IJAAR PUBLISHING®
African Journal of Sustainable Agricultural Development | ISSN: 2714-4402
Vol. 5, Number 3 (July-September, 2024) | www.ijaar.org/ajsad

VOLUNTARY DISCLOSURE AND FINANCIAL PERFORMANCE OF LISTED AGRICULTURAL FIRMS IN NIGERIA

Ifeoma Orjinta (PhD).
Department of Accountancy,
Faculty of Management Science
Chukwuemeka Odumegwu Ojukwu University, Igbariam, Nigeria
Email ifyorjinta@gmail.com

Iloh Patricia Azuka (Student)
Department of Accountancy,
Faculty of Management Science,
Chukwuemeka Odumegwu Ojukwu University, Igbariam, Nigeria.
Email ilohpatricia@gmail.com

Udoezika David
Department of Accountancy
Faculty of Management Sciences
University on the Niger
Email: adaezenwayo@gmail.com

Abstract

This study determined the effect of voluntary disclosure on financial performance of listed agricultural firms in Nigeria, using environmental protection disclosure, and employee welfare as the independent variables, while earnings per share was used as a proxy for financial performance. Ex post facto research design was adopted for the study. A sample of five agricultural firms was used and data extracted from the companies audited annual reports and accounts from 2013 to 2022. Based on the analysis, the result showed that environmental protection disclosure and employee welfare have statistically significant effect on earnings per share of agricultural firms in Nigeria. it was recommended among others, that there have to be steady environmental disclosure through the firms for mitigating its environmental effect and promoting sustainable practices. This may allow them proportion with their stakeholders to demonstrate their commitment in the direction of environmental responsibility.

Keywords: Environmental protection disclosure, Employee welfare and financial performance

Orjinta, I., Iloh, P. A. & Udoezika, D. (2024). Voluntary Disclosure and Financial Performance of Listed Agricultural Firms in Nigeria. *African Journal of Sustainable Agricultural Development. 5*(3), 8-19. DOI: 10.5281/zenodo.12663052

Introduction

The disclosure of information by companies to their stakeholders is a critical aspect of corporate reporting and transparency. This information are annual reports, which is the end product of the accounting process, aimed at producing qualitative and quantitative information on the performance of an organization to enable users make informed decision (Elikanah, 2019). It provides information on the incomes and expenses of a company in a fiscal year captured in the statement of comprehensive income and details of assets and liabilities owned shown in the statement of financial position. Published annual reports are required to provide various user such as; shareholders, employees, suppliers, creditors, stock brokers, financial analysts, government agencies and management with timely and reliable information used for making effective and efficient decisions (Hassan, 2015). The extent and quality of disclosure within these published reports vary from company to company and also from country to country.

Disclosure of accounting statistics through the annual reports offers beneficial and dependable monetary and non-economic information to diverse customers together with control, shareholders, personnel, government, competitors, creditors, creditors, exchange unions, economic analysts and capacity traders. The voluntary disclosure that's a strategic tool for winning more clients and investors goodwill usually improves the outlook or perception of the firm (Modugu & Eboigbe, 2017). In fact, firms that interact in an appreciable voluntary disclosure are given the impression to be more responsible than companies that do not. This responsibility is broadly speaking with appreciate to the company's environmental responsibility, personnel development and welfare that are becoming the bedrock of company sustainability in today's enterprise environment (Adegbie, Iranola & Isiaka, 2019).

Financial performance refers to the extent to which a firm uses available resources to generate earnings. It is a measure of the firm's ability to generate profits, manage resources and create value for its shareholders. It is an aspect of corporate performance that concentrates on profitability that is the ability to generate more revenue in excess of the costs incurred by the firm (Nworie & Mba, 2022). It is often cited that a firm that engages in good voluntary disclosure practices have better chances of improving its financial performance for three major reasons. Nworie, Obi, Anaike and Uchechukwu-Obi (2022) argue that such a disclosure will make investors see the firm in good light. Also, voluntary disclosure convinces creditors that the firm is accountable, and so reduces the cost of borrowing. Finally, voluntary disclosure while increasing the legitimacy position of the firm makes customers more attracted to patronize the firm, and thereby improving turnover. It is upon these bases that a positive relationship is expected to exist between voluntary disclosure and financial performance of agricultural firms. Given the significance of both voluntary disclosure and financial performance, it is imperative to explore the relationship between these two factors within the specific context of listed agricultural firms in Nigeria.

