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Qualitative Information Disclosure and Corporate Financial Performance: Evidence from Listed Manufacturing Firms in Nigeria

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This study investigated the effect of qualitative information disclosure on financial performance of listed manufacturing firms in Nigeria. A sample of thirty-nine listed manufacturing firms was used via a stratified random technique, spanning through 2015-2019. Descriptive and inferential statistics were employed to summarize the data and to draw inference on the population studied. The study employed the Ordinary Least Squares in testing the hypotheses stated. We found out that corporate governance disclosure and corporate social responsibility disclosure positively affects financial performance of listed manufacturing firms. While Risk disclosure was found to be insignificantly related to financial performance of listed manufacturing firms. The study concluded that qualitative information disclosure affects financial performance. Hence, we recommended that although corporate governance disclosure had the highest level of disclosure, we advise listed firms should disclose more qualitative information.

Keywords: Corporate governance disclosure, Corporate Social Responsibility Disclosure, Board Risk Disclosure, Financial Performance..

INTRODUCTION

Firm financial reporting in the form of financial statements are vital tools in the communication of essential information regarding firms. This information usually take the structure of financial and non-financial (Barako, 2007). The information made available by firms on the internet for several years now has been growing by the day and is becoming a thriving popular area of analysis amongst researchers, and of greater importance to the society as a whole. The importance of information in the corporate world today cannot be overemphasized as it is advantageous to the firm in several ways (Katmun, 2012). Firms are obligated to make certain disclosure of information to meet the requirement of the legal conditions in their country. Notwithstanding, firms disclose information voluntarily mainly in the line of qualitative information. The emphasis on the importance of disclosing qualitative information by the corporate world is a budding trend (Gallego-Álvarez & Quina-Custodio, 2016). Haji and Ghazali (2013), described qualitative information as the "voluntary disclosures in excess of statutory requirements, thus representing free choices on the part of company management to provide

accounting and other information deemed relevant to the decision needs of users of their annual reports". Qualitative disclosure which is also referred to as non-financial disclosures consists of varied ranges of performance facets relating (among others) to human rights protection, labour practices, environmental management procedures as well as product responsibility (Santema & Van De Ritj, 2001).

One of the vital ways of communicating with shareholders regarding a firm progress is by making non-financial information available. In other words, non-financial information include "Corporate Social Responsibility (CSR), Intellectual Capital (IC), Risk Management (RM) and Corporate Governance (CG)" (Mohamad, Salleh, Ismail, & Chek, 2014). Performance is a veritable tool used to articulate the achievement of a specified task against its efficiency and effectiveness ahead of present identified standards (Herciu, 2017). However the case may be, in providing qualitative information there is a cost attached, it is crucial to analyse whether or not a consequential advantage exist in the appearance of good reports. Hence, the quest that drives this study is to provide empirical evidence on whether there is an affiliation between qualitative information and firm performance. In the context of firm performance using either accounting or market based perspectives, the role of qualitative information on firm performance is playing an increasingly important role. The information environment of the firm is crucial to investors, creditors and indeed all entities whose activities result in the outcome of a firm's bottom line. Investors want qualitative explanation from management to gauge their confidence in products, market trends, and financial and strategic plans. In other words, qualitative

information makes different contributions to an assessment of performance.

Interestingly and on a general note, companies seem quite informed about the effects of certain qualitative information such as comprehensive risk, environmental liability assessment disclosures amongst others and appear to have applauded the voluntary stance that have followed such disclosures ironically. Though it may not be generally accepted, the view in certain quarters is that accounting regulators appear culpable in the undermining of qualitative disclosures (Goyal, 2013). In examining the role of the International Financial Responsibility Standard (IFRS) as regards the qualitative information, there is the absence of a specific standard dealing on non-financial disclosure. Although some direct and indirect comments on non-financial disclosures especially in the area of environmental accounting and financial instrument risk in the different accounting standard (Goyal, 2013), the supply of such information is far from the meeting the demands of stakeholders. This study addresses this gap by focusing on the review of extant literature to provide a more robust insight to the effect of non-financial disclosures on corporate performance. The rest of the paper will be structured in this manner: following the introduction in section 1 will be literature review on the dependent variable (corporate financial performance). The remainder of the paper is organized as follows: Section two focuses on the literature review and hypotheses development. Section three addresses the methodology with emphasis on theoretical framework and model specification. Section four presents data analysis interpretation and discussion of findings. Section five concludes

