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NON-FINANCIAL INFORMATION DISCLOSURE AND FIRM PERFORMANCE

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Abstract

This study x-ray on the nexus between non-financial information disclosure and firm performance. Particularly, this study aims to explore the subject by employing a sample of forty (40) listed manufacturing firms in Nigeria for the period between 2010 and 2019. Non-financial information disclosure proxies which were considered in this study include; social media presence disclosure, risk management information disclosure and corporate social responsibility information disclosure which are also the independent variables. The dependent variable employed in this study is return on total asset while firm size and firm age are control variables. In this study, robust least square regression analyses technique is employed to evaluate the panel data set that were collated from annual financial reports of the sampled manufacturing firms. The finding indicates that corporate social responsibility and social medial presence information has no statistically significant relationship with firm performance in the context of return on total asset. However, risk management information has a significant negative relationship with firm performance of manufacturing companies during the period under review. Therefore, the researcher recommend that further studies should be conducted in the area of risk management information disclosure as it relates to firm performance in Nigeria.

Introduction

Information asymmetry has been blamed to be one of the key problems affecting the principal– agent relationship (Melis, 2004). Management is deemed to be much aware of the company due to their role in running the firm affairs. Principal or the owners rely on disclosed information to know how the firm is performing including their primary objective of wealth maximization (Tarus & Omandi, 2013). The main aim of disclosure is to inform the investor or owner and analysts about the quality and value of the firm (Hamrouni, Miloudi & Benkareim, 2015). Information needed must not only be accurate, but also timely for it to benefit the decision maker appropriately (Mugo, 2014). Disclosure therefore can be termed as provision of timely and relevant information aimed to ensure full transparency and accurate picture of the corporate actions like in governance and financial performance.

Annual reports provide vital information to varied users. It has been claimed that information disclosed in annual reports is the main factor that most investors considered when making decisions (Wang, Fu and Luo, 2013). Investors use them for investment decisions; regulators use them to determine whether existing provisions are adhered to, while government and government agencies use them for tax purposes and national statistics, among others (Adedeji & Oboh, 2012). According to Meyer (2007) accounting plays a significant role within the concept of generating and communicating value of companies. Today, accounting information is mainly disseminated by firms through annual reports. Meyer (2007) note that annual reports still remain the most important source of externally feasible information of the companies.

The information provided in annual reports or corporate reporting includes financial and non-financial information (NFI). However, recent decades have witnessed the rise of NFI due to inadequacy of traditional financial information reporting to fulfill the need in assessing the organization value (PWC, 2017). Companies however have moved from passive to active information disclosure, from strict to know compliance disclosure to right to know complete disclosure and they are aspiring to link corporate strategy with one comprehensive stream of nonfinancial and financial data (Maxwell, Smith & Brewster, 2010).

The relevance and inclusion of non-financial information in corporate reporting contributes greatly to information transparency and is therefore an issue of great significance in economies throughout the world (Maroun, 2017). A growing number of organizations are publishing information evidencing the impact made by their activities on the environment, corporate governance, society, and human rights. This increased visibility of non-financial information has heightened awareness of the importance of these reports in reflecting organizational status and practices. Over recent years, the level of interest from stakeholders in corporate environmental, social and ethical performance has risen significantly.

Non-financial information however enables businesses to be transparent in communicating these non-financial aspects of their management and performance. It also enables business to be accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development owing to continuing commitment by business to behave ethically and contribute to economic

development while improving the quality of life of the workforce, their families, the local community and society at large (Mbabazi, Twesige, Claude & Jaya, 2015).

At international level, non-financial disclosures have attracted considerable interest from a number of key stakeholders such as the United Nations Global Compact, the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), the Sustainability Accounting European Commission Guidelines on Reporting Nevertheless, Global Reporting Initiative (GRI) guidelines on reporting principles and standard disclosures are still the most authoritative in the international arena (KPMG, 2017). In Nigeria, non-financial disclosures are regulated by code of corporate governance 2018 which covers all the categories of non-financial disclosures (environment, governance, human resources, risk management and society); National Environmental Standards and Regulations Enforcement Agency (Establishment) Act 2007 & 2008; Environmental Impact Assessment Act 2004 and so on. These laws covered the environmental and societal aspect of non-financial disclosures.