Financial performance refers to the volume to which a firm uses available resources to generate income. It is a degree of the firm's capability to generate profits, manage resources and create fund for its shareholders. It is an aspect of company performance that concentrates on profitability this is the potential to generate more revenue in extra of the prices incurred by means of the company (Nworie & Mba, 2022). It is regularly noted that a companies that engages in voluntary disclosure practices have better chances of enhancing its financial performance for 3 predominant reasons. Nworie, Obi, Anaike and Uchechukwu-Obi (2022) argue that one of these disclosures will make buyers see the company in proper light.

Additionally, voluntary disclosure convinces creditors that the firm is accountable, and so reduces the value of borrowing. In the end, voluntary disclosure even as increasing the legitimacy position of the firm makes clients greater attracted to patronize the company, and thereby enhancing turnover. It is miles upon these bases that a high quality courting is expected to exist between voluntary disclosure and financial performance of agricultural companies. Given the importance of each voluntary disclosure and economic performance, it is imperative to explore the connection among those elements in the precise context of listed agricultural firms in Nigeria.

Prior studies such as Dada and Adeniji (2021) which studied the effect of voluntary disclosure on the financial performance of listed oil and gas firms in Nigeria using ordinary least square regression as statistical tool, showed that voluntary disclosure and financial performance has a positive and significant effect. Odum and Obiano (2023) examined the effect of voluntary disclosure on financial performance of listed consumer good firms in Nigeria covering only a period of 10 years from 2012-2021. The feasible general least square method was used as statistical tool and the findings stated a positive effect.

These studies covered different sectors in Nigeria; however, there is a limited study on agricultural firms in Nigeria, thereby create sectorial gap. Meanwhile there is need to include agricultural firms so as to strike the right balance between transparency and confidentiality, potentially leading to suboptimal strategic decisions in Nigerian sectors. Also, investors and stakeholders on the other hand, may find it challenging to assess the true value and sustainability of agricultural firms in the absence of standardized voluntary disclosure practices. This study also aims to fill this gap by studying the relationship between voluntary disclosure and financial performance of listed agricultural firms in Nigeria.

The research is guided by other specific objectives which include:

1. To determine the effect of environmental protection disclosure on earnings per share of listed agricultural firms in Nigeria.
2. To examine the effect of employee welfare disclosure on earnings per share of listed agricultural firms in Nigeria.

Review of Related Literature

Conceptual Review

Disclosure refers to an accurate and timely release of information about the business strategy, financial performance and corporate governance to the general public by a company (Lee, 2012). Disclosure is defined in accounting literature as “informing the public by financial statements of the firm” (Agca & Onder, 2007), or as the communication of economic information, whether financial or nonfinancial, qualitative or otherwise concerning a firm’s financial position and performance” (Owusu-Ansah, 1998). Thus, it is the publication of any type of information through the corporate annual reports that are necessary, relevant and material to the various user groups in making their judgements and decisions about a company. For the information to be useful, it must be relevant and faithfully represent that which it purports to represent. In addition, the information is enhanced by the qualities of comparability, verifiability and understandability (Modugu & Eboigbe, 2017).

Environmental Protection Disclosure

In relation to environmental protection disclosure there is no standard definition and it is left mostly to the discretion of the companies to decide which expenditure or cost should be included under the environmental expenses or costs. For a general understanding of environmental protection disclosure, it can be referred to the voluntary disclosure of a company's initiatives, policies and actions aimed at mitigating its environmental impact and promoting sustainable practices. It encompasses a range of information that consumer goods firms voluntarily share with their stakeholders to demonstrate their commitment to environmental responsibility.

