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Original Research Article

ESG Reporting and Market Performance: Empirical Evidence from Listed Oil and Gas Firms in Nigeria

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Abstract

This study investigates the effect of environmental, social and governance (ESG) reporting on the market performance of listed firms operating in the oil and gas sector in Nigeria. An ex post facto research design was employed to select seven firms from the period of 2014 to 2023. Share price performance was used to measure market performance. The study conducted both descriptive statistics and inferential statistics to analyze the data sourced. The model is analyzed using Generalized method of moments (GMM). The results of this study disclosed that environmental disclosure ($p<0.01$) and social disclosure ($p<0.05$) have positive and significant effect on share price performance. Although, governance disclosure showed no statistically significant effect. These findings imply that disclosure of information on social and environmental practices in the Nigeria oil and gas industry favorably influenced the value of the share thus enhance market performance; whereas, governance disclosure is viewed as having less impact.

Keywords: ESG Reporting, Market performance, Share price performance, Environmental disclosure, Social disclosure, Governance disclosure.
JEL Classification: G32, M14, Q56.

1. INTRODUCTION

Sustainability reporting otherwise known as ESG reporting which encompasses a firm's disclosure of environmental impact, social responsibility and governance practices, has been widely recognized as a critical factor influencing investor behavior and corporate performance (Buallay *et al.,* 2020). It has evolved into a core aspect of government policies and business strategies, as well as a prominent topic in academic research (Sahut & Pasquini-Descomps 2015). Evaluating the importance of sustainability reporting for publicly traded oil and gas companies in Nigeria is increasingly gaining attention due to the unique challenges and opportunities presented by the industry's regulatory and market environment. However, its relevance in the Nigerian oil and gas sector remains underexplored, particularly given the industry's strategic importance to the nation's economy and its exposure to unique regulatory frameworks like the Petroleum Industry Act (PIA) of 2021 (Farrakhova, 2022). This study aims to fill this gap by examining the impact of ESG reporting on the share price performance of listed oil and gas firms in Nigeria from the period of 2013 to 2022, contributing to the ongoing discourse on the financial implications of sustainability practices in emerging markets (Junius *et al.,* 2020). Despite the global recognition of ESG reporting's importance, there is mixed evidence on its value relevance in different contexts. For instance, Albitar *et al.,* (2020) find that ESG disclosures positively affect firm performance in developed markets, while Al-Hiyari and Kolsi (2021) show that in the Middle Eastern context, investors respond differently depending on the type and quality of ESG information disclosed. In Nigeria, the petroleum industry face peculiar scrutiny due to its environmental impact and governance challenges (Bamahros *et al.,* 2022). Given these complexities, this study is motivated by the need to understand how Nigerian oil and gas companies' ESG practices affect their market valuation, especially as stakeholders increasingly demand transparency and accountability in corporate behavior (Bhatia and Marwaha, 2022).

Furthermore, the study investigates whether the value relevance of ESG disclosures in Nigeria aligns with or diverges from global findings, providing insights into the unique dynamics of ESG reporting in an emerging market context. This is particularly pertinent as Nigerian oil and gas firms are under heightened pressure to comply with international standards while navigating local challenges such as regulatory uncertainty and market volatility (Buallay *et al.,* 2019). This study aims to achieve two primary objectives. Firstly, it aims to determine the impact of ESG reporting on the share price performance of listed firms operating in Nigeria oil and gas industry. This objective is grounded in the literature that suggests ESG disclosures can improve firm value by minimizing information asymmetry, mitigating risks, and fostering a positive corporate image (Albitar *et al.,* 2020; Buallay *et al.,* 2020). Furthermore, the study seeks to determine whether the relevance of ESG reporting in Nigeria differs from that in other regions, particularly developed markets where ESG practices are more established and often mandated by regulatory bodies (Bhatia and Marwaha, 2022). This comparative analysis will highlight the opportunities and challenges Nigerian firms face in adopting and benefiting from ESG reporting.

The study also addresses the opportunities presented by the Nigerian context, where ESG reporting is relatively nascent, allowing for a clearer examination of its impact in a setting characterized by regulatory changes and evolving stakeholder expectations (Farrakhova, 2022). Unlike in developed markets, where ESG practices are well-integrated into corporate strategy, Nigerian firms are still adapting to the demands of global investors and local regulators, presenting a unique opportunity to study ESG's value relevance in a transitional market environment (Arayssi *et al.,* 2020). The findings will provide valuable insights for policymakers, regulators, and corporate managers on how to better align ESG practices with market expectations and performance outcomes (Al-Hiyari and Kolsi, 2021).

