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Mandatory Requirements Of Qualitative Information Disclosures On Listed Consumer And Industrial Goods Companies In Nigeria

1ENEH, Onyinye Phd And 2EHIOGHIREN, Efe Efosa. Phd

1Department of Accountancy, Nnamid Azikiwe University, Awka
2Department of Accounting, Shaka Polytechnic, Edo State,
Nigeria
Correspondence: ehioghiren2004@ gmail.com

***Abstract**: This study examines mandatory requirements of qualitative information disclosures on listed consumer and industrial goods companies in Nigeria. Two research questions and two hypotheses stated in null form (**H_0**) guided the study. The study employs ex-post facto research design for the period of six years 2012 to 2017. The study adopted the use of panel data. The population of the study consist of twenty-one (21) consumer and fourteen (14) industrial goods companies listed on the Nigerian Stock Exchange as at 31st December, 2017. With the aid of Model specification and analysis were carried out and the findings are that leverage (LEV) and industry type (IT) had predicted 10.6% change in the explained variable-corporate governance qualitative information disclosure while that firms' size (FZ) had accounted 9.7% change in socio-environmental qualitative information disclosure. Also, that industry type and leverage had significantly predicted corporate governance qualitative information disclosure of listed consumer goods companies and listed industrial goods companies in Nigeria. And that Industry type and firm size had significantly predicted environmental qualitative information disclosure of listed consumer goods companies and listed industrial goods companies in Nigeria. The study concluded that voluntary disclosure improved confidence in corporate reporting by stakeholders. The study recommended among others that policy makers and regulators should issue corporate governance codes on comply/penalise basis to enhance transparency and disclosure to strengthen voluntary compliance*

Keywords: *Mandatory requirements, Qualitative information, Disclosures, leverage, firms' size*

1. Introduction

The objectives' of any corporate financial reporting is to provide useful information for the benefit of all stakeholders. To achieve this objective, management is required to convey full financial information disclosure in the annual report. In essence, the corporate financial reporting is expected to include both financial (quantitative) and non-financial (qualitative) information thereby revealing issues pertaining to companies' corporate social, environment, corporate governance, the society, human rights, corporate risks and uncertainties (Sierra-Garcia, Garcia-Benau & Bollas-Araya, 2018).Unwholesome information disclosure would deny existing and potential investors, including lenders and other stakeholders the privilege to properly appraise the company for decision making purposes (Serrasqueiro & Mineiro, 2018).

Donovan, Jennings, Koharki and Lee (2018) define non-financial information "as any data that iss non-numerical in nature". Mohamad, Salleh, Ismail and Chek (2014) view non-qualitative information disclosure to include information such as corporate social and environmental disclosure (CSED), Intellectual Capital (IC) disclosure, Risk Management (RM) disclosure and Corporate Governance (CG) mechanism disclosure. The inclusion of these non-financial disclosures contributes greatly to information transparency, reduces information asymmetry and is therefore an issue of great significance in economies throughout the world (Maroun 2017). Hence, a growing number of organisations have realized its significance and are publishing qualitative information as a strategic action that fundamentally improves the communication of organisations with their stakeholders and carries incremental information about a firm's credit worthiness (Fanke, 2018). A number of countries have equally enacted mandatory requirements of qualitative information disclosures for firms to report on non-financial issues. For instance, France, Spain, the Netherlands, the United Kingdom, Sweden and Denmark have all introduced legal requirements to enlarge the scope of conventional corporate reporting to include non-financial performance parameters (Eccles & Krzus, 2009)

The need for non financial information disclosure is necessitated by various reasons including the changing information needs of stakeholders, the need to improve business reporting, encourage transparent disclosure standard, promotes corporate accountability and promulgation of good corporate governance mechanisms such that users could rely and have confidence on information disclosed for decision making (Eccles, Serafein & Consulting, 2011). Also, Non-financial information disclosures provide meaningful, relevant, reliable, accountable and dependable information to investors and other stakeholders about the performance of the business as well as its future prospects to help users in decision-making (Ghasempour & Md Yusof, 2014).

However, despite the importance of mandatory requirements of qualitative information disclosure in enhancing the transparency of the entire reporting practices, studies (Owolabi, Akinwumi, Adetula, and Uwuigbe, 2016) show that the level of qualitative information disclosure in Nigeria, in line with the acceptable regulatory guidelines, is still relatively low even after the implementation of International Financial Reporting Standards (IFRS) which came with the expectation of improving the level of accounting information disclosure among adopting nations.