When environmental cost is not adequately allocated, cross-funding occurs between products. In many cases, different products are made by different processes and each process tends to have a different environmental cost (Chris & Burrit, 2013). Protection of environment and the potential involvement of accountant is becoming a common subject of discussion among the accountant all over the world (Pramanik, Shil & Das, 2007). Accountants are expected to take a proactive role in environmental protection process with the advent of liberalization. The cost of environmental degradation due to industrial activities should be internalized in corporate account to the extent possible. That is why environmental accounting and reporting is of paramount importance today.

Employee Welfare disclosure

Employee welfare can be seen in a comprehensive term the various benefits and facilities offered to employees and the employer. Those generous fringe benefits make life worth living for employees. According to Armstrong (2008), it refers to items or total packages offered to employees over and above salary, which increase their wealth and wellbeing at some cost to the employer. Employee welfare disclosure refers to the disclosure made by companies regarding the measures and programs they have in place to ensure the wellbeing and welfare of their employees. This benefit encompasses a wide range of employee-centric initiatives including, health and safety measures, employee benefits, work life balance programs and support systems. The very logic behind providing welfare schemes is to create efficient, healthy, loyal and satisfied labor for the organization. Any additional compensation or value given to employees apart from regular payment of salaries and wages is a reward for organizational membership. One of the basic functions of management is to determine how employees can be motivated to high productivity by satisfying their needs. This assumption presupposes that every worker has some internal urges which propel him in specific directions towards the realization of his entire life ambition (Armstrong, 2008).

Financial Performance

Financial performance is measured using financial ratios. According to Yegon (2015), the three most important decisions in a firm are: investment, financing and dividend decisions, and they are all related to firm performance. He further explained thus, investment in asset should offer a return; a good principle on financing should balance the equity and debt finances and a firm ought to provide some returns to shareholders as dividend.

In evaluating the company's financial performance, it can be assisted with certain measurement tools, one of which is by using profitability ratio. Profitability ratios are ratios used to determine a company's ability to manage assets and generate revenue. An assessment of company's profitability can be measured through return on assets (ROA). ROA are used to measure the effectiveness of a company to generate earnings by utilizing its assets (Nworie & Mba, 2022).

Earnings per Share

The term earning per share (EPS) is generally considered to be most significant variable in defining share price. It also plays very important role to measure the price to earning valuation ratio. Earnings per share (EPS) are a popular financial ratio which is widely used by investors worldwide. It measures potential profit on investment in company's shares

(Sierpinska & Jachna, 2004). It is a solid indicator of a firm's profitability. Earnings per share (EPS) are a part of a company's income that is allocated to each outstanding share of common stock, serving as an indicator of the firm's profitability.

Empirical Review

Odum and Obiano (2023) examined the extent to which environmental protection disclosure, corporate donation disclosure, employee training disclosure and employee welfare disclosure affect the earnings per share of listed consumer goods firm in Nigeria from 2012 to 2022. Secondary data were extracted from the annual reports and statement of account of the sixteen sampled firms over a ten-year period. The study revealed that voluntary disclosure especially via environmental protection disclosure and employee training disclosure improves the financial statements of listed consumer goods firm in Nigeria.

Aris, Yusof, Idris, Zaidi and Anuar (2021) examined the effect of firm characteristics indexed by firms' size, firms' type, profitability and achievements towards social responsibility reporting disclosure. This study included total observations of 180 companies which comprises of 60 annual reports for three years starting from year 2014 to 2016. The regression results revealed that company's size, profitability and achievements have significant relationship with sustainability reporting disclosure. Overall, the results from this study indicate that firms' profitability influence the degree of voluntary sustainability reporting disclosure.

