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OGUN STATE, NIGERIA.****Abstract**

This study aimed to examine the relationship between transparency and financial Market performance Nigeria. This study is based on a companies listed on Nigeria stock exchange (NGX). Information related to research variables is for 1981-2022 (41-year period). To investigate the association between variables of this research, the transparency (Board Composition) is used as the dependent variable while financial information like Credit to private sector (CPS), Money market Values to GDP, Transaction Total in capital Market and all share Index as independent variables are considered. The Ordinary Least Square (OLS) regression test was employed in this study to assess the models' estimation and research data in order to ascertain their degree of transparency and explore potential relationships between the study's variables. Based on the research findings, there is a considerable positive correlation between the financial market performance criteria of CPS and MS and transparency, as measured by the transparency indices provided in Standard & Poor's model. However, transparency and TT with ASI have negative connections, which means that transparency has a detrimental effect on dependent variables. This study will provide literature evidences as record about transparency indexes and financial market performance in Nigeria. The result leads to a lot of recommendations on the need to ensure transparency which is the pillar for getting good performance in the Nigeria Financial market.

Keywords: Transparency, Financial Performance, Credit to private sector, Money market Values, all shares Index.

Introduction

Transparency and disclosure quality of companies is today's one of the prior concerning issues for people who are related with the capital market from various nations. According to Jahanshad, Heidarpour, and Valizadeh (2013), Financial transparency is the capacity to have easy access to reliable and pertinent information on the state and performance of the economy's finances, governance, investment opportunities, and risk-taking. Transparency in financial information, on the one hand, reassures macro stakeholders that they will consistently receive reliable information about the value of the company and concerns managers and macro stakeholders about not violating their rights; on the other hand, it encourages managers to strive for increasing the value of the company rather than pursuing short-term personal interests (Bano, Tahir, Abbas, & Ansari, 2018). If the manager's judgment is called into doubt because financial statements lack sufficient transparency, the quality of the company's performance may suffer.

It can be a paramount concerning factor for the decision making of stakeholders. It also can lead to inappropriate resource distribution as well as capitals which are directed to an unknown direction. Thus, the economy may suffer from the crisis. However, the world's capital market opined that transparency always plays a vital role to prevent the corruption and provision of distorted information and it should often do with the aim of carrying out illegal acts. However, there is a clear discrepancy between expectations and experimental evidence of openness because, in practice, there is no data supporting the operationalization of transparency with regard to reforms. Furthermore, even in industrialized nations and liberal communities, there is a lack of transparency when it comes to financial matters and governance. As a result, this study will support the defining circumstances that lead to the advancement of transparency in the Nigeria Stock Exchange-listed companies. Furthermore, this study examines its relationship to the financial success of the company using the following assessment of transparency in Nigerian

corporations: (Outa, & Waweru, 2016; Zain, & Shafii, 2018). Nonetheless, the purpose of this study is to look into the connection between financial market success and company openness.

The subject of corporate governance has received a lot of attention in the fields of economics, management, company law, business ethics, and others in recent years. Over the course of the last 20 years, growing public concern over company collapse and fraud, CEO excess, misuse of management power, and corporate social irresponsibility has led to the submission of numerous formal studies and suggestions in both developed and developing nations. For instance, in the last eight years, four significant and influential reports have been released in the UK (Cadbury 1992; Greenbury 1995; Hampel 1998; and Turnbull 1999). The only solution to corporate governance issue is the enthronement of corporate transparency which in all form would have reduced or eliminate the challenges.

Because of this, there are transparency difficulties with corporations in Nigeria. In 2011, the Security and Exchange Commission incorporated disclosure and transparency into its framework of best practices. Numerous organizations have collapsed as a result of companies engaging in unethical tactics.

It is however worrisome that despite these disclosure requirements, many companies in Nigeria still violates the rules on transparency and this has led to a barrage of issues that have make the performance of companies to nosedive and lead to collapse of many companies on the stock exchange.

This study's goal is to investigate the connection between Nigeria's financial market performance and corporate transparency levels. The board, financial, and management process transparency are the study's dimensions of transparency, which are based on research by Aksu & Kosedag (2006), Chiang (2005), and Meek et al. (1995).