Oluwagbemiga (2014) also submit that the issue of information disclosure by Nigerian listed companies has been unsatisfactory despite the introduction of several financial reporting standards over the years. He argued that the use of paper-based annual reports as a means of communicating financial information to shareholders limits the content of needed qualitative information disclosed, thus, increasing the risks of companies being undervalued. This brings some concern to the fore that even as inadequate social and environmental laws stare most developing countries in the face, most companies still fall short of the mandatory disclosure requires, let alone the voluntary ones (Amaeshi, Adi, Ogbechie, & Amao, 2016; Owolabi, Akinwumi, Adetula, & Uwuigbe, 2016). The idea of using profitability as a basis for determining qualitative information disclosure has been criticised because firms with higher profits are more vulnerable to regulatory intervention, and hence, they could be more interested in disclosing detailed information in their corporate reports in order to justify their financial performance and to reduce political costs (Hassan, & Marston,2010). There is also evidence on the association of company attributes and non financial disclosure in Nigeria. The wide inconsistency among different companies in Nigeria in there disclosure requirement are majorly due to lack of an acceptable guideline to promote qualitative disclosures in corporate reports .Previous authors like Okike (2000); Afolabi, (2013); Ofoegbu and Okoye (2006); Umoren (2009); and Oluwagbemiga (2014) all observed that the Nigerian corporate reporting practices is weak. Against this backdrop the study examines mandatory requirements of qualitative information disclosures on listed consumer and industrial goods companies in Nigeria

1.2 Research Objectives

The broad objective of the study is to examine mandatory requirements of qualitative information disclosures on listed consumer and industrial goods companies in Nigeria, while the specific objectives are to:

i. Determine how leverage interacts with firm size to non financial information disclosure of listed consumer and industrial goods companies in Nigeria
ii. Examine the prediction of firms' size and return on assets on non financial information disclosure of listed consumer and industrial goods companies in Nigeria.

1.3 Research Questions

Arising from the above, the following research questions are raised which this study addresses.

i. To what extent is the effect of leverage and firm size on non financial information disclosure of listed consumer and industrial goods companies in Nigeria?
ii. What is the prediction of firms' size and return on assets on non financial information disclosure of listed consumer and industrial goods companies in Nigeria?

1.4 Research Hypotheses

The primary hypotheses of the study are stated in null form (**H_0**) and tested at 5% level of significance as shown below:

i. There is no significance between leverage and firm size on non financial information disclosure of listed consumer and industrial goods companies in Nigeria.
ii. There is no significance between the prediction of firms' size and return on assets on non financial information disclosure of listed consumer and industrial goods companies in Nigeria

Review of Related Literature

2.1 Conceptual Review

2.1.1 Voluntary Information Disclosure

Voluntary disclosure describes disclosures, primarily outside the financial statements, that are not explicitly required by generally accepted accounting principles (GAAP). When a firm makes the decision to disclose information voluntarily, it assumes that benefits will outweigh costs. Such benefits may come in the form of the reduced cost of financing investment opportunities (e.g. cost of equity), lower transactions costs for investors by reducing information asymmetry between the contracting parties and more efficient functioning of capital markets

Corporate disclosure is seen in different perspectives. Adesina, Ikhu- Omoregbe and Olaleye (2015) noted that disclosure represents one of the pillars of corporate governance. Adesina, et.al (2015) further define disclosure as transferring and presenting economic information, whether financial or nonfinancial for the interest of users. According to Taposh (2014), disclosure in financial reporting is referred to as the presentation of information necessary for the optimum operation of an efficient capital market. Disclosure means the dissemination of relevant, material, and understandable information, both financial and non-financial, from the private domain to the knowledgeable public domain on a consistent basis.

Disclosure means disseminating relevant financial information about the economic affairs of a business enterprise to the audience of interest. FASB (2015) stated that qualitative information disclosure in the corporate annual report reveals information outside of the financial statements that are not explicitly required by accounting rules or standards. But accounting function and financial statements as its products, are service function that operates within a socioeconomic framework, such socioeconomic environment has a strong effect on accounting. Corporate disclosures can take two forms which include mandatory disclosure or voluntary disclosure (Uyar, 2011). Mandatory information disclosures are reported based on the country's regulatory authorities (such as Security and Exchange Commission, Corporate Affairs Commission). Whereas voluntary information disclosures are based on the discretion of firms which can be financial or non-financial, disclosed over and above the compulsory requirements (Vu, 2012).

There are different users of accounting information. The users group needs accounting information to decide on their respective field of interest. The investor group requires information regarding investment feasibility. The creditors group requires information to form judgment on the credit worthiness of the borrowers. The information need of the different groups varies. So, a company has to meet the demand of users but it is a difficult task to meet the demand of all users because there are cost constraints. Jouirou, and Chenguel, (2014) states that qualitative information disclosure in the corporate report is a good way to communicate with shareholders about company improvement and progress. Institutional investors seek qualitative information about the long-term ability of managers to manage effectively and efficiently. Qualitative information provides evidence of management acumen and operating know-how, and qualitative information usually correlates with quantitative information. Qualitative information relates to firm's operating methods (Healy & Palepu, 2001).