These guidelines covered all the categories of non-financial disclosures raging from environment, governance, human resources, risk management and society. This study identifies social media presence, corporate social responsibility, and risk management as non-financial information. The disclosure of this non-financial information is a strategic action that fundamentally improves the communication of organizations with their stakeholders (Miska, Stahl, and Mendenhall, 2013). Thus, a recent study by Ernst and Young (2017) highlighted the major significance of this information for users, and pointed out that 38% of investors acknowledged making use of such reports in reaching their investment decisions and over the past two decades, there have been many ideas to improve business reporting, and nearly all of them focus on the importance of companies providing more NFI.

The issue of non-financial information has been debated in the recent years, latest analyses by Mbabazi, Twesige, Claude and Jaya (2015) reported that most investors disregard non-financial information (NFI) disclosures in investment decision making process as it could not meet their expectations. Consistent with this argument, Ernst and Young (2017) pointed out that only 38 percent of investors acknowledged making use of NFI in reaching investment decisions as emphasis were on financial information. Odili (2018) also noted that ratio analysis and other interpretation techniques on the financial statements cannot measure all aspects of performance. For instance, the effect of a business on the environment cannot be measured using financial criteria, but is increasingly regarded as an important aspect for investors' decision making. Despite the continued use of financial information in the decision making by private sectors in Nigeria, there has been a continued failure of private entities in Nigeria.

Statement of Problem

Several stakeholders have expressed concerns over the need for Non-Financial Information to meet their expectations and not much have been done in academic literature in addressing the usefulness and relevance of non-financial information disclosures for investors decision making. In the developed nations, studies such as those of Rahim, Atan and Amrizah (2017); Hamid, Abdul Aziz, Dora and Said (2017) had

investigated intellectual capital disclosure (ICD) as a non-financial information disclosure and firms' performance in Germany and France respectively using disclosure index by GRI G4 and found insignificant effect. Deumes and Knechel, (2016) and Hashim and Koon (2016) found insignificant negative effect on risk management disclosure (RMD) and firms' performance. On the contrary, Oliveira, Rodrigues and Craig (2015) found significant positive effect.

Chikandiwa, Contogiannis, and Jembere, 2013; Aluoch, 2017; Smits and Mogos (2013) explored the impact of social media (SM) and analyzed to what extent SM have impact on organizational capabilities and firm performance based on a survey sent to sixty technical employees and business employees of Sponsor Pay an online game advertising industry as well as five interviews with senior managers of the firm. The ANOVA results demonstrated that the use of SM improves both business capabilities and business performance. Malhotra (2017) focused on establishing the impact of social networking sites particularly Facebook on financial performance of banks in India based on a survey of Facebook pages of forty-seven public and private (domestic) banks during the period 2012-2014. Multiple regression results revealed that the profitability and having Facebook presence does not have any significant relationship. Wan and Sulong (2015) also reported that corporate social responsibility disclosure (CSR) using disclosure index by GRI G4 did not correlate with financial performance of firms. In contrast, Rouf (2016) found that corporate social responsibility (CSR) is positively related with firms' profitability.

The previous literatures researched in the developed nations as shown above discussed non-financial disclosures (NFDs) measured using Risk Management, Social Media Presence and Corporate Social Responsibility independently which could not meet the expectations of the investors (Rahim, Atan and Amrizah 2017; Deumes and Knechel, 2016; Hashim and Koon, 2016; Oliveira, Rodrigues and Craig, 2015). Owing to the investors' needs, those categories of non-financial disclosures were combined to develop a model fit on Non-Financial Disclosures ranging from social media presence, risk management, to corporate social responsibility as there is a gap in knowledge on the joint effect of these categories of NFDs on firms' performance in developed nations.