Adeyemi, Fagboro and Udofia (2020) investigated the readiness of Nigeria to adopt voluntary disclosure (integrated reporting) by evaluating the level of compliance of the annual reports of quoted companies in Nigeria to IR framework as developed by the International Integrated Reporting Council (IIRC). A total of 90 companies from 170 quoted companies on Nigeria Stock Exchange were selected based on the criteria that the companies had available annual reports for the period 2013 to 2017. The study found that company's reports comply with about 75% of the VD framework requirements.

Ofoegbu and Asogwa (2020) examined the effect of voluntary social, environmental disclosures, and economic disclosures on the profitability of listed consumer goods manufacturing companies in Nigeria from 2009 to 2018. The hypotheses were tested with t-test statistics. The results suggested that economic and social performance disclosures have an insignificant positive impact on both earnings per share and return on equity, whereas, environmental disclosures have a strong positive and significant effects only on earnings per share.

Iliemena, Amedu and Umaigba (2019) determined the value relevance of voluntary sustainability disclosure among manufacturing firms in Nigeria for the period 2010-2018. The sample comprised of thirty companies randomly selected from the floor of the Nigerian Exchange Group. The hypotheses were validated using panel data regression technique. The results revealed that economic-sustainability and social sustainability reporting of quoted manufacturing companies were value relevant.

Duarte-Atoche and Moreno (2019) determined the effect of voluntary social responsibility disclosure on Sustainable Performance (SP) in Spain. The questionnaire was sent to a sample size of 440 sustainability directors of firms located in Spain. A total of 195 usable questionnaires were received, which represents a response rate of 44.32%. The research model was tested using the technique of Partial Least Squares (PLS). The study applied Partial Least Squares, introducing EP, size and membership in sensitive sectors and subjecting them to a multiplicity of external pressures (social, environmental and legislative) as determinants of the SD–SP link. The study found that sustainable disclosure (SD) has a significant relationship with Sustainable Performance (SP) in Spain.

Osisioma and Emeka-Nwokeji (2019) examined how voluntary environment, social and governance disclosure affect market value of firms in Nigeria as an emerging economy using company's' specific disclosures. Tobins Q was used as proxy for firm market value. The study selected 93 out of 120 non-financial firms listed on the Nigerian Exchange Group as at 2015. Data was collected from annual reports of sampled firms from 2006 to 2015 through content analysis. The data was analyzed with descriptive statistics, correlation analysis, principal component analysis while pooled ordinary least squares regression was employed to test formulated hypotheses. The analysis showed that overall sustainability disclosures had significant positive effects on firm value.

Kemei (2019) determined the nexus between voluntary social-environmental responsibilities disclosures and firm attributes of Kenyan listed firms. Descriptive research design was used and secondary data was collected from 2009 to 2018 annual reports of 45 out of 48 targeted companies listed prior to 2009. Regression model computed with STATA version 12 software was used to analyze the significance of the factors on level of Social environmental responsibilities disclosures. Exploratory, descriptive, diagnostic analysis were performed and the results showed that factors of firm's size, leverage were positively significant and profitability is negatively significant in influencing the voluntary disclosure of social environmental responsibilities information on financial reports of Kenyan listed firms.

Udeh and Ezejiofor (2018) determined the effect of voluntary sustainability cost disclosure on financial performance of Nigerian telecommunication firms. Formulated hypotheses were tested using regression analysis with the aid of SPSS version 20.0. The study found that sustainability cost accounting has significantly affected return on asset of Nigerian telecommunication firms. Another finding is that sustainability cost accounting has significantly affected return on equity of Nigeria telecommunication firms.

Methodology

Research Design

Ex-Post Facto research design was employ in this study, since the study sought to establish cause-effect relationship and the researcher has no control over the variables under study. This design is very appropriate where it is not possible for the researcher to directly manipulate the independent variable (Farrar, 2017).

Population of the Study

The population of the study consists of the five agricultural firms quoted on the Nigerian Exchange Group. The study covered ten years annual reports and accounts of these companies from 2013 to 2022.