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Corporate Financial Performance

According to Herciu, (2017) the term financial performance consists of several connotations, features and aspects under a subjective notion. "Firm financial performance is generally defined as a measure of the extent to which a firm uses its assets to run the business activities to earn revenues. "Firm financial performance can be defined and measured in terms of: profitability, growth, market value, total return on shareholder, economic value added, customer satisfaction, based on the stakeholders expectations" (Carroll, 2004). Corporate financial performance or firm financial performance can also be referred to as a subset of organisational effectiveness that covers operational and financial outcomes (Santos & Brito, 2012). It examines the overall financial health of a business over a given period of time and can be used to contrast the performance of identical firms in similar industries or between industries in general" (Marimuthu, Arokiasamy, & Ismail, 2009). According to Mutiwa, Ahmed, and Muiruri-Ndirangu (2015) in measuring performance it is illustrated as either quantitative or qualitative. They are mechanism utilized by firms to keep track of progress in the direction of attaining predetermined objectives as well as promote the identification of the key pointers of organisational performance and ultimately customer satisfaction. Financial statement which is the outcome of accounting comprises of the statement of financial position (portrays assets, liabilities as well as equity), statement of comprehensive income (takes account of revenue, expenditure as well as profit for a specific period), statement of changes in equity (signifies changes in the wealth of owners) and the statement of cash flow (shows the sources

and how cash is utilized in a specific period) forms the major source of data in verifying the financial performance of a firm. The financial performance of a firm is usually represented as financial ratios calculated by linking items in the financial statements. Moreover, these measures representing firm financial performance are generally categorized into accounting-based (accounting returns) measures and market-based (investor returns) (Griffin & Mahon 1997).

Qualitative Information Disclosures

Ahblom (2017) opined that in analyzing the use of accounting information by investors and other financial intermediaries, studying it from a behavioural perspective has shown that it involves differentiating accounting information from other information by categorizing them into "numerical" (or quantifiable) and "non-numerical" (or qualitative) information (Barker & Imam, 2008; Day, 1986; Gniewosz, 1990; Hellman, 2000; Imam, Barker, & Clubb, 2008). Robb, Single, and Zarzeski, (2001) defined qualitative disclosures as "information in the companies' reports which exclude financial statements and related footnotes". Non-financial information is everything that has to do with a firm's vision, mission as well as its strategy. It is simply referred to as information that emphasizes narrative rather than numbers. Qualitative information involves capturing and interpreting the characteristics of something to reveal its larger meaning. (Commonwealth of Australia 2015)

Edelman (2015) defined qualitative information as "non-quantitative information that can help an analyst or investment professional develop a better understanding of a company's strategy, competitive position, products, business performance and future developments". Lindblom (1994) define non-financial disclosure as "a valuable legitimization instrument which can

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mitigate social concerns and with a mediating effect in convincing societal members (i.e. stakeholders) that the organisation is fulfilling their expectations". Qualitative information takes the form of unstructured data such as textual descriptions and disclosures and is known as soft information (Petersen 2004). Qualitative information may also be the obligatory or voluntary disclosure in the financial statement, that can be utilize in clarifying, sustaining as well as expanding financial or numerical data (Chou & Chang, 2018). Haji and Ghazali (2013), depicted the term "as voluntary disclosures in excess of statutory requirements, thus representing free choices on the part of company management to provide accounting and other information deemed relevant to the decision needs of users of their annual reports". Non-financial disclosures includes an assorted variety of performance facets relating to "human rights protection", "labour practices", "product responsibility efforts" as well as "environmental management measures" (Santema & Van De Ritj, 2001).