In the developing nations, efforts were made in examining the usefulness and relevance of non-financial information disclosures in meeting the expectations in studies such as Nahiba (2017) found significant positive effect between corporate social responsibility disclosures and firms' performance. Ismail and Rahman (2013) found significant positive relationship between risk management disclosures (RMD) and firms' performance. In agreement, Yusuf (2016); reported significant positive effect on risk management disclosure (RMD) and firms' performance. As it can also be seen in the literature reviewed in the developing nations, the studies covered only financial service sector and oil and gas sector. Also, only the study of Raheman, Salleh, Afza and Chek (2014) attempted and covered two major categories of NFDs (risk management and intellectual capital) leaving the other categories unattended which calls for further investigation and no study had addressed on this in both developed and developing nations. Based on these observations in both developed and developing nations, the present study adopted and modified the

models of Okoye (2016), Wan and Sulong (2015) and Hashim and Koon (2016) into a model covering (social media presence, corporate social responsibility, and risk management disclosures) with reference to all manufacturing firms listed on Nigerian Stock Exchange. This is to capture the real effect of these categories of NFDs on firms' performance in order to meet the expectations of investors and also identify the category of non-financial inforation disclosure that has the highest level of influence on firm's performance.

Literature Review

Conceptual Literature

Firm Performance

The conceptualization, meaning, and importance of firm performance have been a recurrent topic in management scholars and experts gathering. Starting from the classical era, management was concerned on how to improve performance as can be seen in the first classical management theory – scientific management theory by Taylor (1911). Understanding the concept of performance and enhancing it has always been the concern of management practitioners, consultants, scholars, and theorists (Venkatrman & Ramanujam, 1986; Liao & Wu, 2009). Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is used as a general measure of a firm's overall financial health over a given period of time and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Okeke, 2015). Firm performance has been classified into two kinds. Financial performance, which has to do with issues such as profitability, return on investment, asset growth (Venkatrman & Ramanujam, 1986), and non -financial performance, which is a concern with measures such as customer satisfaction, employee satisfaction, shareholder wealth maximization, and customer loyalty (Venkatrman & Ramanujam, 1986). However, in this study, return on asset was adopted as a measure of firm financial performance as proposed by Hamann, Schiemann, Bellora, and Guenther (2013) and also employed by several other scholars such as Umoh and Sylva, (2016).

Non-Financial Information Disclosure

In the recent decade, non-financial information disclosure has witnessed and gained a growing attention and recognition in the developing and emerging nations due to inadequacy of traditional financial information reporting to fulfill the need in assessing the organization value (PWC, 2017). The study also pointed out that most top managers and executives in multinational companies believe that non-financial performance measures outweigh financial performance measures in terms of creating and measuring long-term shareholder value. According to Yusuf (2016), non-financial disclosures are those metrics which include index scores, ratios, counts and other information not presented in the basic financial statements. Corporate organizations have moved from passive to active information disclosure, from strict to know compliance disclosure to right to know complete disclosure and they are aspiring to link corporate strategy with one comprehensive stream of non-financial and financial data (Maxwell, Smith and Brewster, 2010). According to Robb, Single, and Zarzeski, (2011), NFI disclosure is viewed as qualitative information in the companies' reports which exclude financial statements and related footnotes. According to PWC (2017), non-financial disclosures are used to

reference all information outside the financial statements (metrics and narratives).

Social Media Presence

Luxury brands are now building relationships through Facebook, user reviews and consummating the transaction online. It notes that companies are now building their own social networks. Also, Dutta, (2010) in his article on social media strategy in Harvard Business Review says that social media are changing the way we do business and how leaders are perceived, from the shop floor to the CEO suite. But whereas the best businesses are creating comprehensive strategies in this area, research suggests that few corporate leaders have a social media presence-say, a Facebook or LinkedIn page-and that those who do, do not use it strategically. Today's leaders must embrace social media for three reasons. First, they provide a low-cost, highly accessible platform on which a personal brand can be built, and also communicates our identity within and outside the company. Second, they allow to engage rapidly and simultaneously with peers, employees, customers, and the broader public-in order to leverage relationships, show commitment to a cause, and demonstrate a capacity for reflection. Third, they give an opportunity to learn from instant information and unvarnished feedback.

