Impact of corporate voluntary reporting on performance of non-financial firms in Nigeria

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Abstract

Some corporate entities especially from the non-financial services firms in Nigeria had sustained series of socio-economic shocks leading to huge decline in performance of the listed firms' overtime. The deteriorating nature of firms' performance generation prevents them from being able to satisfy their financial obligations. This study looked at how corporate voluntary reporting affected Nigerian non-financial enterprises' performance. For this study, an ex-post facto research strategy was utilized, with positivism serving as the research paradigm. All 74 non-financial services companies listed on the Nigeria Exchange make up the study's population., while 41 was the sample size after filtering. The published annual financial statements of the non-financial companies listed on the Nigeria Exchange served as secondary sources of the data used in this study. This study was conducted for a period of eleven (11) years spanning from 2013 to 2023. The regression results revealed that quality assurance disclosure and local community disclosure were found to have significant effect on performance of listed non-financial firms in Nigeria. The study recommended that the regulatory bodies should persuade the inclusion of additional females in the board of directors of non-financial services firms in Nigeria, and the management of the affected firms should make a choice of quality assurance disclosure as their component of corporate social responsibility, as well as consider allocating reasonable funds to improve investment on local community services, environmental projects/programs, and human capital development. The Nigeria's standard-setter should enforce the implementation of corporate social responsibility as a mandatory disclosure requirement for corporate entities in Nigeria as it is now done in South-Africa.

Keywords: Voluntary Reporting, Quality Assurance, Local Community, Performance, Non-Financial Firms

Introduction

Profitability is the primary goal of all corporate ventures, without profitability, corporate aims and objectives cannot be achieved. Every company is concerned with profitability in order to be successful, that is to say, gauging current and past profitability and extrapolative future profitability is very imperative. When the profitability of companies is enhanced, it is then they can give back to the society within which they operate for exposing them to hazards which leads to environmental damages. The giving back to the society can be in the form of product quality/safety, community development, environmental management, and employees' welfare among others. It is in this wise that the triple bottom line theory stressed that companies should not focus on organizational profitability alone but also take cognizance of economic and social environment as well as the planet (Ayub & Shafqat, 2022; Elkington, 2010).

However, firms that prioritize profitability over environmental preservation, labour rights, and consumer interests may suffer adverse effects on the environment (Li, 2018). Therefore, the inability to navigate through a complicated and demanding market to achieve shareholder expectations may result in corporate closure. Firms that fails to effectively participate in corporate voluntary reporting (CVR) initiatives were reported to have sustained massive decline in product patronage from customers, reduction in corporate reputation, lack of confidence from the immediate society, series of environmental challenges which ultimately, led to reasonable profitability decline at different intervals: ₦1.643 billion, ₦7.21 billion, and ₦516 million in the year 2022, 2021, and 2020 respectively (Nigerian Exchange Group, 2022). These losses would have a compounding effect on the economy in terms of unemployment, poor living standards, dependence ratio, and Gross Domestic Product (GDP). The environmental growth has put pressure on corporate organizations as society now evaluates them not just on profitability, but also on their social responsibility requirements (Li, 2018). The growing interest in CSR has led to corporations using it as a public relation (PR) strategy to improve the corporate image (Yoo & Lee, 2018).

CVR initiative in Nigeria arose from the behaviors towards multi-national corporations (MNCs) operating in Nigeria's economy's extractive sectors, especially the oil sector. Oil spills, gas flaring, militancy/community disturbance, and the disposal of hazardous waste near rivers were among the CVR breaches brought on by the maneuvers in the towns. These activities interfered with people's major sources of income, which were mostly farming and fishing resulting in widespread poverty and community agitation (Osemeke et al. 2016). Non-financial services organizations in Nigeria are recognized for their output, thus they are not immune to harming host communities, hence the practice of CVR. The selection of non-financial services firms as the focal point of this study is driven by its pivotal role within the Nigerian economy. This sector demonstrates the capability to harness available raw materials, employing human capital and other production agents to process and transform them into marketable finished goods, as underscored by Oyati (2010).