Corporate Governance Disclosures and Financial Performance

Corporate Governance therefore is the procedures and schemes by which a company is governed which ensure appropriate checks and balances as well as the manner companies and enterprises are managed efficiently (Mmadus & Akomolafe, 2014). The corporate governance mechanisms helps to ensure the effective utilization of firm resources as well as demand stewardship accountability. It is driven by the need to put into alignment individual, firm and society interest (Anandarajah, 2004). According to Uwuijbe, Olusanmi, and Iyoha (2015) corporate governance is seen as "a system or an arrangement that comprises of a wide range of practices (accounting standards, rules concerning financial disclosure, executive compensation, size and composition of corporate

boards) and institutions that protect the interest of corporation's owners". The term in essence exists to serve as checks and balances among shareholders and management which facilitate the reduction of agency problem. In other words it is seen as a system basis on which companies are directed and managed for optimum level of performance, be it financial and non-financial.

Fundamental components of an effective governance structure include managerial ownership, size and composition of the board of directors, CEO and directors' compensation schemes, audit controls, and an external market for corporate control (Keasey, Thompson, & Wright, 1997). Corporate governance is a collection of internal and external controlling mechanisms that makes proper balance between stockholder's rights in one hand and the needs and authorities of board of directors on the other hand. Finally these mechanisms provide reasonable assurance for stockholder's and financial resources providers and stakeholders that their investment would be returned by reasonable profit and value creation mechanism would be obtained (Ganbary, 2007).

Paniagua, Rivelles, and Sapena (2018) examined if firm governance as well as the ownership structure of a firm has an impact on the financial performance of a firm. In other to attain the aim of the study, they analyze the correlation utilizing the fsQCA (fuzzy-set qualitative comparative analysis). They also enhanced their data analysis by utilizing multiple regression analysis by complementing the linear as well as the non-linear. Focusing on a timeframe ranging from 2013-2015, their panel data enclosed a sample of 1207 firms emanating from 59 nations across 19 sectors. In contributing to knowledge, the study offered the following insights; Firstly, the multi-dimensional approach in the statistical methods utilized provides a wider outlook in analyzing firm

financial performance. Secondly, prompting the perceptive in relating firm governance as well as ownership structure to firm financial performance.

Khatab, Masood, Zaman, Saleem, and Saeed (2011) assessed the correlation amid firm governance and firm's performance. They utilized 20 companies quoted on the floor of the Karachi Stock Exchange. In order to ascertain the performance of firm governance Tobin Q was utilized, while proxies for firm performance were the "return on equity" (ROE) and "return on assets" (ROA). Focusing on a timeframe ranging from 2005 to 2009 they retrieved data from the financial statements of firms. For the analysis of data, multiple regression models were employed to ascertain the implication of corporate governance on firm profitability. Findings from their study showed that growth as well as leverage has an affirmative association with Tobin's Q, as a result confirming its significant impact in appraising firm performance. This signifies that companies portraying quality corporate governance mechanisms perform better in comparison to companies with lesser quality firm governance mechanisms.

Akbar, Poletti Hughes, El-Fatouri, and Shah (2016) examined in the UK, the link amid firm in compliance with governance and performance. They created a governance index to ascertain its effect on firm performance while putting into consideration the issue of reverse causality by making use of the robust methodology Generalized Method of Moments (GMM). Focusing on a timeframe ranging from 1999 to 2009, they utilized a sample 435 non-financial quoted public companies. Contrary to previous results, they found evidence to imply that conformity with the guidelines of firm governance does not determine the performance of firms in the UK. In conclusion, they opined that findings from preceding research revealed an affirmative effect of firm governance

on the performance of the firm might be subjective as a result of failure to take into cognizance the likelihood for reverse causality.

Ho₁: Corporate governance disclosure has no significant impact on financial performance

Corporate social Responsibility disclosures and Financial Performance

Corporate social responsibility (hereafter CSR) was introduced in the early 1980s and since then it has rapidly gained acceptance as the means of communicating and demonstrating a company's commitment to improving corporate environmental performance to its stakeholders (ACCA, 2004). All through the last two decades, the amount of information made available by firms has skyrocketed notably (Owen, 2006). KPMG (2013) accentuated that CSR exposure is at present undeniably a universal mainstream business practice, embarked upon by most companies. CSR disclosure by firms has been rising progressively both in magnitude as well as complexities for the past decades (Smith, 2003).