The fear of market failures and competitive disadvantage, has made the state or government to use discretion and free will to create laws to make firms disclose certain qualitative information for the interest of stakeholders (Ikpor, and Agha, (2016). According to the financial accounting standards board (FASB, 2001Voluntary disclosure Corporate disclosure falls into two broad categories: mandatory and voluntary. Mandatory disclosure consists of information disclosed in order to comply with the requirements of laws and regulations. On the other hand, voluntary disclosure is any information disclosed in addition to the mandatory disclosure. Voluntary is defined by Halim, (2013) as "free choices on the part of company managements to provide accounting and other information deemed relevant to the decision needs of users of their annual reports." Moreover, voluntary disclosure may include disclosure "recommended by an authoritative code or body" (Hassan and Marston, 2010) which is the focus of the current research. Voluntary disclosure can be through a variety of means, such as press releases, conference calls, investor and analyst meetings, and field visits with potential and existing institutional investors (Ernst and Young. 2017).

However, the annual report has been detected in many studies as a significant source of voluntary information. (Eriabie, & Odia, (2016) argue that the reason beyond depending on the annual reports is that it reflects "a company's overall attitude towards information disclosure to the public."

2.1.2 Voluntary Disclosure Determinants

Through the literature, factors affecting the provision of, and need for, voluntary disclosure have been assembled by Healy and Palepu (2001). According to these authors, factors that affect managers' decisions to voluntarily disclose information can be divided into motivations and constraints. Motivations to voluntary disclosure include capital markets transactions/ information asymmetry, corporate control contest, stock compensation, increased analyst coverage, management talent signalling, and limitations of mandatory disclosure. On the other hand, constraints on voluntary disclosure are disclosure precedent, proprietary costs, agency costs, and political costs. Litigation cost can be viewed as a motive or a constraint as discussed below.

2.1.3 Motivations to voluntary disclosure

It has been argued that managers should voluntarily disclose information that would satisfy the needs of various stakeholders (Barako, 2007). Voluntary disclosure is aimed at providing a clear view to stakeholders about the business's long-term sustainability and reducing information asymmetry and agency conflicts between managers and investors (Healy and Palepu, 2001; Efobi, & Bwala, 2013). The six motivations to voluntary disclosure are as follows:

1. **Capital markets transactions/ information asymmetry:** when a company's managers want to issue new capital through equity or debt, the perception of investors towards information asymmetry between managers and that of outside investors needs to be reduced (Barac, Granic, & Vuko, 2014). As a consequence, the cost of external financing and capital should be decreased. Voluntary information disclosure can help achieve this objective, where a reduction in information asymmetry may occur when voluntary disclosure is increased to outside investors (Healy et al 2001).
2. **Corporate control contest:** The possibility of a firm's undervaluation is another motive for managers to increase voluntary disclosure in order to reduce such a possibility, especially when poor earnings and stock performance might lead to the risk of job loss (Healy et al 2001), for example, the case of poor stock performance associated with chief executive officers turnovers (Azman, & Kamaluddin, 2009). As a result, managers increase information disclosure in order to retain corporate control, to explain the reasons for poor performance and reduce the possibility of undervaluing the company's stocks (Healy et al 2001).
3. **Stock compensation:** rewarding managers with stock-based compensation plans, such as stock appreciation rights and stock option grants, is another motive for increased voluntary information disclosure (Healy et al 2001). Two reasons justify this motivation: first, managers will have incentives to reduce contracting costs associated with stock compensation for new employees when they act in the interest of existing shareholders (Aboody and Kasznik, 2000). Second, when managers are interested in trading their shares, they will be motivated to disclose private information to meet the insider trading rules' restrictions and to correct any

undervaluation perceptions before the stock option awards expire (Healy et al 2001).

4. **Increased analyst coverage:** increased voluntary disclosure of information decreases the cost of information acquisition by analysts; since management's private information is not totally required by mandatory disclosure. The number of analysts following the company would increase as a result of increasing the amount of information available to them (Ali, & Isa, 2018).
5. **Management talent signalling:** investors' perception of managers' ability to predict future changes in the company's economic environment and respond to them is one of the determinants of a company's market value. Accordingly, talented managers voluntarily disclose information about earnings forecasts to reveal their talent (Healy and Palepu, 2001). Amaeshi, Adi, Ogbechie, & Amao, (2016) argue that managers limit information disclosures that may be used against them by regulators.
6. **Limitations of mandatory disclosure:** since regulations and laws do not usually meet the information needs of investors through mandatory disclosure (Dibia, & Onwuchekwa, 2015), because in most cases laws and regulations provide investors with the minimum quantity of information that helps in the decision making process (Al-Hamadeen, & Suwaidan, 2014), the need for voluntary information disclosure arises. Accordingly, voluntary disclosure is perceived as filling the gaps missed by mandatory disclosure (Donovan, Jennings, Koharki, & Lee, 2018).