This study therefore investigates the effect of corporate transparency on financial market performance in Nigeria Specifically, the study objectives are to:

- 1 Examine the effect of board composition on credit to private sector
- 2 Assess the effect of board composition on money market development
- 3 Evaluate the relationship between board composition and capital market development
- 4 Examine the relationship between the board composition and total transactions on the stock exchange

The study therefore hypothesizes that:

- 1 The board composition doesn't have any effect on credit to private sector
- 2 The board composition doesn't have effect on money market development
- 3 No relationship exist between board composition and capital market development
- 4 No relationship exist between the board composition and total transactions on the stock exchange

Literature Review

An increase in the timely and accurate flow of information on economic, social, and political matters—such as investors' usage of loans, borrowers' creditworthiness, monetary and fiscal policies, and international institutions' operations—is referred to as transparency. On the other hand, there might not be enough openness if people are unable to obtain information, if the information they do receive is unrelated to the problem at hand, or if the information is delayed, erroneous, or misrepresented. Accordingly, characteristics like accessibility, comprehensiveness, relevance, quality, and dependability should all be included in a workable definition of transparency (Vishwanath & Kaufmann, 2001). Acting transparently and providing information are two definitions of disclosure. In the fields of finance and economics, disclosure is widely described as "a process that makes information about decisions, actions, and current conditions visible and accessible."

Disclosure and transparency are essential components of business governance. Improved disclosure and increased transparency lessen the

knowledge asymmetry that exists between bond holders and equity holders of a company and its management, which helps to mitigate the agency problem in corporate governance.

Transparency, in the words of Fernandez-Feijoo, Romero, and Ruiz (2014), is the firm's specific information being made available to the public at large. In addition, a company's transparency can be evaluated using its corporate reporting, acquisition, and sharing of personal data together with information sharing as the three main components. However, financial transparency and governance transparency are the two main components that make up corporate transparency. Financial transparency is defined as the intensity of financial disclosure, whereas governance transparency is the degree of governance disclosure.

Furthermore, there is a strong correlation between financial transparency and analyst forecast accuracy when there is a limited amount of transparency. According to the explanation above, the researcher thinks that the company will require more transparent and accountable corporate procedures if they hope to see a robust and long-lasting economic rebound. Transparency plays a crucial role in ensuring that information is disclosed in a clear, timely manner that takes into account the interests of all parties involved with the firm. Furthermore, establishing faith in the financial information provided demonstrates the impact that transparency has had in the recovery of the markets. Transparency strengthens the capacity of financial markets to evaluate risks by supplying information and data that lowers uncertainty. (Henriques, 2013).

A number of financial crises struck Latin American and East Asian nations in 1997. The economic downfall of those countries was caused by these crises, which impacted numerous joint ventures. In addition, there was the financial crisis in the final quarter of 2008, which led to numerous businesses and foreign institutions going bankrupt. But given that the company's managers and auditors withheld the financial statements, one of the main reasons for these collapses in numerous economic units is that this lack of disclosure

results in a lack of trust in the financial reports and a failure to implement the principles of corporate governance, which are predicated on transparency (Gan, Shek & Mueller, 2015).

As a result, the financial statements' most crucial components of transparency and disclosure were removed. As a result, the idea of institutional control over businesses has grown in significance and is now one of the key tenets around which economic units ought to be built. Numerous groups have demanded that the benefits of institutional governance be applied to various economic units, as this is a prerequisite for all those who stand to gain. To inspire confidence, the financial department makes sure that the financial reporting procedure is carried out in a professional manner. The beneficiaries want to be included in the decision-making process and to guarantee the fairness and accuracy of the financial data included in the financial statements that are prepared.

By issuing criteria and guaranteeing the security of their application, professionals work to enhance the fairness and dependability of these reports in order to protect the interests of all parties (Allawi, Khudair. Majid, 2015).