Stakeholders have expressed serious concern about the declining level of profitability, which was brought about by the continuous attacks/interruption of normal business activities albeit lingering socio-environmental issues which makes profitability of most Nigerian non-financial services firms to fall below expectations (Onuoha, 2019). Businesses that were anticipated to make profit and improve stakeholders' welfare and livelihood instead recorded losses. Another issue of concern for firms in Nigeria is the deteriorating nature of firm profit generation, which prevents them from being able to satisfy their financial obligations. For instance, non-financial services firms that provided CVR suffered losses as a result of growing operational costs (NGX, 2020). There would be harmonious relationship between community members and companies when firms provide CVR related services to communities, in form of compensation for environmental hazards by way of oil spills, degradation, and pollution, among others. This would eventually lead to peace and tranquility, and organizations would have conducive environment to operate well, attract customers and invariably result to high profitability.

The problem which this study has attempted to solve is the dwindling pattern of performance in non-financial services firms in Nigeria. Profitability of business corporations is the backbone of practically every economy, because it is being used to pay tax, payment of remuneration to employees, payment of dividend to shareholders, growth and development and other revenues expected from non-financial companies are obtained via profit generation by firms. When corporate organizations engage on CVR activities such as improving the quality of products/services, addressing environmental challenges such as pollution prevention/control, supporting the local community by way of donations/charitable initiatives, investment on human capital development through training, employees' incentive schemes, and ensuring a hitch-free business operating environment among others. These activities will no doubt attract numerous customers, investors and other relevant stakeholders to the firm which could have the tendency of increasing the level of patronage, driving investment opportunity, increase in turnover and ultimately, brings about huge profitability.

Nevertheless, studies show that major corporations implement CVR more than small enterprises due to greater capital ratios and more female board membership (Cornett et al. 2014). Although several studies have examined the link between CVR and corporate profitability, the relationship's sign and extent remain unclear (Lv et al. 2020). Siddiq and Javed (2012) suggested that it is impossible to demand CVR from enterprises since CVR activities may not impact profitability. Therefore, there exist lack of recency for failing to use current data-sets and that empirical evidence had not yet been tested especially from the purview of Using relationships with workers, regional community disclosure, environment disclosure, and guarantee of quality as the explanatory factors of performance in Nigerian non-financial companies. Given the ongoing lack of consensus regarding this relationship, it is crucial to delve into the influential factors that may impact it.

Considering the environmental, period, and variable inclusion gaps identified from the extant literatures, this study investigated the impact of CVR proxied by quality assurance disclosure, local community disclosure, environmental disclosure, employee relations disclosure, and the performance of non-financial firms in Nigeria.

To guide this research, the following questions have been formulated. To what extent:

1) Quality assurance disclosures affect performance of non-financial firms in Nigeria?
2) Local community disclosures affect performance of non-financial firms in Nigeria?
3) Environmental disclosures affect performance of non-financial firms in Nigeria?
4) Employee relations disclosures affect performance of non-financial firms in Nigeria?

Research Objectives

The main aim of this study is to examine the impact of CVR on performance of listed non-financial firms in Nigeria. The specific objectives are to:

1) Assess the effect of quality assurance disclosures on performance of non-financial firms in Nigeria;
2) Evaluate the effect of local community disclosures on performance of non-financial firms in Nigeria;
3) Ascertain the effect of environmental disclosures on performance of non-financial firms in Nigeria;
4) Examine the effect of employee relations disclosures on performance of non-financial firms in Nigeria.