2.1.4 Constraints on voluntary disclosure

Factors that limit and/or prevent managers from voluntarily disclosing corporate information are identified as:

1. **Disclosure precedent:** setting a disclosure precedent is one of the factors that reduce voluntary information disclosure, as it means that managers have to maintain the same pattern in the future, although this may be difficult to preserve (Cormier, Ledoux, & Magnan, 2011). Moreover, the market would expect the company to be committed to the new disclosures and maintain them even if the news is good or bad. This provides an incentive for managers to reduce voluntary disclosures (Christopher, 2010).
2. **Proprietary costs:** proprietary information has been defined by Cieslak, Hamberg, and Vural, (2014) as "any information whose disclosure potentially alters a firm's future earnings gross of senior management's compensation" including information that may decrease customer's demand for a company's products. Accordingly, managers favour not to disclose information that may affect the competitive position of their company in a market, even if this would increase the associated cost of capital. It can be said that proprietary costs represent the competitive disadvantage (Chakroun, & Matoussi, 2012). Managers can be expected to disclose aggregate performance information when their company has different performance across its segments (Hieu, and Lan, 2015; Healy and Palepu, 2001). On the other hand, firms with similar declining profitability across its segments will disclose more segment information (Neysi, Mazraeh, & Mousavi, 2012).
3. **Agency costs:** Nobes, and Stadler, (2014)and Brammer, and Pavelin, (2008) argue that agency issues are one of the reasons beyond reduced voluntary disclosure. Managers' desire to keep away from potential attention and follow up from stockholders and bondholders about unimportant items, such as career concerns and external reputation, is one of the factors that limit voluntary disclosure (Bos, Coebergh, & Olden, 2008).
4. **Political costs:** generally speaking, managers prefer not to disclose voluntary information that regulators might use against them (Binh, 2012). According to Bose, Saha, Khan, and Islam, (2017)., political costs depend on the firm's size. Large companies with high profits are more likely to decrease voluntary information disclosure level, to avoid being subject to any political attacks such as the threat of nationalisation and to reduce the expected attention that would be drawn based on high reported profits (Cormier, Ledoux, & Magnan, 2011; Alsaeed, 2006). Income taxes are also among the political costs incurred, which depend heavily on the reported profits; the higher the reported profits, the more taxes on business profits (political costs) being paid by a firm.

2.1.5 Litigation costs

Litigation can be considered as a motivation to increase disclosure or a constraint against disclosure. On one hand, managers are encouraged to increase voluntary disclosure not to be subjected to legal actions against them resulting from untimely or inadequate disclosures. In addition, managers will give due care to disclosing more information, especially bad news to limit the threat of litigation (Ghasempour, & Md Yusof. 2014). On the other hand, managers may reduce voluntary disclosures of forward looking information as a result of litigation, especially if managers face the risk of being penalised against their forecasts (Healy and Palepu, 2001)

2.2 Voluntary Information Disclosure Characteristics of Corporate Reporting

The issue of qualitative corporate reporting is a major concern to all classes of users of financial statement as it affects economic decisions of stakeholders. Different accounting professional bodies around the world have made several efforts to define the objectives of voluntary information in the corporate reporting for the benefits and development of financial accounting theory and practice. Soltani (2007) states that the basic objectives of voluntary information disclosure is that it provide information for the users to make business and economic decisions; help investors predict future cash flows; and, provide information concerning the company's economic resources.

The International Accounting Standard Board (IASB, 2006, 2008), claims that the main reason behind corporate reporting is to present useful financial and nonfinancial information about the reporting organisation to potential stakeholders like equity investors, lenders and other creditors for meaningful decision making within their capability as capital providers. The basic objective of corporate reporting is to present qualitative and quantitative information which can be of great benefits to stakeholders like investors, creditors and other users to make crucial investment decisions. The True blood Committee of USA and Corporate Report of UK noted that the main objective of financial statements is to provide meaningful information useful to make reasonable economic decisions. The FASB (USA) in its Concept No. 1 also summarised that financial reporting provides information that are of great benefit to potential investors, creditors and other users in making rational investment, credit and other related decisions.