Sample Size and Sampling Techniques

The researcher used all the five agricultural firms quoted on the Nigerian Exchange Group for the sample size

Source of Data

This study employed the use of secondary data. Information was sourced from Nigerian Exchange Group (NGX) fact books, annual reports and accounts of the sampled companies. These variables include; earnings per share as dependent variable, while environmental protection disclosure, and employee welfare is independent variables.

Model Specification

The econometric models of the study were adapted from the studies by Ohidoa, Omekhodu, and Oserogho (2016) as shown below:

$ED_{it} = \alpha + \beta_1 FAGE_{it} + \beta_2 FSIZEit + \beta_3 LEV_{it} + \varepsilon i$

Where;

ED = Environmental Disclosure

FAGE = Firm Age

FSIZE = Firm Size

LEV= Leverage

α = Constant Term

β = Coefficient Term

i = No of firms

t = Time Period

e = Error term

The model was functionally expressed as:

Thus, the researcher modified the model as follows:

$EPS_{it} = \beta_0 + \beta_I EVP_{it} + \beta_2 EMW_{it} + \beta_2 FSZ_{it}\ \mu_{it}$ - - - i

Where:

$EPS_{i,t}$ = Earnings per share of firm *i* at time *t* (dependent variable)

EVP_{it} = environmental protection disclosure *i* at time *t* (independent variable)

EMW_{it} = employee welfare *i* at time *t* (independent variable)

$FSZ_{i,t}$ = Size of company *i* at time *t* (control variable)

β_0 = Intercept coefficient

$\beta_1 - \beta_2$ = Coefficients of independent variables

μ_{it} = The error term which account for other possible factors that could influence

i stands for the *i*th firm

t stands for year *t* (2013-2022) (Ten years)

Method of Data Analysis

The analysis of data for this research based on the data collected from publications of the Nigerian exchange Group and the annual reports of the quoted companies. Both the dependent and independent variables were computed from the data gotten from the Nigerian Exchange Group from 2013 to 2022.

Descriptive statistics employed to summarily describe the mean, median, standard deviation, kurtosis and skewness of the study variables. Inferential statistics will also be utilized with the aid of E-Views 9 using:

i. Coefficient of correlation: which is a good measure of relationship between two variables that tell us about the strength of relationship and the direction of the relationship as well?

ii. Linear regressions analysis: Regression analysis predicts the value the dependent variable based on the value of the independent variable and explains the impact or effect of changes in the values of the variables.

Decision Rule

Accept the alternative hypothesis, if the Probability value (P-value) of the test is less than 0.05 (5%). Otherwise reject.

Data Analysis and Results

Table 1: Descriptive Statistics

	EPS	EVP	EMW	FSZ
Mean	0.408100	0.800000	2982619.	5178002.
Median	0.235000	1.000000	2404841.	1188156.
Maximum	1.230000	1.000000	5800382.	23359994
Minimum	0.019000	0.000000	434484.0	1155831.
Std. Dev.	0.398540	0.404061	1962418.	6785418.
Skewness	1.083146	-1.500000	0.283083	1.895122
Kurtosis	2.755535	3.250000	1.594843	5.472012
Jarque-Bera	9.901217	18.88021	4.781269	42.66000
Probability	0.007079	0.000079	0.091572	0.000000
Sum	20.40500	40.00000	1.49E+08	2.59E+08
Sum Sq. Dev.	7.782874	8.000000	1.89E+14	2.26E+15
Observations	50	50	50	50

Source: E-view output, 2024

Table 1 shows the mean (average) for each of the variables, their maximum values, minimum values, standard deviation and Jarque-Bera (JB) Statistics (normality test). The results in table 1 provided some insight into the nature of the firms that were used in this study.

It was observed that on the average over the ten (10) years periods (2013-2022), the sampled firms were characterized by positive earnings per share (EPS) (0.408). Also, the large difference between the maximum and minimum value of the environmental protection disclosure (EVP), employee welfare (EMW), and firm size (FSZ) show that the sampled firms in this study are not dominated by firms with more earnings per share (EPS).