Furthermore, because the company is transparent, the information revealed can be positively interpreted by the stakeholders. As a result, businesses with high levels of transparency will be shielded from government meddling and will be able to take advantage of several institutional supports. Additionally, the enterprises' acquisition of both tangible and intangible resources makes it possible for CSR conductivity to support their operations more successfully and effectively. In other cases, it was necessary to demonstrate to customers that their participation in the connection between CSR and financial performance (Kajola, 2008; Wu, Liu, Chin, & Zhu, 2018). Therefore, openness and accountability are essential components of the study of sustainability. Generally speaking, accountability focuses more on the company's obligation to participate in specific activities and take into account the acts performed. The business is entitling the public and its stakeholders in the meantime. Regarding

transparency, it pertains to the degree of openness exhibited by the organization in providing pertinent information that enables stakeholders to make informed decisions and guarantees that a threat to the sustainability assurance process in the management control is detected and addressed after the assurance process (Monte, 2009; Dingwerth & Eichinger, 2010). Transparency, however, needs a mechanism to measure it. As is true in most cases, Ali & Shaker (2017) state that there are four models to quantify the openness of disclosure of accounting information. Which are CIFAR index, Dipiazz and Eccles's transparency model, Bushman, Piotroski and Smith's transparency model, and Standard and Poor's model.

In actuality, the word "performance," which comes from the verb "performed," can mean "to render," "to do," or "to carry out." It is the act of accomplishing, fulfilling, or carrying out a task. Furthermore, performance can also be more broadly described as the achievement of a certain assessment in comparison to the requirements for completeness, accuracy, cost, and speed. Simplified, it's an accomplishment level that an entity has completed in order to be fulfilled. Generally speaking, throughout a specific time period, in relation to previous or anticipated cost efficiency, the management's liability and accountability; this is applied to all aspects of an organization's operations. Performance, in the opinion of Maqbool and Zameer (2018), is a sign of the health, compliance, and success of the company. Performance is a generic phrase used to describe past or future liability or accountability for cost-efficient management. It is similar to how it is frequently applied to all or a portion of a company's sets of activities over a given amount of time. Performance, thus, encompasses both the presentation and the caliber of the outcomes that are attained. Compliance and success performance are typically employed to reflect a firm's conditions (Maqbool & Zameer, 2018; Gan, Shek, & Mueller, 2015; Chang & Taylor, 2016). Regarding the notion of performance, it is employed to expound upon the business's

performance that possesses the legal standing of a firm.

In addition, a company's success can be explained as the result of its strategy or assessment, and it has been demonstrated that both the plan and the evaluation demonstrated the firm's potential to meet its goals. Furthermore, it serves as a broad indicator of the company's overall financial standing during a certain time period when comparing companies within the same industry or between industries or sectors as a whole (Khudhair, Norwani, Ahmed, & Aljajawy, 2019). The performance of a corporation has been measured using a variety of factors. Corporate performance, in the opinion of Venkatraman and Raman Jam (1986), revealed the firm's capacity to meet its objectives and perform well. This covers both non-financial metrics like market efficacy and market dynamics as well as financial metrics like economic considerations.

On what constitutes an appropriate financial performance measurement, however, there has been no consensus. According to earlier research, profitability and stock market returns can be effective performance indicators because ROA, ROE, and ROI have been used by the researchers (Maqbool & Zameer, 2018).

Previous scholarly research has examined the relationship between business performance and governance. Creating this kind of connection is not easy. There are some discrepancies in the results, which may be related to the use of various regulations, national legal environments, market circumstances, governmental policies, and measures of corporate governance and performance that vary amongst studies (Zahra & Pearce, 1989). There are more economic justifications for the value-boosting impact of financial transparency.

According to Clarkson et al. (1996), for instance, greater disclosure lowers the estimation risk associated with return distributions. According to Vander and Willekens' (2008) research, corporations in European Union member states with higher ownership concentrations disclose at a lower level than those in common law nations.

Board of director (BOD) disclosure was one of the transparency metrics utilized in earlier research to gauge performance (Ben Othman, 2012). The conclusion showed that most companies' financial sectors are impacted by BSPD. But it's also a useful instrument for observing the traits and actions of the board of directors. A number of earlier studies have observed that reducing the size of the board can boost and improve the performance of the company.

However, according to agency theory, the independent board will encourage management to reveal information by promoting greater transparency than the executive members, while the non-executive board directors should disclose more about various aspects of the company (Outa, & Waweru, 2016; Zaman, Arslan & Sidiqui, 2014).

