Effect of Corporate Characteristics on Voluntary Disclosure of Listed Financial Service Firms in Nigeria

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Abstract

This study assessed the effect of corporate characteristics on voluntary disclosure of listed financial service firms in Nigeria for the period of 2014-2018. The study used correlational research design. Data for the study was extracted from yearly-published financial report of listed financial service firms in Nigeria. All the listed financial service firms were considered for the population of this study, while the sample was adjusted population of thirteen (13) listed financial service firms in Nigeria. The data collected were analyzed using paneled regression technique. The result of the regression revealed that profitability and leverage have negative and significant effect on the voluntary disclosure of financial service firms in Nigeria. However, positive and significant relationship exists between firm size and voluntary disclosure. In line with the findings, the study recommended that listed financial service firms in Nigeria should incorporate voluntary disclosure to the compulsory disclosure of financial report required by the governing body. This has become necessary in view of the fact that any increase in the profitability and leverage will reduce the level of voluntary disclosure of the financial reports of the firms as evidenced that leverage confines the firms from voluntary disclose information in annual report to posit superior performance based on lesser requirements of transparency and lesser chance of loss of control. In addition, due to self-interest, managers may decide towards voluntary disclosure. However, the Nigeria Financial Reporting Council and other governing body are to guarantee complete conformity with pertinent national accounting disclosure necessities. Since an increase in the excellence of disclosed information will assist the users to make informed predictions, aid the assessment of the firm’s advancement, and lessen the predicament of information asymmetry for investors.

Keywords: Voluntary Disclosure, Profitability, Leverage, Firm Size and ICT

JEL Classification: G2

Paper Classification: Research Paper

Introduction

Accounting disclosure is very imperative to all investors; it provides essential information to lessen ambiguity as well as to make appropriate financially viable choices. Corporate disclosure has been said to augment the confidence of both shareholders and prospective shareholders. Disclosures of information in firm’s annual reports and its components have been known as a significant research spot and have fascinated both pragmatic and analytical researchers in the
field of accounting since the 1970s. The subject of disclosure of financial information is not merely restricted to specific users; however additionally comprises people’s requirement in the society such as decision makers, investors, government and other stakeholders. Disclosure increases diaphaneity, while market transparency is observed as an essential tool in order to reduce the level of information unevenness amongst the players (Bleck and Liu, 2007).

Corporate voluntary disclosure is an indispensable way for the firms’ management to commune governance and performance to outsiders. According to the Financial Accounting Standards Board (FASB, 2001), the words ‘voluntary disclosure’ means disclosures particularly beyond the confines of financial statement that are not mandatorily demanded by generally accepted accounting principles (GAAP). When firms make the choice to unveil information voluntarily, it presumes that benefits will outweigh costs.

Schipper and Vincent (2003), observed that financial statement serves as a synopsis for potential investors and a barometer for ascertaining manager’s performance. As a result of this core responsibility in the company environment, firms are mandated to divulge even to the least levels of information, known as obligatory disclosure. Thus, basically most firms go in every respect with those slightest levels of the compulsory disclosure (Hassan, Romilly, Giorgioni & Power 2009). However, the modern era demands make conformity with this compulsory disclosure grossly insufficient to meet user’s needs of firm information. This intensify demands for supplementary information that stands far beyond mandatory requirement. Reporting consists of the final stage of accounting procedure. The substances, volume with make-up of the information, which will be divulged to the public by the accounting section, are overseen by the governing bodies of that individuals’ country (Agca and Onder, 2007).

In the same vein, Chima (2013), opined that, sound annual report should not only be proficient in supplying users with compulsory disclosure nevertheless, as well to go extra miles in supplying voluntary information therefore on meet the desires of diverse classes of users. Purveying of imperative information on which sound investment choice can be made is the aim of all disclosure necessities in order to shrink doubts and comprehend to the furthest extent the worth of the firm as can be inferred from its financial report (Glassman, 2003).