In this table, the Jarque-Bera (JB) which test for normality or the existence of outliers or extreme values among the variables shows that most of the variables are normally distributed at 5% level of significance. This means that any variable with outlier are not likely to distort our conclusion and are therefore reliable for drawing generalization. This also implies that the least square estimate can be used to estimate the pooled regression model.

Table 2: Correlation Analysis

In examining the association among the variables, we employed the Pearson correlation coefficient (correlation matrix) and the results are presented in table 2

	EPS	EVP	EMW	FSZ
EPS	1			
ENV	0.40313	1		
EMW	0.08280	0.19190	1	
FSZ	0.00966	0.29710	0.36976	1

Source: researcher's computation (2024)

The use of correlation matrix in most regression analysis is to check for multi-colinearity and to explore the association between explanatory variables (EVP, EMW and FSZ) and the dependent variable (EPS). Table 2 focused on the correlation between EPS and the independent variables EVP, EMW and FSZ. Finding from the correlation matrix table shows that all our independent variables, (EVP= 0.403, EMW= 0.083 and FSZ =0.010) were observed to be positively associated with earnings per share (EPS). In checking for multi-colinearity, we notice that no two explanatory variables were perfectly correlated. This means that there is no problem of multi-colinearity between the explanatory variables. Multi-colinearity may result to wrong signs or implausible magnitudes in the estimated model coefficients, and the bias of the standard errors of the coefficients.

Test of Hypotheses

Table 3: Regression analysis between EPS, EVP, EMW and FSZ

Dependent Variable: EPS
Method: Panel Least Squares
Date: 06/22/24 Time: 06:48
Sample: 2013 2022
Periods included: 10
Cross-sections included: 5
Total panel (balanced) observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.076690	0.133681	0.573680	0.5690
EVP	0.428534	0.138680	3.090082	0.0034
EMW	1.03E-08	2.93E-08	0.349368	0.7284
FSZ	-8.11E-09	8.72E-09	-0.929760	0.3573

R-squared	0.377995	Mean dependent var	0.408100
Adjusted R-squared	0.324386	S.D. dependent var	0.398540
S.E. of regression	0.472931	Akaike info criterion	0.941771
Sum squared resid	6.397564	Schwarz criterion	1.094733
Log likelihood	-19.54428	Hannan-Quinn criter.	1.000020
F-statistic	3.320236	Durbin-Watson stat	1.957787
Prob(F-statistic)	0.027839		

Source: Researcher's computation through E-view 9.0 statistical package

In Table 3, R-squared and adjusted Squared values were (0.38) and (0.32) respectively. The indicates that all the independent variables jointly explain about 32% of the systematic variations in earnings per share (EPS) of our samples firms over the ten years periods (2013-2022). Table 3 reveals an adjusted R-squared value of 0.32, which represents the coefficient of multiple determinations imply that 32% of the total variation in the dependent variable (EPS) of quoted agricultural firms in Nigeria is jointly explained by the explanatory variables (EVP, EMW and FSZ). The R-squared of 32% did not constitute a problem to the study because the F- statistics value of 3.320 with an associated Prob.>F = 0.028 indicates that the model is fit to explain the relationship expressed in the study model. The value of adjusted of 32% also shows that 68% of the variation in the dependent variable is explained by other factors not captured in the study model. This suggests that apart from EVP and FSZ, there are other factors that mitigate EPS of quoted agricultural firms in Nigeria.

Test of Autocorrelation: using Durbin-Waston (DW) statistics which we obtained from our regression result in table 3, it is observed that DW statistics is 1.9577 and an Akika Info Criterion and Schwarz Criterion which are 0.941771 and 1.094733 respectively also further confirms that our model is well specified. In addition to the above, the specific findings from each explanatory variable are provided as follows:

Hypothesis One

Ho_1: There is no significant effect of environmental protection disclosure on earnings per share of listed agricultural firms in Nigeria.