Numerous definitions for CSR subsist, in accordance to an online study (Dahlsrud, 2008), one of the most prominent was propounded in 2001 by the European Communities Commission. The commission describes the term as "the practice whereby companies integrate social and environmental concerns in their business operations and in their interaction with tier stakeholders on a voluntary basis". CSR is frequently viewed as responding to pressure from external stakeholders unfavorably impacted on by the practices of firms, otherwise seen as the practical effort by companies to obstruct or at any rate alleviate these pressures so as to promote the firm value and ultimately its reputation. This incorporation of social and environmental issue is essential towards sustainable development in the

restoration and protection of the environment so as to preserve it for future generation.

In line with the prior definitions of CSR, it appears that by making CSR information available, companies tackle the pressure of stakeholder requirements of information by providing a platform of for channel of communication amid the company and its stakeholders. Gelb and Strawser (2001) opined that a superior and higher degree of reporting is itself an appearance of CSR behavior. In this respect, Bowen (2000) posited that firms embark on as well as report their CSR performance so as to amplify their societal viability at the same time as advancing stakeholder rapport which eventually generates for the company its promotional opportunities. However, contemporary CSR practices especially for developing countries like Nigeria has waited and advanced within a structure tilted in the direction of the fortitude of free-market individuality void of an effectual direction. More so, CSR disclosures are discretionary which is suggestive that corporations exert unimaginable control over the preparation and disclosure of social information.

Uwuigbo and Egbide (2012) investigated the connection linking corporate financial performance with the degree of CSR disclosures amongst some chosen companies in Nigeria. Financial statement for the year 2008 was utilized in collating sampled data for the 41 quoted companies. In order to carry out the analysis of data collated, the statistical measure utilized was the multiple regression technique. Their investigation showed that the association amid firm financial performance and the degree of CSR disclosure is positively significant for the sampled firms.

Odetayo, Adeyemi, and Sajuyigbe (2014) conducted an observation of CSR and firm profitability. In order to drive the study objective, data was collated from the financial statement of 6

banks listed in the Nigerian Stock Exchange for a timeframe of 10 years ranging from 2005 to 2012. The analysis of data was conducted with the simple regression analysis method utilizing STATA 11. Results from their analysis showed evidence that a significant correlation exists amid expenditure on CSR and bank profitability in Nigeria. The scholars concluded on the fact that banks in Nigeria are fully aware of the essentiality of CSR in sustainable development as it enhances performance of their obligatory services to the society at large. However, in comparison to the profit banks produce, a small amount was spent on CSR.

Marfo, Chen, Nuhua, Antwi, and Yaranbon (2015) analyzed the correlation amid CSR and firm's profitability in Ghana while utilizing a combination of data retrieved from 16 companies' audited financials for a timeframe ranging from 2005 to 2014. In order to ascertain the association amid firm profitability and CSR, they utilized lagged data retrieved from the Ghana Investment Promotion Centre (GIPC) also inclusive were 850 questionnaires after administering them to the general public to ascertain their level of CSR consciousness. The collated data was analysed by utilizing the Ordinary Least Square technique. Findings from the study showed evidence that the chosen sampled firms contribution to sustain CSR initiatives was beneath 10% of their profit on a yearly basis.

H₀: Corporate social responsibility disclosure has no significant impact on financial performance

Risk Disclosures and Financial Performance

In recent years, the concept of corporate risk disclosures has gained interest in financial reporting practice, regulation and international research. Linsley and Shrives (2006) delineate the disclosure of risk as informing the reader about

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'any opportunity or prospect, or of any hazard, danger, harm, threat or exposure, that has already impacted upon the company or may impact upon the company in the future or of the management of any such opportunity, prospect, hazard, harm, threat or exposure'. Risk reporting allows outsiders to assess the risks of an entity's future economic performance (Linsley & Shrive, 2006). Corporate risk disclosures may be part of an organisational strategy in order to manage public expectations and to justify corporate risk management (Power, 2007; Cabillon & Cabillon, 2012). Mäkinen (2012) defines risk disclosure as "all information that firms provide in the risk reviews they present in their annual reports" (p. 442). Jørgensen and Kirschenheiter (2003) formalize "risk disclosure as disclosure of the firm specific variance of future cash flows". Dobler (2005) conceives risk reporting as probabilistic forecast disclosure.