Theoretical Review

A lot of theories have fundamentally explained the relationship between the corporate transparency and performance of financial markets in Nigeria which are all explored to explain the relationship

Stakeholder theory

This suggests that engaging in corporate social responsibility can strengthen linkages between the company and its many stakeholder groups, which will enhance business performance. Similarly, Jo and Harioto (2011) contend that strategic managers maximize shareholder wealth and minimize shareholder complaints by using CSR engagement to settle stakeholder conflicts. Disclosure of corporate information as part of corporate social responsibility (CSR) can greatly reduce the degree of information asymmetry among stakeholders, lowering their level of doubt and preventing conflicts and needless risks. A company with a high degree of CPT might convey to the market that its managers are confident in meeting social responsibility standards and that the company does well financially.

Agency Theory

According to agency theory, the fundamental challenge of corporate governance is

the same as the issue of agents acting in their own best interests in any principal-agent interaction. When a director or management, acting on behalf of the principal, receives work delegation from a shareholder, acting as the principal (Eisenhardt, 1989). The idea posits that managers, acting as agents, may not always act in the best interests of the shareholders and may instead seek their own interests at the expense of the owners. This is based on the assumption that individuals maximize their own utility. Two issues that arise in the principal-agent relationship are the focus of agency theory. The first is how costly or difficult it is for the principal to keep an eye on the agent's conduct and daily activities.

Second, the differing inclinations between the principal and the agent with regard to interactions stemming from their disparate risk aversions (Eisenhardt, 1989). These issues give rise to a specific kind of management cost known as "agency cost," which is incurred when principals/owners try to make sure that agents/managers act in the principals' best interests (Jensen and Meckling, 1976).

Stewardship Theory

Unlike the agency theory and others, the stewardship theory holds a distinct perspective on the nature of humans (Marris, 1964; Nichols, 1969; Etzioni, 1975). The stewardship theory challenges the agency theory as a flawed premise and contends that managers are good stewards of the company. The agency theory is based on the assumption of self-interested human conduct to declare that managers as agents cannot be trusted and should be fully watched. The stewardship theory contends that managers are acting just like stewards to serve the interests of the shareholders and diligently work to attain a high level of corporate profit and shareholder value. This theory is based on a traditional legal view of the corporation as a legal entity in which directors have a fiduciary duty to the shareholders.

Resource Dependence Theory

According to Pfeffer's (1972) resource dependence theory, organizations try to control their surroundings by appropriating the resources

they require to thrive. The idea of co-optation has significant effects on the function and composition of the board. Boards are useful tools for bridging boundaries. They can serve as a means of establishing connections with the outside world. Environmental contingencies can be managed through interorganizational links such as board interlocks and the recruitment of outside directors. Executives can get useful knowledge from directors who are well-known in their fields and areas. By engaging their other constituents on behalf of the local group, they get active in supporting the organization (Keasy and Wright, 1993).

Signaling Theory

According to Karasek and Bryant, (2012:19) "Signaling is all around us in our everyday lives. People signal by the way they carry themselves, speak and interact. Organizations signal as well in their advertisements, recruiting and annual reports, just to name a few" We examine the impact of Spence's landmark 1973 paper on signaling theory in this study. Signaling reduces the spread of false information among related parties in business (Connelly, Certo, Ireland, & Reutzel, 2010). According to Spence (1973), the theory clarifies how businesses or business organizations use their board to inform shareholders about their accomplishments, disclosures, and compliance with applicable CG mechanisms and financial reporting. We examine how management, psychology, and anthropology have been impacted by signaling theory. We put up a model explaining how information and company performance are related. Lastly, we recommend directions for future study based on signaling theory.

Empirical Review

A lot of work has been undertaken to show the importance of transparency and its effect on the financial markets performance and they are analysed below:

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of all parties involved with the firm. Furthermore, establishing faith in the financial information provided demonstrates the impact that transparency has had in the recovery of the markets. Transparency strengthens the capacity of financial markets to evaluate risks by supplying information and data that lowers uncertainty (Henriques, 2013).

Board of director (BOD) disclosure was one of the transparency metrics utilized in earlier research to gauge performance (Ben Othman, 2012). The conclusion showed that most companies' financial sectors are impacted by BSPD. But it's also a useful instrument for observing the traits and actions of the board of directors. A number of earlier studies have observed that reducing the size of the board can boost and improve the performance of the company. Conversely, agency theory advised that non-executive board directors communicate more about a number of organizational characteristics, and the independent board will encourage management to provide information by being more transparent than the executive members. (Outa, & Waweru, 2016; Zaman, Arslan & Sidiqi, 2014).