The essence of voluntary information disclosure is to provide external users useful information about the firm. As more qualitative information is disclosed, it paves way for data to be analysed in relation to the enterprise environment to project their future earnings power. Corporate report is expected to meet certain qualitative informative disclosure According to IASB (2008) framework, the main requirement for the attainment of quality financial reporting is as a result of strict compliance to the objective and the qualitative characteristics of corporate reporting information. Chaney, David, and David (2012) posit that qualitative characteristics guide the selection of preferred accounting methods and policies from among available alternatives so as to make corporate reporting a desirable commodity. Choi and Pae (2011) state that the voluntary information disclosure varies a lot even if the companies follow same accounting standards and even if they operate under same financial reporting rules (GAAP) or principles (IFRS).

Qualitative information disclosures make the corporate report useful and distinguished (IASB 2008). It is those qualities that distinguish more useful accounting information from less useful information. The qualitative characteristics that command wider acceptance and recognition for making information useful in corporate reporting and facilitating earning quality have been examined (Francis et al., 2004; Bushman & Piotroski, 2006; Holthausen, 2009). Vital qualitative characteristics consist of relevance and faithful representation (IASB, 2008):IASB (2008) defines relevance as the capability of making a difference in the decisions made by the users in their capacity as capital providers. Information that is given greater weight in decision-making is more relevant. Menon and Williams (2010) argue that it is not easy to prepare a general purpose report which could provide optimal information for all possible users, and which could as well as command universal relevance.

Faithful representation is attained when "the depiction of the economic phenomenon is complete, neutral and free from material error" (IASB 2008). According to Ball (2006), the reliability of any useful measure or accounting description centres on the truthfulness with which it purports to represent and affirmation to users that it has faithful representational feature. A number of information provided in corporate report tends to be more reliable than others because of the phenomena it presented especially as economic resources, obligations, the transactions factor and events that occurred within. Vital qualitative characteristics are distinguished to be more useful information from compare to less useful information (IASB 2008). IASB (2008) and Ilaboya (2008) suggest that enhancing qualitative characteristics of corporate reporting include comparability, verifiability, timeliness and understandability according to IASB's conceptual framework.

Comparability is the quality of information that enables users to identify similarities and differences between two sets of economic phenomena (IASB, 2008). FASB (USA) Concept No. 2 defines comparability as .the quality or state of having certain characteristics in common, and comparison is normally a quantitative assessment of the common characteristics. Comparable purposes enable decision-makers to determine relative financial strengths and weaknesses and future prospects between two or more corporate organizations or between periods in a single firm. Pandey (2005) states majorly that comparability is needed to enhance decision makers like creditors, investors and other users of corporate reports to make predictions about financial positions from one accounting year to another and differences caused in income as result of disparity in practices. Bushman and Smith (2004) assert that verification implies and enhances consensus about measurements of some particular phenomenon. According to Oyerogba, (2014), verifiability rightly portrays that no more than the numerous approaches are likely to obtain the same measure in the corporate report. This suggests that verification of disclosed accounting information does not give assurance that the information provided in that corporate report has esteem of representational faithfulness and also a measure with a high degree of verifiability is not necessarily relevant to the decision for which it purported to represent to the users.

Timeliness refers to having information available to decision makers before it loses its capacity to influence decisions. Timeliness alone, cannot make disclosed information relevant, but a lack of timeliness, can rob disclosed information of relevant it might otherwise have had (Watts, 2003).It therefore means that it is vital occasionally to sacrifice exactness for timeliness in release of corporate reports, because early released annual report is often more useful compare to precise information is delayed more than necessary before being reported to users.

Understandability as an attribute, permits users of released corporate report to comprehend its meaning deeply before decision making. Disclosed information in corporate report

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that users find difficult to comprehend is no longer useful despite its relevance. According to Watts (2003), understandability suggests that disclosed information in corporate report must be presented in simple, suitable, clear form and consistent with the proper description of economic activities of the firm. This implies that judgment needs to be applied in holding the balance between the need to ensure that all material matters are disclosed in corporate report and the need to avoid confusing users by overloading reports with information. Moerman (2006) claims that understandability calls for the provision in the clearest form of all the information in the corporate report which realistically educate users for meaningful decision and the corresponding presentation of the key attributes for the use of the less complicated. Understandability of financial information is governed by a combination of user characteristics, and characteristics inherent in the information.

Consistency is the use of accounting principles from one accounting period to another is a desirable quality, but if pushed too far, it will prove a bottleneck for bringing about improvements in accounting policies, practices, and procedures (Ilaboya, 2008). Furthermore, the change to a preferred accounting method cannot be made without sacrificing consistency to required change from time to time in accounting principles, standards and guidelines. The materiality concept implies that, not all financial information needs to be or should be communicated in accounting reports only material information should be reported (Barth &Schipper, 2008). Therefore, materiality of an item depends not only upon its relative size, but also upon its nature or combination of both quantitative and qualitative characteristics. In effect, accounting information must exhibit certain qualitative attributes for it to be incorporated into the report.