Research Hypotheses

Based on the objectives of this study, the following null hypotheses were formulated and tested:

H_{01}: there is no significant effect of quality assurance disclosure on performance of non-financial firms in Nigeria;

H_{02}: there is no significant effect of local community disclosure on performance of non-financial firms in Nigeria;

H_{03}: there is no significant effect of environmental disclosure on performance of non-financial firms in Nigeria;

H_{04}: there is no significant effect of employee relations disclosures on performance of non-financial firms in Nigeria;

Finally, the study would gain prominence in academic literature and corporate community, this is because, firms will increasingly be aware of the role they should play in the society in addition to the pursuit of profits. The result of the study will serve as a guide for future research on this field of endeavor for both students and researchers alike.

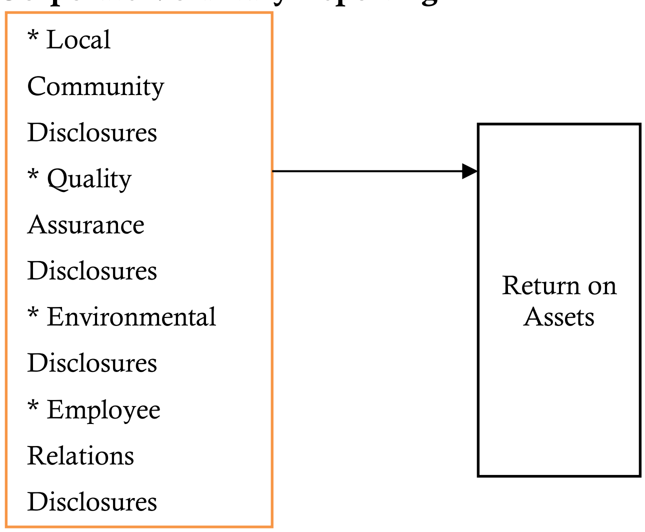
Literature Review

This research framework, illustrated in Figure

1, has been devised for this study. It encompasses CVR as the independent variable, firm profitability as dependent variable, and female board membership as the moderating variable. These variables have been identified in existing literatures as factors that can influence the relationships between CVR, and firm profitability.

Figure 1: Research Framework

Corporate Voluntary Reporting



Performance

According to Nuhu (2014), profitability is defined as the ratio of an organization's profit to its costs. A company's profits are utilized for expansion and to cushion the company in the event of poor recital in the future. The margin of profitability (PM), return on investment (ROI), return on assets (ROA), Tobin's Q, ROE, and return on capital employed (ROCE) are examples of financial performance. may all be used to assess profitability. Firms were judged on their capacity to create income from their major form of corporate assets.

Performance, according to Hada and Mihalcea (2020), is one way of showing economic efficiency by summarizing the efforts taken to get the desired results. A company must make a profit to survive and thrive in today's competitive environment and to attract new investors and customers. Accounting-based measurement for performance like ROA and ROE were used by (Bello, 2012; DiGiuli and Kostovetsky, 2013; El Mosaid and Boutti, 2012; Olayinka and Fagbemi, 2012; Uadiale and Fagbemi, 2011; Usman and Amran, 2013). ROA is a measure of a company's profitability in relative to its total assets (Hull & Rothenberg, 2008).

Corporate Voluntary Reporting

CVR stems back to 1953 when Howard R. Bown published his book titled 'social obligations of the corporate man'. Michelon et al. (2014) revealed that CVR disclosure and CVR reporting are synonymous. CVR disclosure is the process of communicating the social and environmental impacts of the economic activities of the company on a society while, CVR reporting refers to a company's systematic disclosure of information on its social performance. However, whatever CVR activities a company disclosed was reported for public consumption (Hermawan, &Mulyawan, 2014). The term social reporting as understood in a broad sense and refers to social, environmental, and governance issues that were not covered by financial performance metrics. There is no universally applicable definition of CSR that was produced since its inception. Nevertheless, CVR is defined differently across multiple dimensions, including corporate social responsibility, corporate responsiveness, moral obligation, responsible behavior, accountability, transparency, stakeholder engagement, environmental protection, ethical corporate practices, and economic development (Rahman, 2011).