In the past, businesses that had good news would typically tell their stakeholders more than those that had bad news. In their study of Singaporean and Hong Kong businesses, Chau and Gray (2002) discovered a favorable correlation between performance and disclosure. Corporate success and openness are strongly correlated, and companies with stronger corporate governance have much higher standards for the firm's transparency and disclosure of material facts. Better performing organizations are expected to have a positive association with corporate disclosure. On the other hand, there is data from Ball, Robin, and Wu (2003), Clatworthy and John (2006), and Watson and Marston (2002) that suggests a negative association between performance and disclosure. On the other hand, Wallace and Naser (1995) suggest that there are adverse correlations between transparency and performance in empirical research.

Research by Akhtaruddin (2005) and Ahmed (1999) do not establish a meaningful

correlation. Companies are expected to submit information beyond what is required by the SEC and CAMA, according to the SEC 2011. The explanations given above lead to the development of the following theories.

Suchada (2007) conducted research on the effects of disclosure, transparency, and the board of directors on performance. He employed a sample population consisting of one hundred companies that were listed between 2004 and 2007 on the Thailand stock exchange. He separated transparency into three levels in his study: absolute transparency, three categories of disclosure and transparency, and ultimately the twelve categories of disclosure and transparency.

Since there was a 10% significant threshold, he concluded that in the first level, total transparency and disclosure is unrelated to any of the performance measures using ROA and Tobin Q as performance indicators. Since there was a 5% significant level, transparency and disclosure have an impact on a firm's worth in terms of investment opportunity at the second level. This is due to the fact that greater financial information openness and disclosure results in less information asymmetry between management and shareholders and, thus, cheaper capital costs.

S&P's third phase of the Turkish transparency and disclosure study was carried out in 2007 by Balic (2007) of S&P, who examined the disclosure policies of 52 Turkish companies that were listed on the Istanbul Stock Exchange. In order to give a comparative understanding of Turkish companies' disclosure practices, Standard & Poor's Governance Services and the Corporate Governance Forum of Turkey (CGFT) conducted a survey over three years that tracked and evaluated corporate responses to market and regulatory conditions.

From 2007 to 2011, Wanyonyi & Olweny (2011) investigated how corporate governance affected the financial performance of Kenyan listed insurance companies. The study's goal was to determine how listed insurance companies' financial performance was impacted by the size and makeup of their boards. They decided on a sample of six companies out of the 45 listed by the

Insurance Regulatory Authority. The investigation revealed a robust correlation between the firm's financial success and the Corporate Governance procedures examined. It has been discovered that the financial performance of insurance businesses listed on the NSE is adversely affected by board size. Board composition and company financial success were positively correlated.

But more important than a director's title was their experience, knowledge, and ability on the board than their status as an executive or non-executive director. Leverage has also been shown to have a positive impact on the financial performance of insurance companies that are listed on the NSE. Regarding CEO duality, the study discovered that the financial performance of listed insurance companies was favorably impacted by the separation of the CEO and Chair roles.

Transparency and financial performance are significantly correlated with the firm's performance, according to Zaman, Arslan, and Sidiqui (2014). Results indicate that organizations can improve organizational value and establish a positive relationship between corporate governance and performance by implementing excellent corporate governance practices.

Moreover, significant profit and leverage were frequently the outcome of documented information that the disclosure in the annual reports provided. As a result, transparency may be defined as an essential tool for a business since it makes correct information available to all employees and makes it easier to evaluate the success of the business. Furthermore, it furnishes the public with details about the company (Balachandran & Faff, 2015).

Data and Methodology

The annual reports of the firms listed on the Nigeria Stock Exchange (NGX) from 1981 to 2022 provided the data used in this study. The random sampling technique was used to choose a sample of the companies. Multiple regression analysis was used for analysis, and ordinary least squares (OLS) was used for estimation. The All Share Index is calculated in points, the Board

Composition is measured in numbers, and the Credit Private Sector, Money Market Value, and Total Transaction in the Capital Market are measured in Naira.

Financial performance as independent variables .

