual goal, it encourages managers to aim for the companies' value. (Bano, *et al* 2018)

Corporate transparency can be divided into two prime factors which are financial transparency and governance transparency. Governance transparency can be defined as the intensity of the governance disclosure while financial transparency can be defined as the intensity and timeliness of the financial disclosure. The role of transparency is to ensure that the disclosure of information is clear and appropriate to the time requirements and bring importance to all parties that share interests with the company. Furthermore, the role of transparency in the revival of markets is shown by achieving credibility in the provision of financial information. Transparency and integrity provides information and data that reduces uncertainties and increases the ability of financial markets to assess risks (Henriques, 2013)

Saints and Sinners Behaviour

There are various ways of classifying firms as saints or sinners. One of these is their involvement in corporate social responsibility (CRS). Firms are expected to give back to the society where they carry out their business. CRS is seen as a very serious issue as it is tailored towards addressing the weird socio, economic and failed political system. Therefore amelioration of poverty, provision of health care facilities, infrastructural improvement like roads, electricity and education are the peculiar socio-economics factors that confronts companies in setting their corporate social responsibility objectives (Soundarya, 2016; Amaeshi, 2006). CSR has been found to have great impact on corporate performance (Jin & Drozdenko, 2010; López-Arceiz, *et. al.*, 2018; Miras Rodriguez, *et. al.*, 2014; Petrenko, *et. al.*, 2016).

In Nigeria, one of the criteria to evaluate firms' involvement in CSR is the Carroll's (1991) corporate social responsibility (CSR) model. The model states that four kinds of social responsibilities constitute total CSR in Nigeria. They are: economic responsibility, legal responsibility, ethical responsibility, and philanthropic participation.

Another way of classifying firms as saints or sinners is based on their level of compliance with the lay down rules such as corporate governance ethics/code of conduct. A company who do not comply with corporate governance principle and are made to pay penalty are often seen as corporate sinners while those who comply with the corporate governance principle are termed corporate saint (Wokutch & Spencer, 1987).

Summarily, saints companies as used in this study refer to firms that have contributed in no small measure to the economy and social wellbeing of the in their host community and the country at large. While for the sinners company are those that have failed in their obligations to their host communities, not complying with Central Bank of Nigeria (CBN), Security and Exchange Commission (SEC), Financial Reporting Council of Nigeria (FRC) guidelines and code of corporate governance, and those who are made to pay penalty for various infractions (NCCG,2018)

Theoretical Review

Agency theory

Agency theory was exposited by Alchian and Demsetz (1972) and further advanced by Meckling and Jensen (1976). The theory explains the link between the principal and its agents. The agents execute work on behalf of his principal. He delegates the administration of the business to the managers, who ensures that work is done properly, (Clarke, 2004). On the contrary, in most cases, the agent becomes selfish and lackadaisical (Padilla, 2000). According to Donaldson and Davis, (1991), there are glitches that emanate from separating ownership and control. Often times, the representative may become egocentric, unscrupulous and misguided amidst the goals of the principal and the agent's pursuits. However the theory was presented fundamentally to separate between ownership and control (Bhimani, 2008). **Stewardship Theory**

This model emanated from sociology and psychology and is well-defined by Donaldson, Schoorman, and Davis, (1997) who state that "a steward protects and maximizes shareholders wealth through firm performance, because by so doing, the steward's utility functions are maximized". Stewards as the firm administrators are expected to protect and create returns for the stakeholders. Stewardship theory laid prominence not on the perception of uniqueness but rather on the part of those at the hem of affairs as stewards incorporating their objectives as part of the organization (Donaldson & Davis, 1991). It is when organizational success is attained that stewards are believed to be satisfied and motivated. The model distinguishes the significance of organizations that permit the steward and offers supreme sovereignty built on trust (Donaldson & Davis, 1991). It emphasis on the need for personnel to carry out their duties more autonomously to ensure optimality to stakeholders' returns, which will invariably decrease the costs of checkmating behaviors (Donaldson Schoorman, & Davis, 1997).