The stakeholder theory posits that aside from pursuing the interest of shareholders, firms should also put into consideration the interest of other stakeholders when making decisions (Freeman, 1984; Buallay *et al.,* 2019). In the context of ESG reporting, this theory suggests that firms can achieve better financial outcomes by addressing the environmental, social and governance concerns of various stakeholders, including investors, regulators as well as the communities where they carry out their business activities (Singh *et al.,* 2022). By applying this theory to the Nigerian oil and gas sector, the study will assess whether firms that are more responsive to stakeholder concerns through ESG disclosures enjoy superior market performance (Bamahros *et al.,* 2022). Additionally, the study contributes to the literature by providing empirical evidence on the value relevance of ESG disclosures in an emerging market context, particularly within the oil and gas sector (Sharma *et al.,* 2022). It also contributes to the methodological discourse by utilizing the Generalized Method of Moments (GMM) technique, which is particularly robust in addressing issues of endogeneity and measurement error often present in panel data analysis (Widyawati, 2019). This methodological choice allows for a more accurate estimation of the relationship between ESG reporting and firm performance, providing clearer insights into the causal mechanisms at play (Farrakhova, 2022). Finally, the paper is structured to provide a comprehensive overview of the current state of ESG reporting in Nigeria, its challenges, and its potential to drive positive financial outcomes for firms.

2. LITERATURE REVIEW

2.1. Value Relevance of Environmental Reporting

Environmental reporting involves disclosing information related to a firm's environmental performance, including its impact on natural resources, pollution levels and overall sustainability practices (Bhatia & Marwaha, 2022). Specifically, it centers on environmental aspects of an organization’s operations. This concept has been measured in various ways across literature. For example, Bamahros *et al.,* (2022) discuss metrics like carbon emissions, water usage and energy efficiency, while Al-Hiyari and Kolsi (2021) emphasis on the presence and quality of sustainability reports. The implications of environmental reporting are extensive, affecting a firm’s reputation, regulatory compliance and attractiveness to socially responsible investors (Sharma *et al.,* 2022). Measurement typically involves examining specific environmental indicators or ratings, such as those provided by third-party agencies or self-reported data from corporate sustainability reports (Maama, 2020). The stakeholder theory is often linked to the value relevance of environmental reporting, suggesting that firms proactively managing environmental performance can enhance stakeholder relations and reduce potential conflicts (Freeman, 1984; Singh *et al.,* 2022).

Aligning environmental practices with stakeholder expectations means that firms can mitigate risks and foster a positive corporate image, thereby potentially enhancing market valuation (Arayssi *et al.,* 2020). This theory posits that addressing environmental concerns goes beyond regulatory compliance and is a strategic approach to build trust and loyalty among diverse stakeholders, including investors, customers, and local communities (Bamahros *et al.,* 2022).

Quite number of research studies have examined the relationship between environmental reporting and firm performance, albeit with varying outcomes. For example, Albitar *et al.,* (2020) disclosed that in Europe, enhanced environmental disclosures positively correlate with firm performance, specifically among large-cap companies in high-impact sectors. In the Middle East, Al-Hiyari and Kolsi (2021) also identified a positive relationship between environmental disclosure quality and stock market performance. Meanwhile, Sharma *et al.,* (2022) reported similar findings in GCC countries, where firms with higher environmental disclosure scores had improved financial metrics. However, the study by Farrakhova (2022) in Russia observed a neutral impact of environmental disclosures on firm valuation, suggesting that market maturity and regulatory context might influence these outcomes. Conversely, in India, Bhatia and Marwaha (2022) found a negative relationship between environmental reporting and market performance, which they attributed to a lack of regulatory enforcement and investor awareness. Based on these studies, the null hypothesis can be stated as:

H01: Environmental reporting does not significantly affect market performance of listed firms in Nigeria's oil and gas industry.