Local Community Disclosures

Local Community Disclosures (LCD) entails a collaborative approach where community members join forces to collectively address shared challenges and devise solutions. It is not only considered a practical endeavor but also recognized as a professional discipline. CSR promotes company involvement in the community; it suggests that both public and private enterprises have social duties beyond profit. The firm's decision-makers must make choices and behave in ways that acknowledge the corporate-society relation. A firm must thus maintain its commitment to act morally and contribute to economic growth while helping the surrounding community, which may be done through various CSR initiatives chosen for the benefit of its stakeholders (Primavera & Lee, 2019).

Employee Relations Disclosures

Employee relations encompass various aspects such as workers' welfare, engagement, representation, participation, involvement, and training. Activities like employee recruitment, promotions, disciplinary actions, and the promotion of workplace well-being should not pose significant challenges for firms. Firms can reap the benefits of employee diversity by embracing individuals from various backgrounds, irrespective of factors such as gender, race, disability, age, or creed. By implementing CSR policies effectively, companies can enhance their reputation and increase their revenue by harnessing and managing their limited and invaluable assets (Branco & Rodrigues, 2006).

Quality Assurance Disclosures

Quality of the product and consumer involvement was believed to impact profitability (Usman & Amran, 2015). Product quality component CSR promotes firms to focus on ethical concerns related to goods, services, and consumers to preserve their market share (Cheng &Rasuid, 2013). Quality of products and services, as well as the happiness of consumers and their education are all part of the product and customer initiative. Customer support for firms was based on behaviors like purchases, brand loyalty, and word-of-mouth (Kabir & Thai, 2016). According to Scholten (2009), the majority of United States companies provide socially responsible financial products such as credit cards in conjunction with carbon dioxide emissions compensation. As firms strive to produce long-term value for their clients, shareholders, workers, and society at large, they place a high emphasis on customer satisfaction and long-term viability (Servaes & Tamayo, 2013).

Theoretical Framework

Triple Bottom Line Theory

Elkington (1997) first used the phrase "Triple Bottom Line" (TBL), which refers to "People, Planet, and Profit," and it has since gained international traction (Chabowski et al., 2011). The triple pieces model is the most widely used to depict longevity and the TBL, also referred to as the Three Ps of Business. Sustainability can be viewed as the point where the three dimensions converge. This method's inability to display the hierarchical levels between the three dimensions is one of its drawbacks. As a result, Getzner (1999) referred to it as a "weak approach" to sustainability and proposed a "strong approach" in its place, outlining a larger environmental system with barriers between the financial and social domains as components.

The aforementioned argument makes it clear that the TBL of Planet, People, and Profit has been used to create a competitive edge that is competitive. Therefore, including durability into marketing plans and corporate operations is crucial to a company's success. (Gimenez et al., 2012; Foerstl et al., 2015). When implementing business plans, organisations struggle to strike the ideal balance between these three pillars (Mota et al., 2015).

Review of Empirical Studies

Local Community Disclosure and Profitability

Ejeje et al. (2021) conducted an investigation into the impact of community development initiatives on the revenue generated by publicly traded manufacturing companies in Nigeria. The findings from the multiple regression analysis revealed a significant effect of community development expenditures on the profitability of these firms.

Oti and Mbu-Ogar (2018) examined mining enterprises' operational procedures to ascertain the impact of these factors on the profitability of oil and gas companies listed on the NGX. as well as their disclosure of social initiatives. The study ran from 2012 to 2016 for a total of five years. Ordinary Least Squares regression analysis was used to examine the data.

According to the study's findings, the firms' profitability was not considerably impacted by the publication of information about community development and employee health and safety (EHS).