Souabni (2011) opined that in disclosing risk in financial statements, it basically involves two foremost grouping: the financial risk as well as the non-financial risk. He further asserted on the easy quantification of financial risk in complementing annual reports as well as facilitating financial analysis while the quantification of non-financial risk is not easily possible. Cabedo and Tirado (2004) asserted that financial risks portrays specific significance in annual reports as well as having a direct impact on financial assets, liabilities, cashflows as well as firm profits, while non-financial risks have no direct impact on financial assets and liabilities but enclose an impact cash flow losses emanating in the future on a long term basis.

Moreover, Hassan (2009) defined corporate risk disclosure as "the financial statements incorporation of general, specific, and potential circumstances that may cause corporations assets

and/or liabilities value to fluctuates, decreases or otherwise". Also, Hassan (2009) defined corporate risk disclosure as "the financial statements inclusion of information about managers' estimates, judgments, reliance on market-based accounting policies such as impairment, derivative hedging, financial instruments, and fair value as well as the disclosure of concentrated operations, non-financial information about corporations' plans, recruiting strategy, and other operational, economic, political and financial risks". This definition communicate the good and bad information as well as reporting on business "uncertainties".

Adamu (2013) investigated the perceptiveness of stakeholders regarding the outlook fixated to firm disclosing environmental in Nigeria. In view of the fact that stakeholders are supporters of firms reporting information relating to risk in their financial statement, this study utilized the survey method as its technique. The intended respondents were shareholders, bankers, stock brokers as well as financial analyst. After administering 3000 questionnaires to several stakeholders that fall into the aforementioned categories, 230 questionnaires were effectively finished and retrieved. Findings from their analysis showed evidence that firm disclosing about their environment promotes firm transparency; aid efficient management of risk; assists financial analyst in making forecast regarding the earnings of firm with a more realistic precision; as well as curtail the issue of over/under valuing stock. For that reason, they concluded that the provision of information relating to risk by firms in their financial statement is imperative. The scholar however recommended that Nigerian quoted firms disclose information relating to risk so as to benefit from the aforementioned benefits.

Oyerogba, Solomon, Olaleye, and Adesina (2014) examined the impact of disclosing risk in the

annual report on the performance of Nigeria quoted firms. Particularly they examined investigated the impact of disclosing operational risk, disclosing strategic risk as well as disclosing financial risks on the performance of Nigeria quoted firms. The scholars implemented a descriptive design which is said to be the technique of collating information via interviews and the administration of questionnaires which is also referred to as primary data retrieval technique. While focusing on a population of 258 quoted companies, results from their analysis revealed that there was an enhancement in the performance of quoted companies as a result of disclosing risk in their annual report. These gave the indication that disclosing operational risk, disclosing strategic risk as well as disclosing financial risks are acceptable in the explanation quoted firm performance.

Ashwag, Radziah, Zulkefly and Aisyah (2016) focused on Islamic banks in their study and this is because Islamic bank activities functions differently from normal banks, mostly in the adoption of profit/loss sharing contracts that possibly results in dissimilar profit and risk profile.

Taking cognizance of the Islamic standard of disclosing fully, signaling and stakeholder theories, they analyzed if there is a correlation amid profitability measures and risk disclosure level. The timeframe of the study was focused on 2006 to 2009 while utilizing a sample of Islamic banks domicile in Europe, Asia as well as the Middle East. After utilizing a panel data analysis, results from the study showed evidence of an affirmative connection amid the disclosure of risk and return on equity.

Lipunga (2014) examined the degree of the disclosure of risk in the financial statement of Malawian commercial banks and its impact on firm profitability. While utilizing an index for risk

disclosure created on the basis of the Basel II framework requirement which is a guideline for firm governance in banks issued by IFK 7 as well as the Reserve Bank of Malawi. Comprising of 34 items, the index was categorized into 6 groups that is; board of directors and management system involving risk management, credit risk, market risk, liquidity risk, capital management as well as operational and any other risks. Findings from the study showed evidence of towering degree in disclosing risk amid the banks of the sample utilized. Furthermore regression analysis suggested no significant relationship between profitability and the level of risk disclosure.