Stakeholder Theory

This theory was first introduced in 1970 by the management discipline and later advanced by Freeman in 1984. The theory incorporates company answerability to a broad range of stakeholders. Wheeler, Colbert, & Freeman, (2003) contended that stakeholder theory sprung from the amalgamation of the sociological and organizational disciplines. The theory is broad in the sense that it incorporates organizational science, philosophy, ethics, political theory, economics and law. It can be seen as "any group or individual who can affect or is affected by the achievement of the organization's objectives". Unlike agency theory where the relationship is that of a servant- master relationship. The stakeholder's philosophers advocate that administrators in establishments have a network of connections to work for the business partners, dealers and staffs other than just having a master-servant affiliation as seen in agency theory (Freeman, 1999). Inkpen & Sundaram (2004) opine that stakeholder theory endeavors to enlighten the group of stakeholders deserving and requiring management's attention.

Empirical Review

Wanyama and Olweny (2013) examined the impact of corporate governance on financial performance in Kenya with reference to listed insurance firms on Kenya stock exchange. Using two performance indices (ROA and ROE) the panel regression result shown that CEO duality, leverage and board composition, have direct impact on corporate financial performance, while board size has an inverse relationship on performance.

Ashbaugh-Skaife and Fred (2013) examined the impact of corporate governance mechanisms on firms' performance in Indonesia. The study considered 156 firms quoted on Indonesia Stock Exchange. The panel regression analysis technique was utilized in estimating the data. The study revealed that board size had an enhancement effect on firms' performance.

Van Ven and Elbertsen, (2014), study the correlation amid corporate governance parameters and performance of the organization. The study employed the panel data technique for various textile firms. It was discovered from the result that there was a significant association between director's remuneration and profitability but that there was no association of board size, board independence, board meetings reconvening and profitability

Emesuanwu, *et al.* (2015), looked at the impact of corporate governance on microfinance banks performance in Nigeria. The study employed panel regression analysis method. Using EPS and ROA to calculate performance, the result revealed that board composition and board committee have positive impact on the performance of microfinance banks in Nigeria.

Vu Nguyen, (2017) studied effect of corporate governance and firms performance in Singapore using 137 listed firms from 2013-2016. The study employed the Panel ARDL estimation technique to measure the variables of interest. The result reveal that board dimensions has an inverse effect firms' performance. It was also revealed that CEO duality and board independence had marginally affected the performance of the selected firms.

Shao, (2018) carried-out a study on the effect of corporate governance effect financial performance in Ethiopian. The Study employed the panel OLS regression analysis technique to estimate the bank data collected for the study. It was revealed that board gender diversity does not have any significant effect on bank value. It was further discovered that the educational qualifications of board members had positively and significant implications on the performance of the banks selected.

Methodology

The study used panel research design with an extensive reliance on secondary data obtained from Nigeria Exchange Limited (NGX). The population of the study consist of all the quoted firms in NGX, while the sample size consists eighty (60) financial and non-financial firms (Thirty (30) each representing saints and sinners firms) from 2008-2021. This represents four hundred and twenty (420) firm-annual observations for each firm. The "saints" labels for firms with no crime and are into corporate social responsibility while the "sinners" labels for firms with crime/ penalty and giving back to the society. The panel OLS regression method was utilized for the analysis. Hausman test was carried out to select between the fixed and random effect model. Also descriptive statistics and correction matrix were performed on the data.