Quality Assurance Disclosure and Profitability

Potluri et al (2020) studied Nigerian consumers' perceptions of CSR and how it affects their shopping habits. The study employed primary data by sending structured questionnaires to 400 people in Lagos and Adamawa, Nigeria. Only 222 of the distributed surveys were completed and returned, resulting in descriptive and inferential statistics. The outcome revealed CSR was well recognized among Nigerian customers, who believe that socially responsible practices influence their purchase decisions. The results showed that Nigerian customers generally like CSR.

A study by James and Luke (2014) looked at how quality expenses for products are regulated and how it affects Nigerian businesses' profitability. Fifty of the sixty-four (64) questionnaires that were sent as part of the research were filled out and used in the Bayelsa State study. The study's conclusions showed a strong link between profitability and effective cost management techniques. Suchanek et al. (2014) studied the impact of product quality, customer happiness, corporate financial efficiency, and food industry competitiveness. Customers of randomly chosen companies were asked to complete questionnaires between January and February 2013. They gathered data on profitability proxies like ROA and ROE. However, it was suggested that more studies be carried out on this path. Despite the study's efforts, there were several gaps. The study used questionnaires to obtain data from the primary source for two months in 2013. The current study commenced in 2011 and ended in 2021. This investigation filled these gaps.

Employee Relations Disclosure and Profitability

Etale et al. (2021) carried out a study on GlaxoSmithKline enterprises consumer goods and profitability in Nigeria. The study used secondary sources to analyze eight years of data from the company's audited financial statements. Incentives, benefits, welfare, and healthcare were all proxies for social cost accounting, whereas profit after tax was using multiple regression analysis, the study found the following results: Social cost accounting correlated positively with profit after tax (PAT) and contributed to government income at a 5 percent level of significance.

Ndum and Oraneto (2021) studied the influence of labor costs on the profitability of NGX-listed breweries. The research covered 13 years and five brewers that supplied yearly financial audited reports. Staff cost, net profit margin and ROA data were obtained and regressed using regression analysis. The investigation found that staff costs positively affect net profit margin. Similarly, personnel costs have a small but favorable influence on ROA.

In 2020, Mulolli and Boskovska carried up a study to investigate the relationship between Kosovo's profitability and human resource practices. Descriptive and correlation analyses were used to examine the completed surveys that were gathered for their study. Their study's conclusions showed a strong correlation between financial performance and HR procedures. Although their study added to the body of knowledge on human resources, it had some drawbacks, such as its emphasis on Kosovo and its use of questionnaires to gather data.

Methodology

In this study, an *ex-post facto* research design was adopted. The choice of this design stems from the availability of historical data collected over the study period for the selected firms. This study's ex-post facto design allows it to look back at the dependent variable and investigate any possible causal links between it and the other factors. Therefore, to examine the connection between corporate social responsibility and the profitability of non-financial service companies listed in Nigeria, the ex-post facto design was employed. All 74 non-financial services companies listed on the Nigerian Exchange (NGX) between January 1, 2011, and December 31, 2021, made up the study's population. The following criteria were used by the researcher to filter the population: (i) the business must continue to be listed as of December 31, 2021; (ii) the business must have been listed on the NGX on or before January 1, 2011; and (iii) (iii) the firm must have financial report throughout the study period. Following this procedure, a sample of 41 firms was selected.

In this study, Molla (2021) model was modified to incorporate corporate social responsibility. The modified model employed in this study is presented in equation (iii):

$ROA_{it} = \beta_0 + \beta_1 QAD_{it} + \beta_2 LCD_{it} + \beta_3 EVD_{it} + \beta_4 ERD_{it} + \beta_6 FBM_{it} + \beta_6 LEV_{it} + \beta_7 FSIZ_{it} + \varepsilon it$……..........…………………………………………………………………………… … *iii*

Where: ROA = return on assets; QAD = quality assurance disclosure; LCD = local community disclosure; ED = environmental disclosure; ERD = employee relations disclosure; LEV = leverage [Measured using the ratio of total debt to total assets]

FSIZ = firm size; β_0 = Constant; β = Regression Coefficient; ε = error term; I = number of firms' observation; t = index of time period.