Gurr (2018), Yang & Baasandorj (2017) state that performance ratios have been divided into two categories in previous research on financial performance measurement: Users of financial statements can assess the profitability and efficiency of an organization's asset and liability management strategies by using accounting-based ratios. When assessing a company, customers frequently look at profitability ratios such as ROI, ROE, and ROA. As per Gentry & Sheen (2010), there has been scholarly discourse over the use of accounting-based metrics as a gauge of financial performance since the 1980s.

Transparency as dependent variables

The transparency metric that has been utilized in previous studies (Zaman, Arslan & Sidiqui, 2014; Ali & Shaker 2017; Aljjawi & Al-Khafaji, 2018) is subjective in nature. Nevertheless, ownership structure and board size are used in the transparency index construction for this study as a proxied with board composition...

Model Specification

The model to capture the impact of corporate transparency on the financial market performance variables are stated below with the independent variables as credit to private sector to GDP, money markets transactions to GDP, capital markets total transactions to GDP and all share index the dependent Variable is board structure using size and composition .

This is expressed functionally as

$$\text{BDCt} = F(\text{CPSt}, \text{MSt}, \text{TTt}, \text{ASIt}) \dots\dots\dots (1)$$

The operational and log form of the model is stated thus:

$$\text{BDCt} = b_0 + b_1 \text{CPSt} + b_2 \text{MSt} + b_3 \text{TTt} + b_4 \text{ASIt} + \mu_t \dots\dots\dots (2)$$

$$\text{LnBDCt} = b_0 + b_1 \text{LnCPSt} + b_2 \text{LnMSt} + b_3 \text{LnTTt} + b_4 \text{LnASIt} + \mu \dots\dots\dots (3)$$

LnBDCt = Board Composition

LnCPSt = Credit Private Sector

LnMSt = Money Market Value

Ln t = Total Transaction in Capital Market

LnASIt = All Share Index

b0 = intercept

b1-b4= Coefficient of the independent variables

μ = white noise or error term

Note: All variables are in their natural logarithm form

The apriori expectation:

b1, b2, b4>0; b3 <0

Results and Discussions

Descriptive statistics

The fundamental properties of the variables under consideration, such as the number of observations, mean, standard deviation, minimum and maximum values, are frequently described by descriptive statistics. To ascertain the distribution and dispersion of every characteristic for Nigeria firms, descriptive statistics are offered. A descriptive statistical summary of all the variables used in this study from 1981 to 2022 is shown in Table 1.

This table exhibits the descriptive statistics of the independent variables including CPS, MS, TT and ASI. The averages in this order are 11.21, 15.18, 5584 and 14898 for the Nigerian economy while the depended variable is 653.84.

Table 1

	BDC	C	CPS	MS	TT	ASI
Mean	653.8462	1.000000	11.21244	15.18527	5584.306	14898.27
Median	420.0000	1.000000	8.211023	12.73591	472.3000	8111.000
Maximum	1350.000	1.000000	20.77330	25.15527	25890.22	57990.20
Minimum	260.0000	1.000000	5.917270	9.151674	5.000000	11.39480
Std. Dev.	361.3816	0.000000	5.399504	5.227400	7881.274	15181.72
Skewness	0.717766	NA	0.792837	0.692518	1.135669	0.757341
Kurtosis	2.038986	NA	1.826749	1.837442	2.868621	2.756876
Jarque-Bera	4.849486	NA	6.322685	5.313534	8.411384	3.824223
Probability	0.088501	NA	0.042369	0.070175	0.014910	0.147768
Sum	25500.00	39.00000	437.2854	592.2255	217788.0	581032.6
Sum Sq. Dev.	4962673.	0.000000	1107.876	1038.377	2.36E+09	8.76E+09
Observations	41	41	41	41	41	41

Authors Computation, 2024

Correlation analysis

This section presents the correlation matrix as an addition to the summary of the descriptive statistics. The statistical measure of how well one variable predicts the value of another as its value changes is called a correlation coefficient. The value rises or falls in positively connected variables. When two variables have a

negative correlation, one's value rises while the other's value falls. The strength and direction of a relationship between two variables are measured by correlation. Correlation is just the computation of a correlation coefficient that indicates how much one variable tends to change when another does; it does not fit a line through the data points. There is no association when $r = 0.0$.