Model Specification

For the purpose of this study, the multivariate econometric models were specified and estimated. The models examine the relationship between the level of transparency and integrity (corporate governance) variables and corporate performance in saints and sinners firms. The functional forms of the models are presented as;

ROA_{SN} = f (BS, BM, BI, BD, AM, AI, AD) --------------------------- **Model 1**

ROA_{ST} = f (BS, BM, BI, BD, AM, AI, AD) --------------------------- **Model 2**

The above can be specified in econometrics form as;

$ROA_{SNit} = \beta_0 + \beta_1 BODS_{it} + \beta_2 BM_{it} + \beta_3 BI_{it} + \beta_4 BD_{it} + \beta_5 AM_{it} + \beta_6 AI_{it} + \beta_7 AD_{it} + U_{it}$ --------**(1)**

$ROA_{STit} = \beta_0 + \beta_1 BODS_{it} + \beta_2 BM_{it} + \beta_3 BI_{it} + \beta_4 BD_{it} + \beta_5 AM_{it} + \beta_6 AI_{it} + \beta_7 AD_{it} + U_{it}$ --------**(2)**

Table 1: Operationalization of Variables

Variables	**Types**	**Meaning**	**Measurement**	**A priori Signs**
ROA_{SN}	Dependent variable	Return on asset for sinner firms	Profit after tax/ total assets	
ROA_{ST}	Dependent variable	Return on asset for saint firms	Profit after tax/ total assets	
BS	Independent Variable	Board Size	Number of persons in the Board of Directors	+
BM	Independent Variable	Board meetings	Number of meetings held by the Board in a year.	+
BI	Independent Variable	Board Independence	% of Non Executive Directors to board size	+
BD	Independent Variable	Board Diversity	% of Female to board size	+
AM	Independent Variable	Audit committee Meetings	Number of meetings held by Audit committee in a year.	+
AI	Independent Variable	Audit committee Independence	% of Shareholders to Directors in the committee	+
AD	Independent Variable	Audit committee Diversity	% of Female to audit committee size	+

Presentation and Interpretation of Results

Descriptive Statistics

The descriptive statistics of the pool data of the dependent and the independent variables is presented below. The essence of this is to indicate the level of disparity among the variables.

Table 2: Descriptive Statistics

	ROA	BS	BM	BI	BD	AM	AI	AD
Mean	8.10	9.02	4.65	65.56	17.64	3.60	45.11	15.00
Meadia	7.45	9.00	5.00	70.00	16.05	4.00	50.00	16.70
Maximum	37.20	15.00	9.00	91.20	50.00	6.00	66.70	60.00
Minimum	-87.20	8.00	4.00	22.30	11.10	2.00	50.00	16.70
Skewness	-2.99	-1.23	-0.98	-1.66	0.42	-1.36	-2.45	0.73
Jarque Bera	1412.44	29.82	20.11	52.14	3.32	33.20	158.90	7.82
Prob	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.02

Source: Researcher's Computation 2022

Table 2 above shows the descriptive statistics result. As observed, ROA has a mean of 8.10, maximum of 37.20 and minimum of -87.20. BS has a mean of 9.02, maximum of 15.00 and minimum of 8.00. BM has a mean of 4.65, maximum of 9.00 and minimum of 4.00. BI has a mean of 65.56, maximum of 91.20 and minimum of 22.30. BD has a mean of 17.64, maximum of 50.00 and minimum of 11.10. AM has a mean of 3.60, maximum of 6.00 and minimum of 2.00. AI has a mean of 45.11, maximum of 66.70 and a minimum of 50.00 and AD has a mean of 15.00, maximum of 60.00 and minimum of 16.70 respectively. It was observed from the result that variables of BD and AD are positively skewed and this indicate that their mean were peaked to the right. While the variables of ROA, BS, BM, BI, AM and AI are negatively skewed, meaning that their means were also peaked to the left. The Jarque-Bera statistics indicate that the variables of ROA, BS, BM, BI, AM, AI and AD appears to satisfy the normality assumption of 5% with their p-value failing below 0.05, while the BD did not satisfy the normality test at 0.05.