3.0 Methodology

The study employs ex-post facto research design. The study is longitudinal and will cover a six years period, 2012 to 2017, involving listed consumer and industrial goods companies in Nigeria on the Nigerian Stock Exchange. The rationale for the choice of the listed firms for a study of this magnitude is because they command massive followership than non-listed firms due to the size of stakeholders. This study adopted the use of panel data.

The population of this study consist of twenty-one (21) consumer and fourteen (14) industrial goods companies listed on the Nigerian Stock Exchange as at 31st December, 2017. This form the total population of thirty-five (35) listed industrial and consumer goods companies.

3.1 Model Specification

Model specification for company-specific characteristics and qualitative information disclosure among Nigeria listed companies:

Qualitative Information Disclosure (QID) = f(Company Specific Characteristics[CSC])…..***eqn3.1.1***

Eqn.3.1 is functional or notational form.

Introduce the observed variables for both exogenous and endogenous variables.

QID-ENVID, COD, RIMD, ICAD, ECOD = f(CSC-OWNS, BZ, GPM, FZ, LEV,IT)……..***eqn3.1.2***

ENVID = f(ROA, OWNS, BZ, IT)……………………..***eqn3.1.3***

ICAD = f(BZ, GPM, FZ, IT)…………………………..***eqn3.1.4***

RIMD = f(LEV,IT)……………………………………....***eqn3.1.5***

ECOD = f(LEV,IT)………………………………………..***eqn3.1.6***

COD = f(LEV,IT)…………………………………….....***eqn3.1.7***

ENVID = f(FZ, IT)………………………………………...***eqn3.1.8***

Equations 3.1.9 to 3.1.14 are deterministic model for each research objectives:

$ENVID_{it} = \gamma_0+\beta_1 ROA_{it}+\beta_2 OWNS_{it}+\beta_3 BZ_{it}+\beta_4 IT_{it}$ ……………eqn 3.5.9

$ICAD_{it} = \gamma_1+ \beta_5 BZ_{it}+ \beta_6 GPM_{it}+ \beta_7 FZ_{it} + \beta_8 IT_{it}$ ………………eqn 3.5.10

$RIMD_{it} = \gamma_2+\beta_9 LEV_{it}+ \beta_{10} IT_{it}$ ………………….………..…eqn 3.5.11

$ECOD_{it} = \gamma_3+\beta_{11} LEV_{it}+\beta_{12} IT_{it}$ ……………………………..…eqn 3.5.12

$COD_{it} = \gamma_4+\beta_{13} LEV_{it}+\beta_{14} IT_{it}$ ………...............………………eqn 3.5.13

$ENVID_{it} = \gamma_5+\beta_{15} FZ_{it}+\beta_{16} IT_{it}$………………..…………………eqn 3.5.14

Equations 3.5.15 to 3.5.20 are binomial logistic regression equation/model:

$\ln(ODDS)_{ENVIDit} = \gamma_0+\beta_1 ROA_{it}+\beta_2 OWNS_{it}+\beta_3 BZ_{it}+\beta_4 IT_{it}$ …eqn 3.5.15

$\ln(ODDS)_{ICADit} = \gamma_1+ \beta_5 BZ_{it}+ \beta_6 GPM_{it}+ \beta_7 FZ_{it} + \beta_8 IT_{it}$ …….eqn 3.5.16

$\ln(ODDS)_{RIMDit} = \gamma_2+\beta_9 LEV_{it}+ \beta_{10} IT_{it}$ ………………………eqn 3.5.17

$\ln(ODDS)_{ECODit} = \gamma_3+\beta_{11} LEV_{it}+\beta_{12} IT_{it}$ ………………………eqn 3.5.18

$\ln(ODDS)_{CODit} = \gamma_4+\beta_{13} LEV_{it}+\beta_{14} IT_{it}$ …….........................eqn 3.5.19

$\ln(ODDS)_{ENVIDit} = \gamma_5+\beta_{15} FZ_{it}+\beta_{16} IT_{it}$………………..…………eqn 3.5.20

Odd ratio-Exp(B):

ODDS= e^{a+bx} [the odd ratio prediction equation]