2.2 Value Relevance of Social Reporting

Social reporting can be described as the disclosure of information related to a firm's social performance, including labor practices, human rights, community involvement, and product responsibility (Ismail *et al.,* 2022). This aspect of ESG has been measured using various indicators, including the frequency and depth of social impact disclosures, adherence to labor standards, and community engagement initiatives (Bhatia & Marwaha, 2022). Social reporting is often gauged through both quantitative metrics (e.g., employee turnover rates, diversity ratios) and qualitative descriptions of policies or initiatives (Bamahros *et al.,* 2022). These disclosures serve as a mechanism for firms to communicate their social responsibility and ethical commitments to stakeholders, potentially influencing their social license to operate and overall market perception (Singh *et al.,* 2022). The legitimacy theory is closely associated with the concept of social reporting. This theory proposes that organizations continually seek to align their activities with the societal expectations and norms of the communities in which they operate (Dowling & Pfeffer, 1975; Maama, 2020).

In the context of social reporting, firms disclose socially responsible activities to legitimize their existence and maintain a positive image among stakeholders, thereby protecting or enhancing their financial performance (Buallay *et al.,* 2019). The theory suggests that firms proactively engaging in social disclosures may experience fewer conflicts with stakeholders, including regulators, communities, and investors, which can translate into economic benefits (Arayssi *et al.,* 2020). Literature examining connection between social reporting and firm performance has produced mixed findings. For instance, Albitar *et al.,* (2020) found that in the UK, enhanced social disclosures improved firm value, especially in sectors with significant social exposure. Similarly, Junius et al. (2020) documented a positive relationship between social reporting and market value in Indonesia's listed firms. In Saudi Arabia, Bamahros *et al.,* (2022) identified that comprehensive social disclosures are linked to increased investor's trust and improved stock performance. Conversely, Kotsantonis and Serafeim (2019) reported a negative association in South Africa, where social disclosures were perceived as a compliance cost rather than a value-enhancing strategy. Furthermore, Ismail *et al.,* (2022) in Malaysia and Indonesia observed no significant impact of social disclosures on financial performance, suggesting varying investor perceptions across different markets. Based on these findings, the null hypothesis is:

H02: Social reporting does not significantly affect market performance of listed firms in Nigeria's oil and gas industry.

2.3 Value Relevance of Governance Reporting

Governance reporting involves the communication of information on a firm's governance practices, including board structure, management policies, shareholder rights, and ethical guidelines (Buallay *et al.,* 2020). This concept has been measured through various indices and frameworks that assess governance quality, such as board independence, diversity, frequency of board meetings, and the presence of audit committees (Bamahros *et al.,* 2022). The implications of governance reporting extend to reducing agency costs, enhancing transparency, and promoting investor confidence (Albitar *et al.,* 2020). Effective governance practices are often seen as indicators of a firm's commitment to ethical conduct, accountability, and long-term sustainability (Birindelli *et al.,* 2018). The agency theory is commonly applied to understand the connection between governance reporting and firm performance. This theory suggests that governance mechanisms, which includes board independence and transparency, can mitigate conflicts of interest which usually arise between managers and shareholders, thereby improving firm performance (Jensen & Meckling, 1976; Albitar *et al.,* 2020). Within this framework, governance reporting is viewed as a critical tool to reduce information asymmetry, enhance trust among investors, and improve market valuation (Farrakhova, 2022).

The theory emphasizes that robust governance practices are essential for harmonizing the interests of management and shareholders, particularly in industries with significant regulatory scrutiny, such as oil and gas (Arayssi *et al.,* 2020). Research on the relationship between governance reporting and firm performance is varied. In the context of the European banking sector, Buallay *et al.,* (2019) found a positive association between governance disclosures and firm value. Similarly, Bamahros *et al.,* (2022) observed that firms with comprehensive governance disclosures experienced enhanced market performance in Saudi Arabia. In contrast, Arayssi *et al.,* (2020) reported a neutral effect of governance disclosures on firm performance in GCC countries, suggesting that the effectiveness of these disclosures may depend on the regulatory environment. Meanwhile, Maama (2020) in West Africa and Kotsantonis and Serafeim (2019) in South Africa found that governance disclosures had a negligible impact on firm value, possibly due to differences in enforcement levels and investor expectations. These mixed findings underscore the need to test the hypothesis:

H03: Governance reporting does not significantly affect market performance of listed firms in Nigeria's oil and gas industry.