The degree and eminence of disclosure of these in print financial reports at intervals vary from firm to firm. Literatures have revealed that the echelon of adequate and reliable information by listed firms in emergent nations lags behind than in advanced ones where government supervisory bodies are less effectual in ensuring the implementation of obtainable Accounting Standards (Ali, Ahmed and Henry, 2004).

In Nigerian situation, World Bank Group has conducted an extensive study on Nigerian listed firms. It unveiled that reporting practices in Nigeria are ineffective (World Bank, 2004). Aside the study that was carried out by the World Bank on disclosure habitude by Nigerian firms, many other empirical studies have been investigated by Ofoegbu and Okoye (2006) and Adeyemi (2006). Their observations are alike in that they all found that the Nigerian firm reporting practices are feeble. Many firms’ characteristics mostly have been posited to be independent variables for the condition of Voluntary Disclosure made available by the firms. While Binh (2012) itemized three forms of corporate characteristics as Firm Size, Profitability & Leverage, others expand these attributes to include, and not restricted to, Liquidity, title, listing on stock exchange, Independent Directors, Foreign Ownership, Duality in Position, Institutional Ownership and Auditor Type, Board Size and Board Composition.
Several empirical studies have been conducted on voluntary disclosure both in advanced and developing countries using ‘corporate characteristics as the independent variable. For instance, Binh et al (2012) used nine variables (Firm Size, Profitability, Leverage, Govt Ownership, Institutional Ownership, Foreign ownership, Internal Audit Activities, Dual Leadership and Auditor Type); Lan, Wang, & Zhang (2013) who studied “Determinants of Voluntary Disclosure in the Chinese stock market” used ten variables (company size, Assets-in-place, Liquidity, leverage, Auditor type, Ownership diffusion, State ownership, Non-executive directors, Intermediary, legal environments and return on equity); Kolsi (2012) used six variables (Firm size, Firm leverage, Firm Profitability, Asset quality, Ownership Structure, Industrial sector); Oyelere & Kuruppu (2016) has six factors (Firm size, Firm leverage, Firm Profitability, Asset quality, Ownership Structure, Industrial sector); Tufail (2014) used five variables (profitability, Firm Size & Firm Age, leverage, auditor size); Unuagbon & Oziegbe (2016) used four variables (Earnings per share, return on capital employed, Dividend per share & profit after tax). In all the above studies, ICT cost was not tested, this research intends to fill this gap by introducing “Firm ICT Investment Cost” as one of the key Independent variables among others measuring against voluntary disclosure.

Additionally, in Nigeria, the time period covered by some of the previous studies leaves a gap. The work of Rabiu & Ibrahim (2017) for instance, covered the period of 2006-2015; Damagum & Chima (2013), covered 1999-2009, Adefemi, Hassan, & Fletcher (2017) covered 2010-2013; Modugu & Eboigbe (2017) covered the period of 2012-2014. Their observations were comparable as they all established that Nigeria corporate financial reporting practices to be defective. None of these earlier studies was exclusively devoted to examining the effect of corporate characteristics on voluntary disclosure of financial institutions combining both banks and insurance firms, which this paper is out to address. Moreover, these periods can be regarded as not too current as a lot of activities have taken place between 2016 and 2017, which include the implementation of Treasury Single Account (TSA) by the Federal Government that significantly affected the operation of some Banks and other financial institutions who are heavily relied on Federal Government Agencies as customers. Furthermore, it was this period that Nigeria Economy was deeply in recession. Therefore, some of the findings of these studies may not be relied upon in view of the circumstances.

It is in recognition that it is deemed imperative to specifically examine the impact of corporate characteristics on voluntary disclosure among selected listed Financial Service Firm in Nigeria (proxied by profitability, leverage, ICT and firm size) on voluntary disclosure. The motivation of this study is due to the persistent delay by the financial institutions in voluntary disclosure of relevant information that will inform stakeholders’ decision. The objective of the study is to examine impact of some selected corporate characteristics on information voluntary disclosure amongst selected listed financial service firms in Nigeria for the period 2014-2018. The researcher, therefore, hypothesized that corporate characteristics have no significant effect on voluntary disclosure among selected listed Financial Service Firms in Nigeria. The practical outcome of the study is expected to be of benefit to policy makers or regulators to enable them to know which of the corporate characteristics need to be intensified in order to facilitate corporate voluntary disclosure of financial reports. The existing and potential investors will also find it useful as it will help them know if the company is complying with their filing requirement because noncompliance can be detrimental.
Literature Review

This section reviews relevant studies on corporate characteristics and voluntary disclosure in financial reports.