ODDS= $e^{\gamma 5+\beta 15 FZit+\beta 16 ITit}$

SN	Names	Type/code	Measurement(s)	Apriori Sign
1.	**Qualitative Information Disclosure**	**QID-Endogenous (latent)**	**ENVID, COD, RIMD, ICAD, ECOD**	**NA**
2.	Environmental qualitative	ENVID-observed dependent	"1" denotes that it is disclosed in annual report	nil

	information disclosure.		and accounts "0" denotes otherwise.	
3.	Corporate governance qualitative information disclosure.	COD-observed Dependent	"1" denotes that it is disclosed in annual report and accounts "0" denotes otherwise.	Nil
4.	Risk management qualitative information disclosure.	RIMD-observed dependent	"1" denotes that it is disclosed in annual report and accounts "0" denotes otherwise.	Nil
5.	Intellectual capital qualitative information disclosure.	ICAD-observed Dependent	"1" denotes that it is disclosed in annual report and accounts "0" denotes otherwise.	Nil
6.	Economic qualitative information disclosure.	ECOD-dependent	"1" denotes that it is disclosed in annual report and accounts "0" denotes otherwise.	Nil
7.	**Companies' Specific Characteristics**	**CSC-Exogenous (latent)**	**OWNS, BZ, GPM, FZ, LEV**	**NA**
8.	Ownership structure	OWNS-Independent [observed]	Directors' interest÷ total shareholders' interests	+
9.	Board size	BZ-Independent [observed]	Total number of directors on the companies' board.	–
10.	Gross profit margin	GPM-Independent [observed]	Gross profit ÷revenue	+
11.	Firm size	FZ-Independent [observed]	Log of total assets	+
12.	Leverage	LEV-Independent [observed]	Debt[loans]÷total asset	+
13	Industry type	IT-dichotomous	NSE classification	NA
14	Return on Asset	ROA-independent [observed]	EBITAD/Total Asset	NA
15.	γ_{1-5} gamma	fixed/Constant term	parameter	NA
16.	β_{1-20}-beta	Regression coefficients	parameters	NA
17.	t-time	years	Parameters	NA
18.	i-individual companies in samples	Number of companies	Parameters	NA
19.	Ϋ-Error term	Stochastic random	Parameters	NA

Source: Researcher's Compilation, 2018

4.0 Results

Answers to Research Questions

i. ***What is the prediction of leverage and industry type on corporate governance qualitative information disclosure of listed consumer and industrial goods companies in Nigeria?***

Table 1.2: Model Summary of leverage and industry type joint prediction on corporate governance qualitative information disclosure of listed consumer and industrial goods companies in Nigeria [2012-2017].

Cox & Snell R^2	**-2 Log likelihood**	**Nagelkerke R^2**
.071	136.510	.106

Source: Researcher's computation via SPSS version-23.

Binomial logistic regression result is presented in Table 1.2 with **Cox-Snell-R^2** and **Nagelkerke-R^2** values, which are techniques of computing the explained variation in the explained variable. They are referred to as ***pseudo-R^2*** values. The explained change in the corporate governance qualitative information disclosure is based on our model ranges from 7.1% to 10.6%; that is, Cox& Snell-R^2 or Nagelkerke-R^2 methods, respectively. Our result is based on Nagelkerke-R^2. This implied that leverage (LEV) and industry type (IT)had predicted 10.6% change in the explained variable-corporate governance qualitative information disclosure.

ii. ***What is the prediction of firms' size and industry type (IT)on environmental qualitative information disclosure of listed consumer and industrial goods companies in Nigeria?***

Table 1.3: Model Summary of firms' size and industry type (IT)prediction on environmental qualitative information disclosure of listed consumer and industrial goods companies in Nigeria [2012-2017].

-2 Log likelihood	**Cox & Snell R^2**	**Nagelkerke R^2**
162.206	.071	.097

Source: Researcher's computation via SPSS version-23.

Binomial logistic regression result is shown in Table 1.3 with Cox-**Snell-R^2** and **Nagelkerke-R^2** values, which are modus operandi of evaluating the explained variation in the explained variable. They connote ***pseudo-R^2*** values. The explained change in environmental qualitative information disclosure is based on our model ranges from 7.1% to 9.7%; that is, Cox & Snell-R^2 or Nagelkerke-R^2 methods, respectively. Our result is based on Nagelkerke-R^2. This signifies that firms' size (FZ) had accounted 9.7% change in socio-environmental qualitative information disclosure.

Test of Hypotheses

Hypotheses1: The prediction of leverage on corporate governance qualitative information disclosure of listed consumer and industrial goods companies in Nigeria is not significant.

Table 1.4: Model Prediction of corporate governance qualitative information disclosure from industry type and leverage of listed consumer and industrial goods companies in Nigeria [2012-2017].

Variables	Exp (β)/ [β]	Sig.	Nagelkerke R^2	% classified correctly	χ2	df.	Sig.	Remarks
Model			10.6%	75.8%	9.709	2	.008	Accept **H_a**
H & L					7.836	8	.450	Model fit perfect
Interaction					-	-	p>5%	not violated
LEV	.0[-14.23]	.000						Significant
IT (1)	1.05[.051]	.907						Insignificant

Source: Researcher's computation via SPSS version-23.