3. METHODS

The research employs an ex post facto design, which is particularly suitable for examining relationships between variables when manipulation is not feasible. The sample comprises seven firms operating in the oil and gas industry listed on the Nigerian Exchange Group (NGX), selected through a simple filtering sampling technique. This method ensures that the firms included in the study meet specific criteria relevant to the research objectives, such as their engagement in ESG reporting and their operational presence within the defined period of study (2014-2023). The reason for choosing this sample size is justified by the focused scope of this study, which seek to provide in-depth insights rather than broad generalizations. The study utilizes secondary data, which is collected from publicly available financial reports, sustainability disclosures, and other relevant documents from the selected firms. We present the econometric model of the study as:

$$SHPR_{it} = \beta_0 + \beta_1 ENVD_{it} + \beta_2 SOCD_{it} + \beta_3 GOVD_{it} + \beta_4 FSIZ_{it} + \beta_5 RETA_{it} + \beta_6 MCAP_{it} + \beta_7 DETA_{it} + \epsilon_{it}$$

Share price (SHPR) represents the explained variable of the study; which serves as an indicator of the firms' market performance. The independent variables include environmental reporting (ENVD), social reporting (SOCD), and governance reporting (GOVD). The study incorporates control variables to enhance credibility of the study's results. These control variables are firm size (FSIZ), measured by total assets; return on assets (RETA), which indicates the profitability relative to total assets; market capitalization (MCAP), reflecting the total market value of the firm's outstanding shares; and debt to asset ratio (DETA), which assesses the firm's leverage position. The inclusion of these control variables is essential to isolate the effects of ESG reporting on share prices and to enhance the reliability of the findings (Widyawati, 2019). The study employs the GMM Step 2 technique, which is appropriate for analyzing panel data in the presence of potential endogeneity among the explanatory variables. The GMM approach is robust to various forms of misspecification and is widely used in empirical research to resolve issues concerning unobserved heterogeneity and measurement error (Widyawati, 2019).

4. RESULTS AND DISCUSSION

4.1. Descriptive Statistics

Table 1 provides a comprehensive overview of the data distribution and characteristics. The result shows that for share price (SHPR), the mean values are 50.957 with standard deviation values of 81.253, reflecting considerable variability in share prices across the firms. The minimum value is 0.160, while the maximum is 330.000, indicating significant differences in market valuations. This wide range and high standard deviation suggest substantial volatility in share prices, which could be influenced by various firm-specific and market factors. The average environmental reporting (ENVD) value is 0.053 having a standard deviation value of 0.125. The minimum value of 0.000, and the maximum value of 0.630. This indicates relatively low levels of environmental reporting across the firms, with some companies having minimal or no disclosures. The variation in this variable highlights the lack of uniformity in environmental reporting practices, which might affect how investor's view firms' sustainability efforts. For social reporting (SOCD), the mean is 0.339 and the standard deviation is 0.128. The minimum value of 0.140, and the maximum of 0.650, suggesting a moderate range in social reporting among the firms. This implies that while some firms are more engaged in social disclosures, others are less so. The variation in social reporting could influence stakeholders' perceptions of corporate social responsibility. The governance reporting (GOVD) variable has a mean of 0.507 and a standard deviation of 0.186. The range from 0.130 to 0.870 indicates considerable variation in governance reporting practices. The high mean and broad range suggest that governance practices and transparency differ significantly among the firms, potentially impacting investor confidence and corporate performance.

Regarding the explanatory variables, Table 1 reveals that for market capitalization (MCAP), the mean value is 7.236 and having a standard deviation value of 0.626. The values range from 6.100 to 8.830, implying relatively stable market capitalization with some variations. This stability in market capitalization implies consistent firm sizes relative to the market, though some differences are evident. Return on assets (RETA) variable has an average value of 1.122, with high standard deviation value of 25.229. The range from -71.360 to 176.270 indicates extreme variability in profitability. This large range suggests that some firms are highly profitable, while others face substantial losses, reflecting differing operational efficiencies or market conditions. Debt to asset ratio (DETA) has an average value of 77.351 with standard deviation value of 28.619. There is a significant variation in financial leverage among the firms evidenced by the values for minimum and maximum of 53.570 to 247.850. The broad range suggests differences in leverage strategies and risk profiles across the sample. Finally, firm size (FSIZ) has an average value of 7.946 with a standard deviation value of 0.520. The range values are from 7.050 to 9.070. This relatively narrow range in firm size compared to other variables suggests that while there is some variation, it is less pronounced than the variability observed in other financial and reporting metrics.