Companies can be differentiated from each other based on certain attributes they possess. Such attributes are referred to as characteristics’ – which exist at the firm’s level and have the potential to influence the decisions of the managers in the firm. Shehu and Farouk (2014) defined firm characteristics as variables at the firm level that affect the decision of the firm both internally and externally over time. On the other hand, voluntary disclosure can be seen as the information publicly made available by the firms’ free will (Umgbon & Oziegbe, 2016). Corporate Characteristics, Corporate Performance & Corporate Governance vis-à-vis-Voluntary Disclosure has been explored in prior literature using various constructs such as Firm Size, Profitability, Leverage, Government Ownership, Institutional Ownership, Foreign ownership, Internal Audit Activities, Dual Leadership and Auditor Type etc. Tufail (2014), carried out studies on the determinants of voluntary disclosures of listed firms in Pakistan. Population of the study comprises of 372 manufacturing firms as at 2012. Data collected was analyzed with the aid of paneled regression. The findings of the study revealed that age, firm size, profitability and auditor size have positive and significant relationship with voluntary disclosure. However, leverage has significant and negative relationship with voluntary disclosure. In the same vein, Aljanadi, Abdul, Rahman and Omar (2013), examined relationship between corporate governance mechanism and voluntary disclosure of 87 listed firms in Saudi for the period of 2006 to 2007. The study used 22 voluntary disclosure checklists and the multivariate analysis shows that firm size, industry type, non-executive directors and board size have positive and significant relationship with the degree of voluntary disclosure. Government share, ownership and separation of CEO role are negatively significant with the degree of voluntary disclosure. However, audit committee compositions, profitability and family members on board are positive but not significant with voluntary disclosure. Additionally, Elfeky (2017), investigated corporate governance mechanism and voluntary disclosure, while using weighted index relative disclosure as a measurement of voluntary disclosure. The findings show that there is a significant and positive relationship between independent directors, auditor type, profitability, leverage and voluntary disclosure. This result revealed that these variables are the key drivers of voluntary disclosure in Egypt. However, there exist significant and negative relationship between ownership, block-holder and voluntary disclosure. Hassan (2015), examined impact of corporate governance characteristics on voluntary disclosure of 98 (42 non-financial and 53 financial corporations) UAE listed corporations in 2008. The study used 29 voluntary disclosure items, while multiple regression result revealed that external auditors and board committee have positive significant effect on the extent of disclosure of UAE listed corporations. However, board size, firm size and leverage have insignificant positive relationship with voluntary disclosure; while CEO duality, CEO power have negative significant relationship with the extent of voluntary disclosure. In Nigeria, Damagun and Chima (2013), assessed the corporate governance mechanism and voluntary disclosures of quoted companies in Nigeria. They used sample of 35 listed companies out of 219 firms from 1999-2009 using 25 voluntary disclosure check list items in the area of financial, non-financial and strategic information disclosures. The outcome of multiple regressions show that profitability, firm size and board size are positive but insignificant with the level of voluntary disclosure of the quoted companies in Nigeria. Similarly, Oyelere and Kuruppu (2016), carried out studies on the effect of the internet usage on voluntary disclosure of firms quoted on two separate stock exchange (Dubai Financial Market and Abu Dhabi Security Exchange) in the emerging economy of the United Arab Emirate (UAE). 132 quoted companies on Dubai Financial market and Abu Dhabi Security Exchange were used for the study. The study used Logistic multiple technique to
differentiate the main corporate characteristics of IFR (IFRC) firms from non-IFR firms (N-IFRC) firms. The findings revealed that firm size and leverage are the main determinant of voluntary disclosure adoption. Rabiu and Ibrahim (2017), carried out studies on effect of ownership structure on information voluntary disclosure for the period of 2006-2015. Out of the population of 50 listed financial institutions on Nigerian Stock Exchange, a sample size of 28 was drawn. The study used secondary data extracted from annual report of sampled firms and the Nigerian Stock Exchange Fact book. Multiple regression technique was employed to analyze data collected. The findings revealed that managerial ownership shows an insignificant and positive relationship with level of voluntary disclosure while the control variable (firm size and age) have a positive and significant relationship with voluntary disclosure.