The results in table 3 illustrated that environmental protection disclosure has a positive but insignificant effect with earnings per share measured with a beta coefficient (β_1) and t- value of 0.428534 and 3.0900082 respectively and p- value of 0.003, while firm size has a negative and significant effect with earnings per share measured with a beta coefficient (β_1) and t-value of -8.110 and -0.930 respectively and p- value of 0.357.

Since the Prob(F-statistic) = 0.028 of the test and is less than 0.05 (5%), this study upholds that there is a significant effect between environmental protection disclosure and earnings per share of listed agricultural firms in Nigeria at 5% level of significance. Thus, null hypothesis is rejected and alternative hypothesis accepted.

Hypothesis Two

Ho_2: There is no significant effect of employee welfare disclosure on earnings per share of listed agricultural firms in Nigeria.

The results in table 3 illustrated that employee welfare has a positive but insignificant effect with earnings per share measured with a beta coefficient (β_1) and t- value of 0.349 and 0.728 respectively and p- value of 0.728, while firm size has a negative and significant effect with earnings per share measured with a beta coefficient (β_1) and t- value of -8.110 and -0.930 respectively and p- value of 0.357.

Since the Prob(F-statistic) = 0.028 of the test and is less than 0.05 (5%), this study upholds that there is a significant effect between employee welfare and earnings per share of listed agricultural firms in Nigeria at 5% level of significance. Thus, null hypothesis is rejected and alternative hypothesis accepted.

Discussion of Findings

From the analysis, hypothesis one revealed there is a significant effect between environmental protection disclosure and earnings per share of listed agricultural in Nigeria. This result is in agreement with Obiano (2023) revealed that voluntary disclosure especially via environmental protection disclosure and employee training disclosure improves the financial statements of listed consumer goods firm in Nigeria. Mutiva, Ahmed, and Muiruri-Ndirangu (2017) found that there is a strong positive relationship between voluntary disclosure and financial performance.

Hypothesis two shows that there is a significant effect between employee welfare and earnings per share of listed agricultural firms in Nigeria. This result is in agreement with Dada and Adeniji (2021) shows that voluntary disclosure and financial performance have significant positive and negative effects on earnings per share.

Conclusion and Recommendations

This study ascertained the effect of voluntary disclosure on financial performance of listed agricultural firms in Nigeria, using environmental protection disclosure, corporate donation and employee welfare as the independent variables, while earnings per share was used as a proxy for financial performance.

From the result, it was established that environmental protection disclosure and employee welfare with firm size as the control variable were significant. This shows the extent to which agricultural firms disclose information voluntarily, particularly regarding environmental protection and employee welfare can significantly influence stakeholders' perceptions and decisions. Therefore, the study concludes that voluntary disclosure has significant effect on financial performance of listed agricultural firms in Nigeria.

Based on the findings of the study, it was recommended as followings;

1. There have to be steady environmental disclosure through the firms for mitigating its environmental effect and promoting sustainable practices. This may allow them proportion with their stakeholders to demonstrate their commitment in the direction of environmental

responsibility.

2. Employee welfare need to be a non-stop procedure to make sure worker productiveness, innovative and committed to attaining the firm's goal.

References

Adegbie, F. F., Iranola, R. & Isiaka, B. (2019). Evaluation of integrated reporting and the value of listed manufacturing firms in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 7(7), 31-59.

Adeyemi, S. B., Fagboro, G. D. & Udofia, I. E. (2020). The Integrated Reporting (IR) Framework Implementation in Nigerian Listed Companies. *Global Journal of Accounting*, 6(1), 1-11.

Agca, A., & Onder, S. (2007). Voluntary disclosure in turkey: a study on firms listed in Istanbul stock exchange (ISE). Problems and Perspectives in Management, 5, 241-251.

Aris, N. M., Yusof, S.M., Idris, N. I. I., Zaidi, N. S., & Anuar, R. (2021). Analysis of Firms' Characteristics Affecting the Sustainability Reporting Disclosure in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 11(14), 1-20.