Corporate Social Responsibility Information

Corporate social responsibility (CSR) disclosure or reporting otherwise called sustainability report in its simplest form contains information reported by firms relating to their activities and reporting about firms by third parties; information in the annual reports, and any other form of communication; public and private information; or information in any medium (be it financial, non-financial, quantitative or non-quantitative) (Bebbington, Larrinaga & Moneva, 2008; Bhattacharya, Korschun & Sen, 2009; Cormier & Magnan, 2010; Gray et al., 1995a). Disclosures on corporate social responsibility are an attempt by organizations to disclose their economic performance to a diverse range of interested users. Traditionally, annual reports were prepared on basis of financial performance. However, this has changed overtime and among area in which firms are expected to report on is social justice. Social justice issues are concerned with a firm's contribution to social and environmental benefits to the society (Tilt, 2009).

Risk Management Information Disclosure

In recent years, the importance of risk management has been evidenced in the corporate sector. Risk management is important because effective risk management improves the company's performance by contributing to reduce fraud, managing potential threats, and more efficient use of resources. Taking and managing risk is the very essence of business survival and growth (Axelos Global Best Practise, 2014). In addition, risk management is a useful measure that enables good corporate governance. A good corporate governance is concerned with the balance of power between the various stakeholders involved in the business and with the way in which the organization is governed (Acharya & Clement, 2011). Risk disclosure however helps to mitigate information asymmetry and reduce stakeholder conflicts between shareholders and management. Furthermore, risk reporting is seen as a useful instrument of change management as well as an important instrument of accountability for management (Linsley & Shrives, 2014).

According to Nigerian Code of Corporate Governance 2018, a sound framework for managing risk and ensuring an effective internal control system is essential for achieving the strategic objectives of the Company.

Social Media Presence and Firm Performance

There has been an increase in the debate concerning the importance and benefits of social media initiatives by scholars and practitioners (Lutz, 2012). The controversy surrounding the usage of social media has led to the investigation of its impact on a number of organizational outcomes and to find out if the investment on social media equates the benefits derived. Hoffman and Fodor (2010), and Kumar and Mirchandani (2012) note that despite the seeming importance of social media on customer relations, firms are skeptical about its usage and are "questioning the return on investment (ROI) of social media investments and often hesitate to integrate social media initiatives in their marketing strategy". Others believe that social media which is symbolized by user-generated content, is more efficacious in customer relations when compared to the traditional communication channel and it positively influences users' attitudes and behaviors (Thackeray, Neiger, Hanson and Mckenzie, 2008).

Corporate Social Responsibility and Firm Performance

` There is still much debate over the years regarding how CSR influences financial performance of firms. The empirical studies from these perspectives have never been in accord. Some found a positive correlation; others determined a negative one, others found no correlation at all, while others found that, it affects companies differently. Barnett (2007) argues that the impact of CSR varies from one firm to the other. Flammer (2013) tested whether CSR led to superior performance. The results indicated a positive relationship, but the influence is less strong when companies engage in higher CSR levels. This advocated for the notion that CSR has decreasing positive effects when the levels of CSR increase. Besides the empirical analysis, there are various theoretical studies trying to explain the relationship between CSR and FP. Freeman (1984) and Teppo (2007) recognizes the importance of other parties apart from shareholders within the organization. Firms can improve performance by reducing the cost associated with maintaining the relationship with its stakeholders.

Risk Management Disclosure and Firm Performance

Enterprise Risk Management was developed by COSO in 2004 to address risk management issues related to an organization. The frame encompasses all component of internal control frame work, but adds also the components of objective setting, event identification and risk response (Rittenberg, 2005). COSO (2011) emphasizes the importance of objective setting in the entity and relates it to risk assessment as a precondition. However, it should be emphasized that the company internal control framework should be established in order to have reasonable assurance to achieve established objective, risk identification and analysis are the critical components. In evaluating the effectiveness of internal control activities, it is essential to assess them against entity’s objectives and related risks. Internal control should provide for an assessment of the risks the agency faces from both internal and external sources. Once risks have been identified,

they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal control objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Theoretical Framework