Barros, Hamrouni and Boubakar (2013), examined relationship between corporate governance and voluntary disclosure of 206 non-French listed firms from 2006-2009. Using 112 voluntary disclosure items, the result of multivariate (OLS) analysis found that voluntary disclosure increased with board meeting frequency, board, managerial ownership, external audit quality and audit committee independence. The findings revealed that bigger and profitable firms are more prone to release voluntary information in their annual report. However, there exists significant and negative relationship between leverage and voluntary disclosure.

**Theoretical Framework**

This section explains the related theories on which the study is based. There are a number of theoretical perspectives which are used in explaining the corporate characteristics and voluntary disclosure. The signaling theory and legitimacy was used to underpin the study.

**Signaling theory**

The theory of signaling was proposed primarily toward resolving the asymmetry information mainly in the capital market (Spence, 1973), and it was considered veritable to enlighten more on the voluntary disclosure in the firms’ financial report (Ross, 1977). Because of information asymmetry dilemma, firms hint certain information to the prospective investors to reveal that they are performing well better in a way than other firms in the market with sole aim of investments magnetization and enhancing a good status (Varrecchia, 1983). Voluntary disclosure seems to be one of the ways firms would disclose more of information than the compulsory ones required by regulatory authority with a purpose of signal that they are better off either in profit, and other than their competitors in the market (Campbell, 2001).

**Legitimacy Theory**

The legitimacy theory presumes that a firm has no right to subsist apart from value being professed as corresponding by the way of the society where it operates (Lindblom 1994; Pfeffer & Dowling 1975). Hence, the design of the legitimacy theory bears semblance to social agreement involving the firm and the society (Magness, 2006). In view of the fact that the purpose of accounting is to provide the stakeholders with veritable information that will enhance sound investment decision, i.e., satisfy societal benefit, the supposition has been incorporated in accounting studies as a ‘way of elucidating what, how, when and why some items are handled by firm management in their communication with external audience’ (Magness et al, 2006). Seeing as the legitimacy theory is majorly based on the society’s discernment, and then management is pressganged to divulge information that would modify the outside users’ opinions regarding the firms (Gordon & Cormier, 2001). The yearly financial statement has been said as a vital...
source (Donovan, O, 2002; Dyball, 1998). Legitimization can take place both through compulsory disclosures by governing body and voluntary disclosure made available in section of annual report (ightstone et al, 2008 and Magness et al, 2006).

**Figure 2.1**

![Diagram showing variables and relations](image)

The above theoretical framework explicates corporate characteristics and voluntary disclosure.

**Methodology**

This study adopted the correlational research design. The design is informed by the research paradigm which is the positivism approach. The population comprises all the listed financial service firms on the Nigeria Stock Exchange (NSE) for the period 2014-2018 and sample size is fifteen (13). The sampling technique is based on these criteria:

i. The firm must be listed on the NSE one (1) year before 2014.

ii. Firm must not be delisted during the period of study.

iii. Availability of data in the yearly financial reports of the firms for the period under study i.e., 2014-2018.

Hence, secondary data was used for this study and it was extracted from the yearly financial reports. Panel regression analysis was employed because the study involves the use of both time series and cross-sectional data. The explanatory variables considered firm size, profitability, leverage, and ICT while the explained variable is voluntary disclosure.