This study employed documentary sources for data collection. The data of the listed non-financial services firms in Nigeria from 2011 to 2021 used for this study was collected through the annual financial report of the non-financial services firms Nigeria as submitted to the Nigerian Exchange. More specifically, the Feasible Generalized Least Square (FGLS) regression was used as the estimation technique for data analysis. Most importantly, this study considered it necessary and desirable to use the FGLS regression as a result of the failure or inability of the Driskoll Kraay Panel Corrected Standard Error (DK-PCSE) in addressing some unobserved peculiarities in the panel data.

Results and Discussion

Descriptive Statistics

Descriptive statistics such as mean, median standard deviation minimum and maximum for the variables employed in this study are presented in Table 1 and ensued with their discussions.

Table 1: *Descriptive Statistics*

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	451	0.0419	0.1125	-0.4139	0.4668
LCD	451	0.6119	0.4878	0	1
QAD	451	0.3126	0.4641	0	1
EVD	451	0.0928	0.1990	0	1
ERD	451	0.9645	0.1852	0	1
LEV	451	0.5096	0.1548	0.6979	0.8986
FSIZ	451	7.1316	1.0989	3.3043	9.7279

Source: STATA output 2024

The results of the descriptive statistics were presented in Table 2 with 451 observations of the variables of the study, including return on assets (ROA), local community disclosure (LCD), quality assurance disclosure (QAD), employees' relation disclosure (ERD), environmental disclosure (EVD), female board membership (FBM), leverage (LEV), and firm size (FSIZ). Table 2 displays a mean return on asset (ROA) of 0.0419 with a standard deviation of 0.1125, and the lowest and highest values of -0.4139 and 0.4668, accordingly. With a hypothetical deviation of 11% from both

sides of the mean, this indicates that the return on assets (ROA) of Nigeria's non-financial listed companies is, on average, around 4%.The descriptive statistics were presented in Table 2 with 451 observations of the variables of the study, including return on assets (ROA), local community disclosure (LCD), quality assurance disclosure (QAD), employees' relation disclosure (ERD), environmental disclosure (EVD), female board membership (FBM), leverage (LEV), and firm size (FSIZ). Table 1 displays a mean return on asset (ROA) of 0.0419 with a standard deviation of 0.1125, with minimum and highest values of -0.4139 and 0.4668, accordingly. Considering a predicted deviation of 11% from both

environmental information disclosures is 0 to 1, with a mean of 0.0928 and a standard deviation of 0.1990. In Nigeria, listed non-financial companies' employees relation disclosures (ERDs) have a mean of 0.9645, a standard deviation of 0.1852, and a minimum and maximum value of 0 and 1, respectively. This shows that the average ERD falls between 0 and 1 and is within 0.9645. Both sides of the mean have a standard deviation of 0.1852. The standard deviation is less than the mean

sides of the mean, this indicates that the return on assets (ROA) of Nigeria's non-financial listed companies is, on average, around 4%. A wide dispersion of the data from the mean is shown by the standard deviation, which is slightly greater than the mean value.

Additionally, Table 1 demonstrated that the LCD's average score, with a standard deviation of 0.4878 and an average score of 0.6119, falls between 0 and 1.

Quality assurance disclosure (QAD) values range from 0 to 1, and the mean of the values for the study period was 0.3126 with a standard deviation of 0.4641. The range of the examined companies'

value of 0.965, indicating that the data's divergence from the mean is negligible.