Table 1: Descriptive Statistics of the Variables Employed for the Study

Variable	Obs	Mean	Std. Dev.	Min	Max
shpr	70	50.957	81.253	0.160	330.000
envd	70	0.053	0.125	0.000	0.630
socd	70	0.339	0.128	0.140	0.650
govd	70	0.507	0.186	0.130	0.870
mcap	70	7.236	0.626	6.100	8.830
reta	70	1.122	25.229	-71.360	176.270
deta	70	77.351	28.619	53.570	247.850
fsiz	70	7.946	0.520	7.050	9.070
Source: Authors 2025					

4.2 Correlation Analysis

The findings from our correlation analysis are shown in Table 2. The findings reveal that there exists a weak positive relationship between the explanatory variable of environmental reporting (0.054) and the explained variable of share price performance when measured in terms of annual stock returns over the study period. Also, the result shows that a strong positive correlation exist between the explanatory variable of social reporting (0.456) and the explained variable of share price performance when assessed using annual stock returns during the period under study. Additionally, governance reporting (0.399) is positively related to the explained variable of share price performance when assessed using annual stock returns during the period under study. Market capitalization (0.719) shows a strong positive association with the explained variable of share price performance when assessed using annual stock returns during the period under study. Return on assets (0.401) also exhibits a positive association with the explained variable of share price performance using annual stock returns as the measurement. Conversely, the control variable of debt to asset ratio (0.002) shows a negligible positive association with the explained variable of share price performance being measured as annual stock returns for the period of study. Finally, firm size (0.502) has a strong positive association with the explained variable of share price performance using annual stock returns as measurement over the study period. However, to ensure there is no multicollinearity among the variables, a robust check of Variance Inflation Factor (VIF) test was tested for, and the results are presented in Table 3.

Table 2: Correlation Analysis of the Variables Employed

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) shpr	1.000							
(2) envd	0.054	1.000						
(3) socd	0.456	0.059	1.000					
(4) govd	0.399	-0.187	0.651	1.000				
(5) mcap	0.719	0.059	0.330	0.557	1.000			
(6) reta	0.401	0.005	0.266	0.266	0.392	1.000		
(7) deta	0.002	0.081	-0.169	0.022	0.215	-0.221	1.000	
(8) fsiz	0.502	0.039	0.325	0.621	0.880	0.275	0.256	1.000
Source: Authors 2025								

4.3 Regression Analysis

Table 3 reveals the result of the regression analysis. The result shows that the explained variable of share price performance has an R-Square value of 0.713. This infers that the explanatory and control variables account for 71.3% of the systematic change in the explained variable of share price performance. However, the unexplained variations in share price performance are captured by the error term. Also, to verify the reliability of the OLS estimates, this study examines the presence of multicollinearity and heteroscedasticity. Multicollinearity can primarily be identified using tolerance and its inverse, known as variance inflation factor (VIF). The mean value for Variance Inflation Factor (VIF) is 1.93. The analysis reveals that the average VIF (Variance Inflation Factor) is below the threshold of 10, which aligns with Gujarati's (2004) findings. This suggests that there is no multicollinearity present and indicates that none of the independent or explanatory variables should be excluded from the model. The assumption of homoscedasticity specifically indicates that if the errors exhibit heteroscedasticity, it becomes challenging to rely on the standard errors of the least square estimates. Therefore, the confidence intervals will either be very narrow or excessively large. The results indicate that the assumption of homoscedasticity in the OLS regression model has been broken, as evidenced by the substantial p-values. In order to address this violation, this study utilize Generalized Method of Moments (GMM) estimation technique as suggested by Greene (2003).