**Variables Measurement and Model Specification**

**Dependent Variable**

The voluntary amount of items truly and voluntarily divulged by a particular firm divided by the full amount of relevant items that should be divulged. (Ibrahim Yusuf, 2016)

**Independent Variable**

The profitability is measured as profit after tax (PAT) divided by total assets in a year (Barros, Bou-baker and Hamrouni 2013) and leverage is measured by total liability divided by total assets in a year (Hassan 2013).
Control Variable

Firm size is used as control variable, and it’s measured as the value of total assets (Barros, Bou-baker and Hamrouni 2013) and ICT measured as logarithm of the Firm’s total expenditure on software & ICT equipment in a year (Ibrahim, 2017).

Model Specification

The model is stated below:

\[ \text{VDISL}_i = \alpha + \beta_1 \text{PROF}_i + \beta_2 \text{LEVG}_i + \beta_3 \text{FSIZ}_i + \beta_4 \text{ICT}_i + e_i \]

Where:
- \( \alpha \) = Constant
- \( \text{PROF} \) = Profitability of firms
- \( \text{LEVG} \) = Leverage of firms
- \( \text{FSIZ} \) = Firm Size of firm \( i \) in time
- \( \text{ICT} \) = ICT Investment Cost of firm \( i \) in time
- \( e \) = other factors that were not captured by the model also known as Error Term or Stochastic term

The inclusion of firm size (total assets) in the study is because it has been observed in various literatures that there are other firm features that have effect on the extent voluntary disclosure. It is assumed that, the larger the firm size the higher the expected agency problem likely to encounter (Ahmed & Hassan, 2011).

Data Presentation and Discussion

In this section, data collected in the course of carrying out the study were presented and discussed. The hypothesis formulate for the study was tested to institute the effect of corporate characteristics on voluntary disclosure.

Table 4.1 Summary of Descriptive Statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>VDISL</td>
<td>0.7641523</td>
<td>0.1874968</td>
<td>0.1747577</td>
<td>0.9514563</td>
</tr>
<tr>
<td>PROF</td>
<td>0.0154547</td>
<td>0.0357794</td>
<td>-0.1076711</td>
<td>0.14671</td>
</tr>
<tr>
<td>LEVG</td>
<td>0.6624173</td>
<td>0.2301889</td>
<td>0.1328718</td>
<td>0.9103445</td>
</tr>
<tr>
<td>FSIZ</td>
<td>788149.2</td>
<td>1049053</td>
<td>11193.21</td>
<td>4283736</td>
</tr>
<tr>
<td>ICT</td>
<td>4.798273</td>
<td>2.738375</td>
<td>0</td>
<td>8.881698</td>
</tr>
</tbody>
</table>

Source: STATA 2013

Table 4.1 shows the descriptive statistics of explanatory and explained variables for this study. It indicated that extent of average information voluntary disclosure of the sample financial service firms is 76.4% with a minimum and maximum of 17.6% and 95.1% respectively. The results also, reveal that standard deviation of 0.187 (18.7%) indicates low variability across the financial service firms.
The mean of profitability indicated that average return on asset is 1.5% approximately, while the standard deviation of 0.035 represent low variability of return on total asset among the sampled financial service firm as covered within the period of study. This implies that level of profitability among financial service firms is not widely spread. Some financial service firms tend to record relatively higher level of profitability than others do. The minimum and the maximum as shown by the tables are –N0.11 and N0.15. Hence, the range is 0.26 implying that there is very wide gap between the highest profit and lowest loss. Leverage has average of 0.662 with the standard deviation of 0.23. The difference between the mean and the standard deviation is 0.43. This is an indication of low variations in the leverage ratio around the mean. It means that there is low variation in the indebt capitalization status of the sampled financial service firms. While the minimum and maximum are 0.13 and 0.91 respectively. Firm size has minimum and maximum values of N11193.21m and N4283736m respectively. While the financial service firms maintain average of N788149.2m and the higher standard deviation of N1161995m as compared with the mean shows that there is much variation in total assets of the financial service firms that constitute the study sample. The average investment on information and communication technology (ICT) by the sampled financial service firms as indicated by the mean is 4.98 with the standard deviation of 2.73. The discrepancy between mean and the standard deviation is 2.25, indicating a moderate variability around the mean. It is an indication that all the listed financial service firms have invested in ICT. The minimum and maximum of ICT investments are 0 and 8.88 respectively. Thus, the range is equal to the maximum. The minimum spending could be as a result of the fact that some financial service firms spending on ICT could be insignificantly low for a particular year and therefore, may not need to disclosed for the financial year.