Correlation Matrix

The pair-wise correlation is a diagnostic check used to analyze the degree of association between the independent variables and the outcome variable as well as the correlation between the independent variables themselves. The correlation matrix is illustrated in table 2 as follows:

Table 2: *Pairwise Correlation Matrix*

Variable	ROA 1	QAD 2	LCD 3	ERD 4	EPD 5
(1)	1.0000				
(2)	-0.3398* 0.0000	1.0000			
(3)	0.2318*	0.1837*	1.0000		

	0.0000	0.0001			
(4)	0.1711*	0.0379*	0.2145*	1.0000	
	0.0000	0.0000	0.0000		
(5)	0.0596	0.0776	0.2409*	0.0895*	1.0000
	0.2065	0.0997	0.0000	0.0574	

Source: STATA Output Results, (2024)

Reference to the results, it reveals the slope values of the parameters as 0.3398, 0.2318, 0.1711, and 0.0596, representing quality assurance disclosure, local community disclosure, environmental disclosure, and employee relation disclosure, respectively. Accordingly, the Beneish (1997) correlation benchmarks are usually employed to examine the occurrence of high correlation or otherwise. Consistent with the Beneish criteria, three (3) basic steps apply. These are the low correlation which ranges between '0.00 to 0.29', the intermediate correlation which ranges between '0.30 to 0.49' and strong correlation which ranges between '0.50 to 0.99'. Reference to the results in table 4, the variable with the highest coefficient result was Quality Assurance Disclosure (QAD) having a beta value of 0.3398. This clearly shows a moderate correlation among the variables of the study. Thus, it implies that there is absence of high correlation or redundancy among the parameters used in the study.

Summary of Regression Analysis

This section presents the regression result of the explained variable (ROA) and the explanatory variables of the study ($ROA_{it} = \beta_0 + \beta_1 QAD_{it} + \beta_2 LCD_{it} + \beta_3 EVD_{it} + \beta_4 ERD_{it} + \beta_5 LEV_{it} + \beta_6 FSIZ_{it} + \varepsilon_{it}$) is presented in table 3 as follows:

Table 3: *Feasible Generalized Least Square [FGLS] Regression - Direct Relationship*

Constructs	Coefficients	T-Values	P-Values
Constants	-0.0144027	-0.41	0.684
QAD	0.0556188	7.69	0.000
LCD	0.0168921	2.64	0.008
EVD	-0.0146124	-0.92	0.359
ERD	0.0189194	1.21	0.225
LEV	-0.139625	-6.33	0.000
FSZ	0.0112719	2.90	0.004
R-squared			0.1872
Wald Chi^2 (7)			146.18
Prob>Chi^2			0.0000

Source: STATA Output Results, (2024)

Table 3's corrected R2 value is 0.1872, which is based on the regression results. This indicates an approximate explanatory power of 18.72 percent (19%) for the coefficient of determination. Quality assurance, local community, environmental, and employee relations disclosures were utilized as stand-ins non-financial companies in Nigeria were caused by extraneous factors that were not included of the study's model.

Furthermore, the regression result's F-Change value of 146.18 shows that the explanatory factors were applied, combined, and selected effectively. The outcome also suggests that the model is suitable, good, and well-suited to the research. The fact that the prob>F value is 0.0000, indicating statistical significance at the 1 percent (1%) level of significance, supports this.

Quality Assurance Disclosure and Profitability

Quality assurance disclosure (QAD) has a positive but statistically negligible impact on the profitability of listed non-financial services firms in Nigeria, according to the results shown in Table 3 ($\beta = 0.0556$, $t = 7.69$, and $p = 0.000$). This suggests that a statistically significant shift in the listed companies' profitability could result from a little increase in QAD. Given these findings, the study concludes that there is enough data to disprove null hypothesis 1 (H01), which contends that the profitability of Nigerian non-financial services companies is not significantly impacted by quality assurance disclosure. These findings concur with those of Suchanek et al. (2014)'s research, but they for corporate social responsibility disclosures during the study period. These disclosures, in turn, led to changes in the total profitability of Nigerian listed non-financial companies.

It also implies that almost 81 percent (81%) of the total variances in the profitability of listed differ from those of Zhang and Pan (2009) and James et al. (2014).