Signaling Theory

The signaling theory was propounded by Michael Spence in 1973, Yi, Davey and Eggleton (2011) posits that investment in shares decisions may be significantly influenced by information asymmetries. Through signals of firms' information to the stock market, there may be absence of asymmetric information in the market; this may help investors to evaluate the financial conditions, operating conditions and future prospect of a firm when making shares investment decisions. Signaling theory suggested that information asymmetry could be reduced by sending signals to interested parties. Akhtaruddin and Hossian (2008) note that signaling theory's prediction is that managers of companies releases additional financial as well as nonfinancial information to signal that their performance is for the best interest of stakeholders. Mattessich (2003) observes that the extent to which a disclosure is able to represent economic reality is constrained by practical factors, for instance the tradeoffs between cost and benefit. Even when a disclosure can be presented in a manner that fully reflects economic reality, such an effort is not sustainable where the costs involved are not justifiable. Put otherwise, noise is inherent in disclosures. Therefore, companies' managers will have an incentive to disclose all positive distinguishing qualities in order to maximize their own self-interest (Campbell, Shrives, & Bohmbach-Saager, 2001).

Empirical Literature Review

Deb and De, (2019) examine the Relationship of Corporate Social Responsibility with the Corporate Performance of the Indian Firms. Methodologically, the study adopts correlation, Regression and ANOVA analysis to test the hypotheses. The result of the study shows that CSR has more positive impacts in the financial performance of the Companies than advertisement. Thus, the authors held that companies should contribute more on CSR than advertisement as it helps to improve the performance of the companies in the long run and improves the performance of the corporates. In conclusion, the study submits that Companies committed in CSR lead to have positive impact towards employee satisfaction, preserve talents, improve the reputation of the firm, improve environmental impact, and plays a confident role in community.

Etim, Uzonna, Steve, and Chibuike (2018) examine the relationship between social media usage and firm performance in the Nigerian telecommunication sector. The Pearson Product Moment Correlation Coefficient statistical technique was used to analyze data collected with the aid of the Statistical Package for Social Sciences computer software version 22. The study revealed that social media usage has a significant positive correlation with performance measures of profitability and market share.

Radziahand Mahmud (2010) examines the use of social media platform for corporate reporting in Malaysia. Their study motivated by the argument that social media is a new communication medium in

business world. Based on the data from top 100 companies in Malaysia, it is found that 77% of the companies use various social media platforms for different purposes. Whilst the most popular social media platform used is Facebook, followed by YouTube, the least platforms used are blogs and Google+. It is found that whilst 70% of the companies use social media for corporate promotion, more than 50% of Malaysian companies use it for miscellaneous, human resource management and corporate social responsibility purposes.

Odhiambo (2012) using scientific research methodology of case study research, explore whether social media is more effective than the traditional media on a brand management perspective and find the implementation challenges that make it a two-face phenomenon. From the findings, it was deduced that only one senior and relevant person was interviewed and for sample of the questions used.

Akmese, Aras, & Akmese, (2016) analyze and evaluate the relationship between financial performance (market value, net sales, net profits, price/earnings ratio etc.) and efficient use of social media. In consequence of tests, it was detected that the data distribution was not normal (p<0,05) and thus Mann Whitney U test which is used for nonparametric data was conducted.

Hou, (2018) basically examine the relationship between corporate social responsibility (CSR) and corporate financial performance (CFP) in Taiwan from 2010 to 2014. Methodologically, the study adopted the multiple regression, and the results shows that the coefficient of the interaction between CSR and Tobin q is significant ($\beta = 0.0012$, $p < 0.5$), which implies that a firm attracts more investor attention when it has a strong CSR–CFP link. The study concluded that firms with greater CSR tend to achieve higher financial performance.

Methodology

This study used ex post facto research design. The population of this study is made up of manufacturing companies that belong to the healthcare, consumer goods and industrial sub-sectors and are listed on the floor of the Nigerian stock exchange market for the period between 2010 and 2019. As of 31st December 2019, the total number of listed manufacturing companies that were included in these subsectors of interest is fifty-six (56). Hence, all the companies which fall in any of these categories but was listed after year 2010 were eliminated. This is to enable us to obtain a homogeneous population sample. Based on this, the target population for this study are 7 companies from healthcare sector, 15 companies from industrial goods sector, and 18 companies from consumer goods sector which brings a total of 40 companies. The model for this study is adopted from the studies of Etim, Uzonna, Steve, and Chibuike (2018) but modified to suit the hypotheses of this study. Hence, we specify the econometric form as;