Table 4.2 Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>VDISL</th>
<th>PROF</th>
<th>LEVG</th>
<th>FSIZE</th>
<th>ICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>VDISL</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROF</td>
<td>-0.0026</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEVG</td>
<td>0.3106</td>
<td>-0.1418</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSIZE</td>
<td>0.6301</td>
<td>0.1615</td>
<td>0.7701</td>
<td>1.0000</td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td>0.6483</td>
<td>0.0809</td>
<td>0.6773</td>
<td>0.9018</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Source: STATA 13 output

From the correlation matrix Table 4.2, LEVG, FSIZE and ICT are positively correlated with VDISL of the listed financial service firms in Nigeria. The implication is that the above variables move in the same direction with the VDISL. More so, PROF shows a negative relationship with VDISL, implying that it moves in the opposite direction with VDISL. Relatedly, as indicated from Table 4.2 there is positive correlation between PROF and LEVG, FSIZE and ICT while there is a negative correlation between LEVG and ICT. Finally, FSIZE positively related to ICT.

Residual Tests

To test for the existence of heteroskedasticity, the study used Breuch Pagan/Cook-Weisberg. The study reveals that chi2 of 0.23 with p-value of 0.2210, implying absence of heteroskedasticity the null hypothesis that the variation of the residual is constant (homoscedastic) is not rejected.

The study conducted multicollinearity test to show there is correlation among the explanatory variables themselves, which may affect the result of the study. Hence, variance inflation factor was carried out. The values for the explanatory variables are less than 10 and the tolerance values for all the variables are greater 0.10 (threshold). This shows there is absence of multicollinearity.
The hausman specification test was carried out to decide between fixed and random effect model. The result revealed that the value of chi2 is 0.00 and the prob>chi 1.000. The insignificant value as reported by the probability of chi2 indicates that the hausman test is in favor random effect model. Further to this, the Breusch Pagan lagrangian multiplier test for random effect was conducted to choose between the random effect result and OLS regression. The result deduced from the test showed chi2 of 0.00 with the p-value of 1.000. This implies that OLS regression model is the best suitable to be interpreted in this study.

The result from the OLS regression model is shown in Table 4.3 below.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>T-value</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROF</td>
<td>-1.286842</td>
<td>0.5194185</td>
<td>-2.48</td>
<td>0.016</td>
</tr>
<tr>
<td>LEVG</td>
<td>-0.470227</td>
<td>0.1236884</td>
<td>-3.80</td>
<td>0.000</td>
</tr>
<tr>
<td>FSIZE</td>
<td>0.731167</td>
<td>0.0218406</td>
<td>3.25</td>
<td>0.001</td>
</tr>
<tr>
<td>ICT</td>
<td>0.019915</td>
<td>0.0140738</td>
<td>1.42</td>
<td>0.162</td>
</tr>
<tr>
<td>Constant</td>
<td>0.122582</td>
<td>0.1645559</td>
<td>0.74</td>
<td>0.459</td>
</tr>
<tr>
<td>Adj R-Squared:</td>
<td>0.5165</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f-Statistics:</td>
<td>18.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob.:</td>
<td>0.0000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIF:</td>
<td>4.63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LM test:</td>
<td>chi2 of 0.00</td>
<td></td>
<td>p-value 1.000</td>
<td></td>
</tr>
<tr>
<td>Heteroskedasity:</td>
<td>chi2 of 0.23</td>
<td></td>
<td>prob&gt;chi 1.000</td>
<td></td>
</tr>
<tr>
<td>Hausman:</td>
<td>chi2 is 0.00</td>
<td></td>
<td>prob&gt;chi 1.000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Output from STATA 2013

From Table 4.3, it can be observed that the adjusted R2 of 0.1565 indicates that 15.65% of variation in VDISL of listed financial service firms in Nigeria was explained jointly by the independent variables captured in the model. The f-statistics is 18.09 and it is significant at 1%, which shows the model is fit.