There is a tendency for one variable to rise in tandem with the other when r is positive. There is a tendency for one variable to rise as the other falls when r is negative. A statistical measure that shows how much two variables vary together is called correlation. When two variables rise or decrease simultaneously, there is a positive correlation; when there is a negative correlation, one variable increases as the other falls. The correlations between every pair of variables are displayed in Table 2. This study examines and illustrates the Pearson correlation coefficient, a well-known method for determining how strongly two variables are correlated

In Table 2, the correlation's probability is indicated by the value below the direction and coefficient of correlation, which are displayed in front of the variables. It is implied that these associations have significance by the bolded probabilities. As can be shown, only a small percentage of the correlation analyses are statistically significant, while the remainder are not. It should come as no surprise that there is a strong and significant association between the firm performance indicators of CPS, MS, TT, and ASI. For the purposes of this study's analysis, these business performance indicators are therefore regarded as dependent variables in their own equations.

Table 2

	BDC	CPS	MS	TT	ASI
BDC	1.000000	-0.519538	-0.448018	-0.519419	0.138919
CPS	-0.519538	1.000000	0.967755	0.876559	0.349128
MS	-0.448018	0.967755	1.000000	0.917222	0.338021
TT	-0.519419	0.876559	0.917222	1.000000	0.163347
ASI	0.138919	0.349128	0.338021	0.163347	1.000000

Authors Computation, 2024**Regression Analysis**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(BDC(-1))	-0.977936	0.168947	-5.788427	0.0000
C	1.964413	33.84838	0.058036	0.9541
R-squared	0.489095	Mean dependent var	-0.810811	
Adjusted R-squared	0.474498	S.D. dependent var	283.9931	
S.E. of regression	205.8710	Akaike info criterion	13.54491	
Sum squared resid	1483400.	Schwarz criterion	13.63199	
Log likelihood	-248.5809	Hannan-Quinn criter.	13.57561	
F-statistic	33.50589	Durbin-Watson stat	2.002195	

Authors Computation, 2024

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(ASI(-1))	-1.021231	0.168993	-6.043047	0.0000
C	-4.173938	1492.545	-0.002797	0.9978
R-squared	0.510616	Mean dependent var	-0.985916	
Adjusted R-squared	0.496633	S.D. dependent var	12796.35	
S.E. of regression	9078.797	Akaike info criterion	21.11781	

Sum squared resid	2.88E+09	Schwarz criterion	21.20489
Log likelihood	-388.6795	Hannan-Quinn criter.	21.14851
F-statistic	36.51842	Durbin-Watson stat	2.008336
Prob(F-statistic)	0.000001		

Authors Computation, 2024

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(CPS(-1))	-0.837336	0.169192	-4.949040	0.0000
C	0.118937	0.636995	0.186715	0.8530
@TREND("1981")	0.005530	0.028084	0.196922	0.8451
R-squared	0.418734	Mean dependent var	-0.035559	
Adjusted R-squared	0.384542	S.D. dependent var	2.323137	
S.E. of regression	1.822528	Akaike info criterion	4.115931	
Sum squared resid	112.9346	Schwarz criterion	4.246545	
Log likelihood	-73.14471	Hannan-Quinn criter.	4.161978	
F-statistic	12.24650	Durbin-Watson stat	1.898586	
Prob(F-statistic)	0.000099			

Authors Computation, 2024

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(MS(-1))	-1.005225	0.171517	-5.860781	0.0000
C	0.070173	0.636383	0.110269	0.9128
@TREND("1981")	0.014916	0.028188	0.529170	0.6001
R-squared	0.502553	Mean dependent var	0.006684	
Adjusted R-squared	0.473291	S.D. dependent var	2.511636	
S.E. of regression	1.822813	Akaike info criterion	4.116243	
Sum squared resid	112.9700	Schwarz criterion	4.246858	
Log likelihood	-73.15050	Hannan-Quinn criter.	4.162291	
F-statistic	17.17447	Durbin-Watson stat	1.999393	
Prob(F-statistic)	0.000007			

Authors Computation, 2023

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(TT(-1))	-2.690422	0.478307	-5.624882	0.0000
D(TT(-1),2)	1.323519	0.385009	3.437628	0.0019
D(TT(-2),2)	0.837519	0.280559	2.985183	0.0058
D(TT(-3),2)	0.487428	0.184285	2.644965	0.0132
C	-1774.378	833.0080	-2.130085	0.0421
@TREND("1981")	162.0564	41.79683	3.877240	0.0006