H₀: Risk Disclosure has no significant impact on financial performance

METHODOLOGY

Theoretical framework and Model Specification

Theoretical Framework

This study is hinged on the signaling theory. A signal can be described as "a movement, action or sound that is used to communicate instructions or information". It is capable of being action observed, structure observed, usually utilized to show the signaler concealed features. In the communication of signal, it is assumed to be favourable for the signaler. The signaling theory was propounded by Ross (1977) who suggested that if investors cannot efficiently distinguish amongst the performance of two companies on the one that performs better, then a firm needs to make available a "signal" to grab hold of the investor's interest so as to benefit from an affirmative firm reputation. This theory tackles issues of asymmetry in information distribution. This theory proposes that information asymmetry can be diminished by signaling to stakeholders from the party that holds

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the upper hand by their possession of extra information (Razek, 2014). This theory further argues that in circumstances of asymmetry in information distribution an individual attempts to transmit information regarding its features to another individual (Connelly, Certo, Ireland & Reutzel, 2010; Spence, 1973). Firms will likely be driven by the need to trim down asymmetry in information distribution by effectively providing reports on all their actions to promote legitimacy. Nevertheless, whether or not the receiver of such information recognizes such information as credible and dependable has a huge impact on the possible outcome of the overall signaling effort.

The signaling theory explicates the stance of managers in disclosing information on a voluntary basis outside the mandatory requirement of the law so as to transmit signal about their affairs in order to enhance their transparency and in other words be a magnet for prospective investment (Morris, 1987; Ross, 1977; Spencer, 1973). Based on this theory, managers disclose qualitative information in the financial reports to convey specific signals to current and potential users. Thus they can distinguish themselves from other managers (Elshandidy, Fraser, & Hussainey, 2013). Consequently, the signalling theory suffices as an adequate theoretical framework for this study.

Model Specification

Flowing from the theoretical framework and extant literature, we specified the model as;

$$FPF = f(CGD; CSR; RD) \dots\dots\dots (1)$$

In econometric form:

$$FPF = \beta_0 + \beta_1 CGD_{it} + \beta_2 CSR_{it} + \beta_3 RD_{it} + \varepsilon_{it} \dots\dots\dots (2)$$

Adding control variables to the study we have our model to be represented as;

$$FPF = \beta_0 + \beta_1 CGD_{it} + \beta_2 CSR_{it} + \beta_3 RD_{it} + \beta_4 FSZE_{it} + \varepsilon_{it} \dots\dots\dots (3)$$

Where:

FPF= Financial Reporting Performance

β_0 = Constant;

CGD = Corporate Governance Disclosure;

CSR = Corporate Social Responsibility Disclosure;

RD = Risk Disclosure;

FSZE = Firm Size;

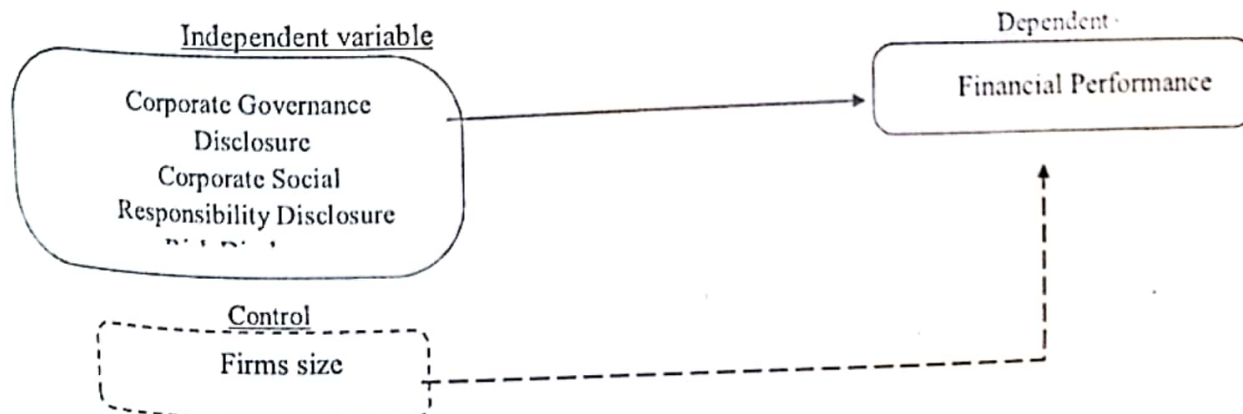
$\beta_1, \beta_2, \beta_3$ = Coefficient of explanatory variables