The profitability coefficient as indicated from Table 4.3 is -1.3020 with p-value of 0.016, which shows that it is significant at 5%. It therefore implies that with percentage increase in profitability by one naira (#1), the voluntary disclosure of listed financial service firms will decrease by (#1.6). This may be due to political costs and self-interest of managers if they come to a decision towards voluntary divulgement of information in the future, they might bepressed to persist doing so and it would be so bad if the additional information will be unfavorable. In a case of meager performance or awful moment, management perhaps would to a certain extent just keep the information for themselves or simply would not be proud of giving it out. This provides evidence of rejecting null hypothesis which states that profitability has no significant impact on voluntary disclosure. This finding is inconsistent with that of Aljanadi, Abdul, Rahman and Omar (2013) who found that managers of profitable firms tend to disclose more information voluntarily to uphold the continuation of their positions and compensation measures.

The firm leverage has coefficient of -0.6091 with p-value of 0.002. This signifies that leverage negatively and significantly effects voluntary disclosure of listed financial service firms in Nigeria. It therefore implies that percentage increase in leverage the voluntary disclosure of listed financial service firms will decrease by 60.9%. This is because firms known with a higher level of leverage suffer serious agency problems and incur higher agency costs. This provides evidence of rejecting
null which states that leverage has no significant effect on voluntary disclosure of listed financial service firms in Nigeria. The finding of this study is in line with that of Barros, Boubaker and Hamrouni (2013), who found that there is negative and significant relationship between voluntary disclosure. However, in contrary to the finding of Hassan (2015), who states that companies with higher leverage need to divulge more detailed information to the stakeholders.

The firm size has coefficient 0.8400 with p-value 0.001. This signifies that firm size has a significant and positive impact on voluntary disclosure of the listed financial service firms in Nigeria. It therefore implies that a percentage increase in firm age the voluntary disclosure of listed financial service firms will increase by 84%. This is because the level of voluntary disclosure increases with the size of firms as the impetus for private information getting hold of is greater for large firms. Large firms have the resources to disclose more and are also more scrutinized by the public, since they have a better impact on society. Large firms also have more intellectual capital to disclose and therefore size can have an explanatory effect. This provides evidence of rejecting null hypothesis, which states that there is no significant relationship between firm size and voluntary disclosure. This result is in line with Aljanadi, Abdul, Rahman and Omar (2013) and Elfeky (2017) who found positive relationship between firm size and voluntary disclosure.

The information communication and technology have coefficient of 0.0169 with p-value of 0.250. This signifies that ICT has a positive and insignificant impact on voluntary disclosure of listed financial service firms in Nigeria. It, therefore, implies that a percentage increase in ICT may enhance voluntary disclosure of listed financial service firms in Nigeria. However, we fail to reject null hypothesis which states ICT has no significant impact on voluntary disclosure.

**Conclusion and Recommendations**

This study concludes that there exists negative and significant relationship between leverage, profitability and voluntary disclosure. However, there is positive and significant relationship between firm size and voluntary disclosure. While the positive relationship between ICT and voluntary disclosure in line with the findings, the study hereby recommends financial service firms in Nigeria ought to incorporate voluntary disclosure to the compulsory disclosure of financial report required by the governing body. In view of the fact that, any increase in the level profitability and leverage will lessen the extent of voluntary disclosure of the financial reports of the firms as evidenced that leverage restricts the firms voluntary disclosure of information in yearly financial report to posit superior performance based on lesser requirements of transparency and lesser chance of loss of control. In addition, due to self-interest managers may decide towards voluntary disclosure.

**References**


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