R-squared	0.698535	Mean dependent var	117.2082
Adjusted R-squared	0.644702	S.D. dependent var	3190.830
S.E. of regression	1901.953	Akaike info criterion	18.09794
Sum squared resid	1.01E+08	Schwarz criterion	18.36729
Log likelihood	-301.6649	Hannan-Quinn criter.	18.18979
F-statistic	12.97598	Durbin-Watson stat	2.151085
Prob(F-statistic)	0.000001		

Authors Computation, 2024

Since the goal of this work is to analyze time series data, three mandatory tests were carried out to determine the best approach for panel data analysis between Pooled OLS, Fixed effect, and Random effect: the F-test, the Breusch-Pagan test, and the Hausman test. The relationships between Pooled OLS and Fixed effect, Pooled OLS and Random effect, and finally between Random effect and Fixed effect are examined using the F-test, BP-LM test, and Hausman test, respectively. The result of the F-test indicates that, when using the Pooled OLS null hypothesis in relation to the equation including BDC as the dependent variable, the fixed effect alternative hypothesis is accepted and the null hypothesis is rejected. Then, using Pooled OLS as the null hypothesis, the Breusch-Pagan test result demonstrates that the null hypothesis is rejected and the Random effect is accepted.

Ultimately, the Hausman test (using the null hypothesis of random effect) demonstrates that the null hypothesis, which is the random effect, is accepted and cannot be refuted. Consequently, it is evident that Random effect (RE) is the approach most suited for solving the equation. The paper examines the result of equation, which indicates that BDC serves as a dependent variable and CPS, MS, TT, and ASI are independent variables. This is done after determining that the most appropriate way of time data analysis is Random effect for the first equation and verifying the assumption of regression models. The final results of the equation's random effect analysis are displayed in Table 3. Table 3's time series data regression

result indicates that CPS and MS have significant probabilities of 5% and 1%, respectively.

That implies the meaningful impact of CPS and MS on (BDC). Thus, it indicates that for every unit increase in CPS, BDC will grow by 11 units, and for every unit increase in MS, BDC will increase by 0.07. However, the likelihood of both TT and ASI is more than 0.1, indicating that TT and ASI has little effect on BDC. As a result, both independent variables in the equation has no discernible effect on BDC.

Conclusion and Recommendations

Conclusion

In conclusion, it can be said that CPS and MS have a positive, significant impact on BDC in the equation where BDC is the dependent variable, whereas TT and ASI do not. Future research, however, must to be done using a sizable sample size and should involve multiple other nations. Future research should also use institutional ownership and CEO tenure as primary indicators, among other important variables. This study also suggests that in the future, researchers should carry out additional research using a questionnaire and interview approach to gather responses from those who create yearly reports.

The study has significant investing implications for various forms of financial integration. Investors that seek to boost their financial performance typically put their money into transparent companies in order to minimize information asymmetry and uncertainty, which can result in investment loss. However, as this study demonstrates, transparency might not be as straightforward as it first appears. When making

investment judgments, one should take the transparency's financial integration into account

Recommendations

The study made the following recommendations based on the findings:

1. Disclosure in the annual reports by itself is insufficient. The importance of practicing sound corporate governance cannot be an adoption of all firms. Practice combined with transparency that improves business performance, prevent insiders from abusing their influence over company resources, and keep managers' on their toes without any deviation should be strictly observed by all companies.
2. To determine how much emphasis the organizations are placing on this transparency, the scope of the current type of analysis should be expanded by examining the corporate governance disclosure practices of Nigerian public limited firms over a number of years.
3. A different set of company groups and various company performance metrics could be used to conduct other studies. For instance, other industries might also conduct similar studies that shows the level of transparency.
4. Regulations alone should not be the reason to exercise corporate governance. It's important to take into account the chances it offers for expansion and market survival which should be domesticated for all companies. Furthermore, the results of this study demonstrate that CG techniques have real-world effects on business performance. Investors will now have the opportunity to fund businesses with superior corporate governance procedures. According to McKinsey Quarterly polls, institutional investors are willing to pay up to 28% extra for shares in emerging market companies with sound governance practices. The listed Companies should take advantage of this.

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