Table 3: Regression Results

	(1)	(2)	(3)
	OLS	**GMM-I**	**GMM-II**
envd	96.784	96.784	77.040
	(0.061)	(0.126)	(0.000)***
socd	78.349	78.349	56.509
	(0.197)	(0.136)	(0.041)**
govd	55.352	55.352	53.451
	(0.276)	(0.250)	(0.227)
mcap	142.836	142.836	126.273
	(0.000)***	(0.000)***	(0.000)***
reta	0.386	0.386	0.303
	(0.098)	(0.013)**	(0.024)**
deta	0.558	0.558	0.400
	(0.011)**	(0.000)***	(0.001)***
fsiz	-116.746	-116.746	-106.103
	(0.000)***	(0.000)***	(0.000)***
_cons	-158.220	-158.220	-107.691
	(0.137)	(0.051)	(0.152)
r2	0.713		
F	22		
VIF	1.93		
Hettest	20.06{0.000}		
Hansen Test			6.63{0.431}

p-values in parentheses ** $p < 0.05$, *** $p < 0.01$

Table 3 reveals that environmental disclosure (ENVD) has a coefficient of 77.040; p-value of 0.000, implies statistical significance at 1% level. This result suggests that environmental disclosure has a notable positive effect on share price performance. This finding is consistent with the studies of Albitar *et al.,* (2020) and Buallay *et al.,* (2020) who both emphasize that comprehensive ESG disclosures can improve financial outcomes by boosting investor trust and market value. The findings show that environmental reporting contributes significantly to better stock performance by mitigating risks and enhancing transparency. Furthermore, Table 3 shows that social disclosure (SOCD) has a coefficient of 56.509; p-value of 0.041, implies statistical significance at 5% level. This result suggests that social disclosure positively affects share price performance, although to a lesser extent than environmental disclosure. This finding aligns with the result from findings of Sharma *et al.,* (2022) and Bamahros *et al.,* (2022), which indicate that social reporting helps in reducing risks and enhancing long-term value, thus improving investor perception and market valuation. The results imply that while social disclosure is beneficial, its impact on stock performance is not as pronounced as that of environmental reporting. However, Table 3 also shows that governance disclosure (GOVD) has a coefficient of 53.451, p-value of 0.227, implies that it is not statistically significant at standard level. This result infers that governance disclosure has an insignificant effect on share price performance for the observed firms. This finding contrasts the results reported by Mervelskemper & Streit (2016) and Yu *et al.,* (2018), who argued that strong governance practices enhance firm performance and market value. The lack of significance in this study might reflect that governance disclosures may not be as influential in affecting stock performance as other ESG dimensions in this specific setting.

5. CONCLUSION AND RECOMMENDATIONS

This study aimed to address the problem of understanding how environmental, social and governance disclosures impact market performance. The primary aim was to evaluate the effects of ESG reporting on share price performance, providing insight into how these disclosures influence investor perceptions and firm valuation in the context of Nigeria's oil and gas sector. The key findings indicate that while environmental and social disclosures positively impact share price performance, governance disclosures show a negative association. This suggests that while environmental and social reporting can enhance investor confidence and market value, governance reporting may not yield the same positive effects and could potentially be viewed less favorably by investors. The study highlights that corporate managers and director should prioritize environmental and social disclosures to boost share price performance and align with investor expectations. Specifically, oil and gas firms should enhance their transparency in environmental and social reporting to reflect their commitment to sustainability and risk management, which are crucial in the oil and gas industry.

For policymakers and regulators, there should be a focus on promoting standards for ESG reporting to ensure conformity with international sustainability requirement and as well allow for comparison across firms, which will facilitate better investment decisions and market efficiency. Investors, both potential and existing, are advised to pay particular attention to environmental and social disclosures when evaluating oil and gas firms, as these factors are positively correlated with share price performance. Analysts should incorporate ESG reporting into their valuation models and investment analyses to capture the full impact of these disclosures on firm performance. Furthermore, the study's contribution to knowledge lies in its contextual focus on the Nigerian oil and gas sector, using ESG reporting variables to assess market valuation. Methodologically, it employs comprehensive regression analyses to offer empirical evidence on the value relevance of ESG disclosures, providing both theoretical and practical insights into how these factors affect firm performance. Future studies could explore the impact of ESG reporting in different sectors or regions and research could also investigate the long-term effects of ESG reporting on firm value and market stability, offering further insights into the evolving relationship between sustainability practices and investor behavior.

Limitation

This study acknowledges few limitations. Firstly, the sampled firms are limited to oil and gas firms, it does not consider other firms operating in the non-financial sector of the economy. Also, future research studies can incorporate the effect of moderating or mediating variables such as corporate governance variables.

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