Model Specification

$$ROA_{it} = \pi_0 + \pi_1 SMP_{it} + \pi_2 CSRD_{it} + \pi_3 RMD_{it} + \pi_4 FSIZ_{it} + \pi_5 FAGE_{it} + \sum_{it}$$

Where:

ROA is Return on Asset proxied as the ratio of profit after tax to total asset; SMP is Social Media Account Presence proxied as dummy indicator of “1” if the firm has a social media account and “0” for otherwise. CSRD is corporate social responsibility proxied as a dummy indicator of “1” if the firm discloses their social activities in the annual report and “0” for otherwise; RMD is

Risk Management Disclosure is proxied as an indicator variable "1" if the firm has a risk management framework and "0" for otherwise. We employed the variable of firm size (FSIZE) measured as the natural log of total asset and firm age (FAGE) measured as the difference between current year and year of listing on the stock exchange. Overall, we test the hypotheses of the study using robust panel least square regression estimator. (White, 1980)

Results and Discussion

The study evaluates the impact of non-financial information disclosure on financial performance of manufacturing companies in Nigeria drawing samples from industrial, consumer goods and health care firms that are listed on the Nigerian stock exchange market. Our data set span through the periods between 2010 and 2019. However, in identifying the possible effect of non-financial information disclosure on firm performance of manufacturing firms in Nigeria, first, we conducted descriptive statistics. The descriptive statistics provided in the table below provides some insight into the nature of the selected Nigerian quoted manufacturing companies that have been employed in this study.

Table 1 Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	351	4.122934	11.84673	-70.34	27.12
SMP_dis	355	.7915493	.406774	0	1
CSR_dis	357	.6279182	.2208744	0	1
Risk_dis	358	.527933	.4999178	0	1
f_size	351	7.098319	.9258209	5.09	9.35
f_age	351	27.36752	13.8012	1	55

Source: Author's computation 2021

The table above shows the summary of the descriptive statics of this study. From the table it is observed that on the average, the return on asset (ROA) for the sample firms within the period under consideration is 4.12 with a standard deviation of 11.85. For the sample firms, ROA ranges from -70.34 to 27.12 on the average. The table above also shows that on the average, social media presence disclosure for the sample firms was 0.79 with a standard deviation of 0.41. This explains that more than half of the companies in our sample engage in online platforms. For the variable of corporate social responsibility, the table shows that on the average 63% of the firms in our sample disclose information about their corporate social responsibility while 37% of them did not. Risk management disclosure on the average for the firms under study and under the years in consideration stood at 53% as observed from the table above. For the control variable of firm age and firm size, we find the on average the firms under consideration were 27 years old with the older firm being 55 years and the youngest, 1 year. On average, firm size was 7.10.

Regression Analysis

McManus (2011) noted that General Linear Model is the foundation of linear panel model estimation. The Least Square (OLS) estimator is *consistent* when the regressors are exogenous and *optimal* in the

class of linear unbiased estimators when the errors are homoscedastic and serially uncorrelated. Under these conditions, the method of Least Squares provides minimum-variance mean-unbiased estimation when the errors have finite variances.

Table 2: Robust Least Square Estimation Result

Variables / Models	Social Media Presence Disclosure	Corporate Social Responsibility	Risk management Disclosure	Firm Size	Firm Age
Return on Asset Model					
Coefficient	0.055	-0.231	-2.968	4.335	-0.075
t_ Statistics	(0.05)	(-0.08)	(-3.20)	(7.48)	(-2.968)
Probability_t	{0.960)	{0.934)	{0.002) **	{0.000) *	{0.038) **
No. of Obs	**351**				
Prob. F statistics	**0.0000**				
R^2	**0.2209**				
VIF	**1.04**				
Hettest.	**0.0000**				