ε = Standard error

i = Cross sectional (Companies)

t = Time Series

A priori expectations in with extant literature to be $\beta_1, \beta_2, \beta_3 > 0$



Research Methods

Our study adopted a quantitative research design. The design examines nexus between variables, which are measured numerically and analyzed using a range of statistical and graphical techniques. (Saunders, Lewis & Thornhill, 2016). The population consisted of all listed firms in Nigeria Stock Exchange (169 listed companies as of 31st May 2018) while the target population was forty-three (43) manufacturing firms listed on the Nigerian stock exchange. The manufacturing sector was studied due to its emerging positive impact on the Nigerian economy. The sample size was scientifically derived using the Yamane's (1967) sample size formula, which yielded thirty-nine (39) from the target populations. The stratified random sampling technique was employed in selecting companies under each sector of the manufacturing industry (Consumer goods, industrial goods, and conglomerates sector) via a lottery system, to ensure that all sampled listed manufacturing firms have equal chances of being selected. Secondary data was hand-picked from the annual reports (2015-2019) of the sampled listed manufacturing firms to have enough periods to validate our generalization.

Method of Data Analysis

The study employed both descriptive and inferential statistics. The descriptive statistics which include the means, Minimum, Maximum, Standard deviation was well presented in tables. The Ordinary least squares regression was employed to test our hypothesis after fulfilling the basic regression assumptions. The content analysis procedure was used to convert qualitative data to quantitative data for our explanatory variables, while our dependent and control variables were handpicked from the annual reports.

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS

The section present both the descriptive statistics, correlation matrix and the ordinary least squares regression result.

Table 2: Descriptive Statistics for Secondary data

	FPF	CGD	CSR	RD	FSZE
Mean	0.152	0.852	0.205	0.378	7.011
Maximum	5.924	1.000	1.000	1.000	10.001
Minimum	-9.287	0.000	0.000	0.000	5.171
Std. Dev.	0.129	0.157	0.120	0.495	1.001

Source: Authors' computation, 2020

Table 2 above shows a descriptive statistic of variables used in the study. From the listed manufacturing firms investigated in the period under review, ROA, a proxy for financial performance (FPF) had a mean value of 0.152 with minimum and maximum values of -9.287 and 5.924 respectively, and the standard deviation of 0.129 which is close to the mean. The mean of board Corporate governance disclosure (CGD) stood at 0.852, this implies that an average of about 85% of items in the Nigeria corporate governance disclosure index were independent voluntarily disclosed by manufacturing firms. Also, we level of disclosure on corporate social responsibility (CSR) stood at a 0.205, that is 20.5% rate of disclosure. Likewise, risk disclosure level which stood at 37.8%. Lastly, The control variables introduced firm size (FSZE) had a mean 7.011 (that is about N7Billion), having minimum and maximum values of 5.171 and 10.005 respectively with a standard deviation of 1.001 which is low, suggesting that firm size (FSZE) investigated do exhibit considerable clustering around the mean.

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Table 3: Correlation Matrix

	FPF	CGD	CSR	RD	FSZE
FPF	1.000				
CGD	0.436	1.000			
CSR	0.120	0.554	1.000		
RD	-0.238	0.432	0.521	1.000	
FSZE	0.543	0.654	0.133	0.447	1.000

Source: Authors' computation, 2020

The results of the correlation analysis are presented in Table 3. The correlation coefficients are mixed. Some variables reported positive coefficients

(Corporate governance disclosure and financial performance (0.436); Corporate social responsibility disclosure and financial performance (0.120) and Firm size and Financial Performance (0.543), while Risk disclosure had a negative relation with firm performance (0.543). The strength of the relationship between variables measured by the Pearson product moment correlation showed that the association between the variables is relatively small and were below the threshold of 0.80, suggesting the absence of the problem of multicollinearity in the predictor variables (Studenmund, 2000).