Local Community Disclosure and Profitability

According to the study's results in Table 3, local community disclosure (LCD) and the profitability of non-financial services companies in Nigeria were positively and statistically significantly correlated ($\beta = 0.0169$, $t = 2.64$, $p = 0.008$). At the 1 percent (1%) level of significance, this shows that local community disclosure has a positive and significant impact on the profitability of listed non-financial services companies in Nigeria. It follows that local community disclosure significantly improves the profitability of Nigerian listed non-financial services companies. Thus, this finding implies that the second null hypothesis (H02), according to which LCD has no discernible impact on the profitability of Nigerian listed companies, should be rejected. The outcome supported the conclusions of Oti and Mbu-Ogar (2018) but ran counter to those of Ejeje et al. (2021).

Environmental Disclosure and Profitability

The findings in Table 3 show that the profitability of listed non-financial services companies in Nigeria is negatively and statistically insignificantly impacted by environmental disclosure among these companies ($\beta = -0.0146$, $t = -0.92$, and $p =$

0.359). The findings suggest that environmental disclosure is not a reliable indicator of listed non-financial services companies' profitability in Nigeria. As a result, it offers justification for keeping the study's third null hypothesis (H03) open. Therefore, it is quite unlikely that hypothesis three, H03, will be rejected. It is interesting to note that this result aligns with the findings of Okegbe et al. (2019). This outcome, however, runs counter to a study done in Sri Lanka by Gunathilaka and Hunawardana (2018), which found that environmental management had a substantial, favorable, and powerful impact on the companies' financial performance.

Employee Relation Disclosure and Profitability

The impact of ERD on the profitability of Nigerian non-financial services companies was demonstrated by the results in Table 3 ($\beta = 0.0189$, $t = 1.21$, and $p = 0.225$). This finding suggests that the profitability of listed non-financial services companies in Nigeria is positively impacted by ERD, but statistically insignificantly. The fourth hypothesis (H04), according to which employee relations have no significant impact on the profitability of non-financial services firms in Nigeria, was not rejected because the p-value of the coefficient in the regression from Table 6 (p-value $0.225 > 0.05$) indicates that employee relation disclosure has a positive but insignificant effect on profitability.This result is in line with the study carried out by Edom et al. (2015).

Conclusion and recommendations

The results of this investigation led to the following deductions:

1) The earning capacity of listed not financial services firms in Nigeria was found to have been positively and significantly impacted by quality assurance disclosure;
2) The profitability of listed non-financial services firms in Nigeria was found to be positively and significantly impacted by community involvement disclosure;
3) It was found that environmental disclosure had a negative and negligible impact on the profitability of listed not financial services firms in Nigeria;
4) Additionally, it was determined that the profitability of listed non-financial services companies in Nigeria was positively and statistically insignificantly impacted by employee relationship disclosure.

The study's results and conclusions led to the following recommendations:

1) Due to the economic situation of Nigeria as revealed by this study, the management and stakeholders of non-financial services firms should maintain the status quo of the quality of their products. This is because, committing reasonable funds to further improve, safeguards the quality of products can increase profitability of the listed non-financial services firms in Nigeria;

2) The relevant stakeholders and management of non-financial services firms in Nigeria should continue to improve their spending on local community activities as it directly enhances the profitability of the firms. Specifically, more attention should be given to people with disabilities (PWDs), Orphanages, widows, scholarships for out-of-school children as well as making donations and charitable contributions;
3) Stakeholders of non-financial services firms in Nigeria should encourage management of the firms towards committing adequate funds on environmental activities with expectation to boost profitability. This is because environmental disclosures such as environmental compliance and environmental investment policy among others, can increase business reputation and products' patronage which subsequently increases profitability;
4) The management, board of directors, and key stakeholders of non-financial services firms in Nigeria should encourage the commitment of firms' resources to employees' relations. Such commitment can bring about higher productivity of employees which can enhance the human capital resources of every firms. Hence, improve productivity which ultimately increases profitability.

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