Table 3: Correlation Matrix

	ROA	BS	BM	BI	BD	AM	AI	AD
ROA	1.00							
BS	0.66	1.00						
BM	0.07	0.71	1.00					
BI	0.18	0.70	0.70	1.00				
BD	-0.15	0.33	0.69	0.45	1.00			
AM	0.01	0.72	0.67	0.65	0.59	1.00		
AI	0.19	0.82	0.77	0.85	0.47	0.82	1.00	
AD	-0.10	0.10	0.45	0.20	0.65	0.40	0.34	1.00

Source: Researcher's Computation 2022

The correlation matrix result above shows that there exist a positive and fairly strong association between ROA and BS (ROA/BS=0.66). There exist a positive and very weak association between ROA and BM (ROA/BM=0.07). There exist a weak association between ROA and BI (ROA/BI=0.18). The result also show a weak and positive association between ROA and BI (ROA/BI=0.18). There exist a negative and very weak association was seen between ROA and BD (ROA/BD=-0.15). There exist a positive and very weak association between ROA and AM (ROA/AM=0.01). There exist a positive and weak association between ROA and AI (ROA/AI=0.19). Lastly, there exist a negative and weak association between ROA and AD (ROA/AD=-0.10). Generally, the correlation result shows that the transparency and integrity variables are weakly associated with ROA in the sampled companies.

Table 4: Panel OLS Result

	MODEL 1			**MODEL 2**		
Variables	Coeff	T-Stat	Prob	Coeff	T-Stat	Prob
C	0.41	0.15	0.88	-7.71	-6.25	1.00
BS	0.65	1.00	0.33	-2.30	-0.65	0.52
BM	-2.72	-2.15	0.03	-1.42	-0.39	0.70
BI	-0.29	-3.01	0.00	-0.14	-0.50	0.62
BD	-0.02	-1.16	0.88	-3.40	-1.53	0.14
AM	5.26	2.30	0.03	-0.40	-1.60	0.12
AI	0.23	1.08	0.29	1.41	1.91	0.06
AD	-0.02	-1.16	0.88	-3.40	-1.53	0.14
	R^2= 0.54 Adjusted R^2= 0.45 F-Stat= 5.61 (0.00) DW Stat= 1.52			R^2= 0.22 Adjusted R^2 ==0.07 F-Stat= 1.47 (0.21) DW Stat= 2.44		

Source: Researcher's Computation 2022

From the model one pool OLS result above, the coefficient of determination of 0.54 shows that only 54% systematic variations in ROA of the pooled firms over the period of interest jointly describe the independent variables. The unexplained part of the dependent variable can be attributed to the exclusion of very important independent variable that can explain the dependent variable but are outside the scope of this study. The F-statistics value of 5.61 and its associated P-value of 0.00 shows that the OLS pooled regression model on the overall is statically significant at 5% level. The result also showed that BS, AM and AI positively impact ROA, though only AM has a significant impact. Also, BM, BI, BD and AD have a negative effect on ROA with BM and BI having a significant effect on ROA.

From the model 2, the pool OLS result coefficient of determination of 0.21 shows that only 21% systematic variations in ROA of the pooled firms over the period of interest is jointly describe by the independent variables. The unexplained part of the dependent variable can be attributed to the exclusion of very important independent variable that can explain the dependent variable but are not captured or are outside the scope of this study. The F-statistics value of 1.59 and its associated P-value of 0.24 shows that the OLS pooled regression model on the overall is statically insignificant at 5% level. The result also showed that all the variables except AI have a negative effect on ROA.

Table 5: Panel OLS (Fixed Effect Model)

	MODEL 1			**MODEL 2**		
Variables	Coeff	T-Stat	Prob	Coeff	T-Stat	Prob
C	-3.02	-0.81	0.43	13.45	0.93	0.36
BS	0.57	0.77	0.45	-5.88	-1.18	0.25
BM	-1.99	-1.25	0.23	-2.27	-0.51	0.61

BI	-0.19	-1.46	0.16	0.06	0.13	0.89
BD	0.08	0.34	0.74	0.34	0.77	0.45
AM	2.23	0.63	0.54	-12.92	-3.50	0.00
AI	0.29	1.14	0.27	1.84	1.51	0.15
AD	-0.02	-0.18	0.86	0.35	0.84	0.41
	R^2= 0.62 Adjusted R^2= 0.34 F-Stat= 2.24 (0.04) DW Stat= 1.44			R^2= 0.61 Adjusted R^2 ==0.27 F-Stat= 1.79 (0.09) DW Stat= 3.04		