Source: Author's computation 2021

The table above show results obtained from the robust least square regression model employed to test the effect of non-financial information disclosure and financial performance of listed manufacturing firms in Nigeria. In this study like in most other related studies, the researcher employs the variance inflation factor (VIF) technique to diagnose the presence or absence of multicollinearity in the return on asset model. Variance inflation factors (VIF) measures how much the variance of the estimated regression coefficients is inflated as compared to when the predictor variables are not linearly related. A cut-off value of 0.44 is given for regarding a VIF as high. Specifically, we follow Gujarati (2004) which allows VIF to be less than 5. However, the result as depicted from the table above showed that VIF is less than five (5) for all independent variables of interest. The result obtained from the regression results reveals a probability value of (P-value: 0.6701) obtained from the Breusch-Pagan test as seen in the table above. This result indicate that the assumption of homoscedasticity has been violated due to very low P-values which is statistically significant at 1% level. Hence the justification for the use of the robust least square regression estimator. The result above reveals an R^2 value of 0.2209 which indicates that about 22% of the variation in the dependent variable is being explained by the independent and control variables in the model. This also means that about 78% of the variation in the dependent variable is left unexplained but have been captured in the error term. The model goodness of fit as captured by the Fisher statistics with the corresponding probability value 0.0000 which shows a 1% statistically significant level indicates that the entire model is fit and can be employed for discussion and policy recommendation.

In this study, we find that the social media account is not a significant contributor to the financial performance of the listed manufacturing firms on our sample. We contradict the concerns of Iyanda and Ojo, (2008); Rogers, (2003); Vishwanath, (2009) who noted that the primary reason why businesses are expected to adopt new technologies is their

anticipated benefits. However, these anticipated benefits are largely perceived rather than actual therefore depend on knowledge and understanding within the firm. As a result of anticipated benefits which have not been properly identified, managers are carried away and may not border about the possible dangers regarding the risk to their reputations that may arise because of the wide range of users of this tool and the possibility of sharing information quickly. Also, the analysis reveals that the effect of corporate social responsibility disclosure on the financial position of listed manufacturing companies in Nigeria is statistically negative and insignificant. This result is inconsistent with those of Asuquo (2012) who stated that although corporate social responsibility disclosure appears to be in its early stages in Nigeria, some firms have been recognized as being pro-active in this field while others are not. We find that the result also negates those of Odetayo Adeyemi and Sajujigbe (2014) who reported that corporate social activities increases long-term profits or survival of a firm through positive public relations and high ethical standards reduces business and legal risk which also build shareholder trust. For the variable of risk management disclosure, our result negates those of Gates, Nicholas, and Walker (2012); Ping & Muthuveloo (2015) who provide support that enterprise risk management improves firm performance and firm value by reducing earnings volatility. But we find that our result is consistent with those of Lin, Wen and Yu (2012) who found that enterprise risk management implementation is negatively correlated with firm value. This finding is consistent with Kommunuri, Narayan, Wheaton & Jandug (2016) who explained the negative impact on firm performance as due to the difficulty for investors to explain the enterprise value as they view it as a costly program.

Conclusion and Recommendation

The relevance and inclusion of non-financial information in corporate reporting contributes greatly to information transparency therefore making it an issue of great significance in economies throughout the world. A growing number of organizations are publishing information evidencing the impact made by their activities on the environment, corporate governance, society, and human rights. In this study, we explore the relationship that exist between non-financial information disclosure and firm performance among manufacturing companies in Nigeria for the period 2010 to 2019 and conclude by noting that non-financial information disclosure plays vital role on financial performance of listed manufacturing companies. Our findings suggest that not much has been done in the area of risk management disclosure among manufacturing companies in Nigeria during the period under review. Hence, we recommend that in the coming fiscal business years, management should engage policies that will enhance and facilitate tranparency and more disclosure of risk management operations. We contribute to literature by first noting that this comprehensive quantitative investigation into the relationship between non-financial information disclosure and firm performance particularly for manufacturing companies is one of the few related studies carried out in Nigeria. The findings are novel as it becomes one among the first to employ secondary data information in providing empirical evidence on the subject matter.

However, like most other related research studies, limitations are inhenrent hence we suggest that futures authors

carrying out similar studies should try to cover other sectors of the Nigerian economy. Diversity of methodological approaches, financial performance metrics, and governance structures may offer an alternative explanation for varying results. Hence, inherent shortcomings in our analytical approaches can also be dealt with in further related studies.

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