Christ, K., & Burritt, R. (2013). Environmental management accounting: the significance of contingent variables for adoption. *Journal of Cleaner Production* 41: 163-173.

Dada, S. O., & Adeniji, A. A. (2021). Voluntary disclosure and financial performance: analysis of listed oil and gas firms in Nigeria. *The Strategic Journal of Business & Change Management*, 8 (3), 593 – 605.

Duarte-Atoche, T. & Moreno, M. L. (2019) Relationship between Sustainable Disclosure and Performance—An Extension of Ullmann's Model. *Journal of Sustainability*, 11(1), 1-33.

Elikanah, J. (2019). Value relevance of non-financial disclosures in annual reports: evidence from listed banks in Kenya. Unpublished Research Project Submitted to Jomo Kenyatta University of Agriculture and Technology.

Freedman, M. (2006). An analysis of the association between pollution disclosure and economic performance. Accounting, Auditing and Accountability Journal, 1(2), 43-58.

Harash, E. (2015). The role of environmental uncertainty in the link between accounting information system and performance small and medium enterprises in Iraq. *Global Journal of Management and Business Research*, 15(2).

Iliemena, R. O., Amedu, J. M. & Umaigba, F. T. (2019). Value relevance of sustainability reporting in Nigerian manufacturing companies. *Journal of Global Accounting*, 6(2), 131-142.

Kemei, C. C. (2019). Factors Influencing Social-Environmental Responsibilities Disclosures in Financial Reports of Kenyan Listed Firms. Unpublished Research Project Submitted to KCA University.

Lee, M. D. P. (2012). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10(1), 53–73. https://doi.org/10.1111/j.1468-2370.2007.00226.x

Modugu, K.P., & Eboigbe, S.U. (2017). Corporate attributes and corporate disclosure level of listed companies in Nigeria: A post-IFRS Adoption study. *Journal Of Finance And Accounting*, 5(2), 4452. Available at http://pubs.sciepub.com/jfa/5/2/3

Nworie, G. O. & Mba, C. J. (2022). Modelling financial performance of food and beverages companies listed on Nigerian exchange group: the firm characteristics effect. Journal of Global Accounting, 8(3), 37 - 52. https://journals.unizik.edu.ng/index.php/joga/article/view/1418/1142

Nworie, G., Obi, G., Anaike, C. & Uchechukwu-Obi, C. (2022). Environmental responsibility as an upshot of firm leverage in industrial goods sector of the Nigerian Exchange Group. *International Journal of Advances in Engineering and Management*, 4(12), 724-732. https://www.researchgate.net/publication/366634756

Odum, A.N. & Obiano, M.O. (2023). Voluntary disclosure and financial performance of listed consumer goods firms in Nigeria, *Journal of Global Accounting*, 9(2), 138 – 179. Available:https://journals.unizik.edu.ng/joga

Ofoegbu, G. N. & Asogwa, C. U. (2020). The effect of sustainability reporting on profitability of quoted consumer goods manufacturing firms in Nigeria. *International Journal of Innovative Research and Development*, 9(4), 271-283.

Osisioma, B. C. & Emeka-Nwokeji, N. A. (2019). Sustainability disclosures and market value of firms in emerging economy: evidence from Nigeria. *Journal of Accounting, Auditing and Finance Research*, 7(3). 1-9.

Owusu-Ansah, S. (1998). The impact of corporate attributes on the extent of mandatory disclosures and reporting by listed companies in Zimbabwe. *The International Journal of Accounting*, 33(5), 603-631. https://doi.org/10.1016/S0020-7063(98)90015-2.

Pramanik, A. K., Shil, O. H., & Das, A. B. (2007). Environmental Accounting and Reporting. New Delhi: Deep Publication PVT Ltd.

Udeh, & Ezejiofor, R.A. (2018). Effect of sustainability cost accounting on financial performance of telecommunication firms in Nigeria. Journal for studies in management and planning, 4(6).