Source: Researcher's Computation 2022

Table 6: Panel OLS (Period Random Effect)

	MODEL 1			MODEL 2		
Variables	Coeff	T-Stat	Prob	Coeff	T-Stat	Prob
C	0.41	0.14	0.89	1.02	0.08	0.93
BS	0.65	0.90	0.38	-2.37	-0.68	0.50
BM	-2.72	-1.94	0.03	-1.28	-0.35	0.73
BI	-0.29	-2.91	0.01	-1.64	-0.57	0.57
BD	-0.16	-1.02	0.31	0.26	0.67	0.51
AM	5.26	2.08	0.05	-4.73	-1.67	0.10
AI	0.23	0.98	0.34	1.44	1.96	0.05
AD	-0.02	-0.14	0.89	-0.41	-1.60	0.12
	R^2= 0.54 Adjusted R^2= 0.44 F-Stat= 5.61 (0.00) DW Stat= 1.52			R^2= 0.21 Adjusted R^2 ==0.06 F-Stat= 1.39 (0.24) DW Stat= 2.44		

Source: Researcher's Computation 2022

Table 7: Hausman Test

	MODEL 1			MODEL 2		
Test Summary	Chi. Square Stat	Chi. Square df	Prob	Chi. Square Stat	Chi. Square df	Prob
Period Random	0.00	7	1.00	0.00	7	1.00

Source: Researcher's Computation 2022

From Table 5, 6 and 7 above show the fixed effect, random effect and the Hausman test result for model 1 and model 2 respectively. The Hausman test result showed that the null hypothesis which stated that random effect test was the most appropriate is accepted. Therefore, the fixed effect model is rejected and the random effect model accepted as the basis for this study's analyses for both models (sinners and saints firms). The study therefore based its analyses and findings on the random effect models. To this end, the study re-estimated the random effect models thus:

Table 7: Panel OLS (Period Random Effect)

	MODEL 1			MODEL 2		
Variables	Coeff	T-Stat	Prob	Coeff	T-Stat	Prob
C	0.41	0.14	0.89	1.02	0.08	0.93
BS	0.65	0.90	0.38	-2.37	-0.68	0.50
BM	-2.72	-1.94	0.03	-1.28	-0.35	0.73
BI	-0.29	-2.91	0.01	-1.64	-0.57	0.57
BD	-0.16	-1.02	0.31	0.26	0.67	0.51
AM	5.26	2.08	0.05	-4.73	-1.67	0.10
AI	0.23	0.98	0.34	1.44	1.96	0.05
AD	-0.02	-0.14	0.89	-0.41	-1.60	0.12
	R^2= 0.54 Adjusted R^2= 0.44 F-Stat= 5.61 (0.00) DW Stat= 1.52			R^2= 0.21 Adjusted R^2 ==0.06 F-Stat= 1.39 (0.24) DW Stat= 2.44		

Source: Researcher's Computation 2022

From model 1 pool OLS result above, the coefficient of determination of 0.54 shows that only 54% systematic variations in ROA of the pooled firms over the period of interest is jointly describe by the independent variables. The unexplained part of the dependent variable can be attributed to the exclusion of very important independent variable that can explain the dependent variable but are outside the scope of this study or were not captured. The F-statistics value of 5.61 and its associated P-value of 0.00 shows that the OLS pooled regression model on the overall is statically significant at 5% level. The result also showed that three of the explanatory variables were rightly signed (BS, AM and AI). The result showed that BS, AM and AI positively impact ROA, while BM, BI, BD and AD have negative effect on ROA. The coefficient of BS, AM and AT shows that 1% increase in the variables will bring about 0.65, 5.26 and 0.23 percent increases in ROA, though only AM has significant impact. Also, the coefficients of BM, BI, BD and AD reveal that 1% increase in the variables will lead to 2.72. 0.29, 0.16 and 0.02 percent decreases in ROA respectively, with BM and BI having significant impact on ROA. The Durbin Watson statistics of 1.5 which is approximately 2.00 shows the absence of autocorrelation in the model.