Table 3: Ordinary Least Squares

Dependent Variable: Financial Performance (ROA)

Method: Least Squares

Date: 10/04/20 Time:08:16

Sample: 2015 2010

Included observations:5

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-381936.1	2858361.	-0.133621	0.8975
CGD	0.237773	0.086159	2.759700	0.0058
CSR	5.752242	1.855716	3.099743	0.0019
RD	-31.21723	58.79847	-0.530919	0.6119
FSZE	0.303319	0.348353	0.870724	0.3888
R-squared	0.844863	Mean dependent var		1288819
Adjusted R-squared	0.778376	S.D. dependent var		5276478
S.E. of regression	2451994.	Akaike info criterion		32.88799
Sum squared resid	4.21E+13	Schwarz criterion		32.68268
Log likelihood	-174.9589	Hannan-Quinn criter.		32.44678
F-statistic	12.70713	Durbin-Watson stat		1.828170
Prob(F-statistic)	0.003210			

Source: Authors' computation, 2019

The result of the Ordinary Least Squares presented in Table 3. The Adjusted R-Squared stood at 0.778, this simply implies that about 78% of the systematic variation in the dependent variable was caused by our explanatory variables. The remaining 22% variation was caused by variables not included in the model, but were accounted for by the standard error of the regression. The F-statistics value of 12.70 was statistically significant at 5% - all slope coefficients except the constant are zero, this simply implies the significance of our models in the study. Being that as it may, we found out that there exist a significant positive relationship between Corporate governance disclosure and Financial Performance of listed manufacturing firms, $t = 2.759$, $\beta_1 = 0.237$, $p = 0.0058$. This implies that a unit increase in CGD will increase the financial performance by 0.237. This finding is in tandem with works of Paniagua et al (2018) and Khatab et al (2011), however in dissonance with work of Akbar et al (2016) who found no significant relationship between corporate governance disclosure and firm performance.

Also, Corporate Social Responsibility disclosure was positive and statistically related to financial performance, $t = 3.09$, $\beta_2 = 5.75$, $p = 0.0019$. This implies that a unit increase in CSR will increase financial performance by 5.75. Our result is consistent with the works of Uwuigbe and Egbide (2012), Odetayo et al (2014), and Marfo et al (2015). Contrary to the first two results, Risk disclosure was negatively related to financial performance of listed manufacturing firm in Nigeria, although not statistically significant $t = -0.53$, $\beta_3 = -31.2$, $p = 0.611$. This implies that a unit increase in RD will not reduce the financial performance of listed manufacturing firms -31.2. Our submission is in tandem with works of Lipunga (2014) but in contrast with work of Adamu (2013), Oyerogba et al (2014), and Ashawag et al (2016), they reported a

positive and significant relationship between risk disclosure and financial performance. Firm size (FSZE) was statistically insignificant but positively related to financial performance, $t = 0.87$, $\beta_4 = 0.30$, $p = 0.38$ respectively. This suggests that the control variable do not affect financial performance.

SUMMARY, CONCLUSION AND RECOMMENDATION

The objective of this study was to investigate the effect of qualitative information disclosures on corporate financial performance. The Signaling theory was adopted in the study, culminating to model specification, where proxies were used to measure the explanatory variables (qualitative information disclosure - corporate governance disclosure, corporate social responsibility disclosure and risk disclosure) and the dependent variable (financial performance proxied by return on asset). The result of our analysis gave mixed evidence on the subject matter and deviates a little from our model expectations (a priori expectations). Based on the findings of the study, we concluded that qualitative information disclosures affect on corporate financial performance of listed manufacturing firms. This study further recommended that listed firm should disclose more qualitative information (Corporate governance disclosure, Corporate Social Responsibility Disclosure and Risk Disclosure).

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