Table 1.4 shows Binomial logistic regression result of **Nagelkerke R^2** values, which explained variation in the dependent variable. Table1.4 indicates that there is no violation of linearity assumption and the data perfectly fit the model prediction [**χ2** (8)=7.836; p=.450] (Hosmer & Lemeshow test). The explained variation in the dependent variable10.6%; that is, our model explained 10.6% (Nagelkerke ***R^2***) of the variance in the disclosure of corporate governance qualitative information and correctly classified 75.8%. The logistic regression model was statistically significant, [**χ2** (2)=9.709, p=.008].This implied that consumer goods listed companies are1.052 times more likely to disclose corporate governance qualitative information than industrial goods listed companies. Increasing in leverage (LEV) was associated with insignificant decrease in likelihood of disclosing corporate governance qualitative information. Based on the analysis conducted we accept alternate hypothesis (**H_a**) and reject the null hypothesis (**H_0**) and conclude industry type and leverage had significantly predicted corporate governance qualitative information disclosure of listed consumer goods companies and listed industrial goods companies in Nigeria.

Hypotheses 2: The prediction of firms' size and industry type on environmental qualitative information disclosure of listed consumer and industrial goods companies in Nigeria is not significant.

Table 1.5: Model Prediction of environmental qualitative information disclosure from industry type and leverage of listed consumer and industrial goods companies in Nigeria [2012-2017].

Variables	Exp(β)/ [β]	Sig.	Nagelkerke R^2	% classified correctly	χ2	df.	Sig.	Remarks
Model			9.7%	71.2%	9.689	2	.008	Accept **H_a**
H & L					13.024	8	.111	Model fit perfect
Interaction					-	-	p>5%	not violated
FZ	1.78[.577]	.027						Significant
IT(1)	.787[-.24]	.595						Insignificant

Source: Researcher's computation via SPSS version-23.

Table 1.5 shows Binomial logistic regression result of **Nagelkerke R^2** values, which explained variation in the dependent variable. Table4.3.6 indicates that there is no violation of linearity assumption and the data perfectly fit the model prediction [$\chi 2$ (8)=13.024; p=.111] (Hosmer & Lemeshow test). The explained variation in the dependent variable9.7%; that is, our model explained 9.7% (Nagelkerke R^2) of the variance in the disclosure of environmental qualitative information and correctly classified 71.2%. The logistic regression model was statistically significant, [$\chi 2$ (2)=9.689, p=.008].This implied that consumer goods listed companies are0.787 times less likely to disclose environmental qualitative information than industrial goods listed companies. Increasing in Firm size (FZ) was associated with significant increase in likelihood of disclosing environmental qualitative information. Based on the analysis conducted we accept alternate hypothesis (**H_a**) and reject the null hypothesis (**H_0**) and conclude industry type and firm size had significantly predicted environmental qualitative information disclosure of listed consumer goods companies and listed industrial goods companies in Nigeria.

5.0 Summary of Findings

i. Industry type and leverage had significantly predicted corporate governance qualitative information disclosure of listed consumer goods companies and listed industrial goods companies in Nigeria.

ii. Industry type and firm size had significantly predicted environmental qualitative information disclosure of listed consumer goods companies and listed industrial goods companies in Nigeria.

5.1 Conclusion

Voluntary disclosure has been viewed by previous researches as contributing to improved confidence in corporate reporting by stakeholders. There was a significant association between industry type and leverage on Risk management disclosure of consumer and industrial goods companies in Nigeria. Industry type determined the presence of Risk management committees in the observed firms. Also, the observed company's compliance with Securities and Exchange Commission (SEC) requirements has a positive influence on corporate governance disclosure of listed consumer and industrial goods in Nigeria. Increased number of board members reflects the presence of various experiences while reporting, leading to increased disclosures, and reduced information asymmetry. The significant relationship between leverage/gearing and corporate governance disclosure might be due to the nature of the corporate environment and politically connected members holding powerful positions in listed companies.

5.2 Recommendation

Based on the above conclusions, the following recommendations were reached:

- Policy makers and regulators should issue corporate governance codes on comply/penalise basis to enhance transparency and disclosure.
- The importance and benefits of corporate governance disclosure to listed companies, including foreign investments' attraction, should be widely spread.

Finally, the voluntary disclosure index acts like a corporate governance scorecard (Strenger, 2004). will provides an opportunity for companies, analysts, and investors to assess companies' corporate governance through their annual reports similar to the current research or any other disclosure media using the same index.

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