From model 2 panel OLS result above, the coefficient of determination of 0.21 shows that only 21% systematic variations in ROA of the pooled firms over the period of interest is jointly explained by the independent variables. The unexplained part of the dependent variable can also be attributed to the exclusion of very important independent variable that can explain the dependent variable but are outside the scope of this study or were not captured. The F-statistics value of 1.39 and its associated P-value of 0.24 shows that the OLS pooled regression model on the overall is statically insignificant at 5% level. The result also showed that only two of the explanatory variables were rightly signed (BD and AI). The result showed that BD and AI positively impact ROA, while BS, BM, BI, AM and AD have negative effect on ROA. The coefficient of BD and AI shows that 1% increase in the variables will bring about 0.26 and1.44 percent increases in ROA, though only AI has significant impact. Also, the coefficients of BS, BM, BI, AM and AD reveal that 1% increase in the variables will lead to 2.37, 1.28, 1.64, 1.44 and 0.41 percent decreases in ROA respectively. The Durbin Watson statistics of 2.44 which is approximately 2.00 shows the absence of autocorrelation in the model.

Discussion of Findings

From the results, board size (BS) has an inverse and insignificant association with corporate performance in sinners firms, while in the saints firms; has an inverse and insignificant association with corporate performance. These findings are in consonance with the findings of Wanyama and Olweny, (2013) and Van Ven and Elbertsen, (2014) who in their studies found an insignificant association between BS and corporate performance.

Board meeting (BM) has an inverse and significant relationship with performance of the firm in the sinners firms. This is in agreement with the findings of Gomez, et al, (2017) who in their study establish a significant association exist between BM and firms performance. For saint firm, BM was found to have a negative and insignificant association with corporate performance and this agrees with the founding of Van Ven and Elbertsen, (2014) but contradict the findings of Gomez, et al, (2017).

Board independence (BI) in the sinners firm was found to negative but significant, while in the saint firm it was negative and insignificant. This conform with the findings of Wanyama and Olweny, (2013) who in their study found an inverse relationship between BI and firms performance and that of Vu Nguyen, (2017) who significant effect between BI and firms performance.

Board diversity (BD) in sinners firm was found to an inverse and significant friendship with corporate performance, while in the saints firm there exist a direct but insignificant effect on corporate performance. This finding contradicts that of Shao, (2008) who in his study found that BD has no effect on corporate performance.

Audit meeting (AM) from the study was found to exhibit a direct and significant relationship with corporate performance in the sinners firm, while in saints firm it was found to have an inverse and insignificant relationship with corporate performance.

Audit independence (AI) from the study also exhibit a direct and insignificant relationship with corporate performance in the sinners firm, while in saints firm it was found to have a positive and significant association with corporate performance. This findings is in consonance with the findings of Carcello and Neal, (2000).

Lastly, Audit diversity (AD) has an inverse and insignificant relationship with corporate performance in both the sinners and saints firms.

Conclusion and Recommendations

The study examined the transparency and integrity in Nigeria firms with focus on saints and sinners behaviour towards corporate performance using sixty firms representing thirty each for “saints” and “sinners” firms each from 2008-2021. Components of transparency and integrity (board size, board meeting, board independence, board diversity, audit meeting, audit independence and audit diversity) were used to evaluate the behaviour of these firms towards corporate performance. The analyses produced wonderful results wherein it was observed that the sinners firms behave better than the saints firms in terms of their level of disclosure of information.

Based on the result above, the study recommend that firms should reduce their board size to ensure that the boards are more effective, control members easily, quicker coordination, less communication barriers as evidence has shown that large boards size have difficulties in carrying out the aforementioned. Also, policy makers should centre on intensifying board independence and audit independence as this will ensure greater transparency and act as effective monitoring tool. The audit committee must be given the opportunity to operate independently without fear or favour and with the right size. In addition, corporate governance regulations should emphasize on small board size to achieve its objectives.

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