

## **DETERMINANTS OF VOLUNTARY DISCLOSURE QUALITY IN EMERGING ECONOMIES: EVIDENCE FROM FIRMS LISTED IN NIGERIA STOCK EXCHANGE**

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### **ABSTRACT**

The main objective of this study is to analyze the determinants of voluntary disclosure quality among listed firms in emerging economy. Unweighted voluntary disclosure quality index was used as the dependent variable, while firm disclosure quality determinants such as size, profitability, Board Composition and Gearing constitute the independent variables. Ex-post facto research method was employed as the research design. Data was sourced from 793 corporate annual reports of firms listed in the Nigeria stock exchange between 2000 to 2014. Two models; one based on the combined sample and the other on the non-financial companies only were developed. Generalized Method of Moment (GMM) regression techniques is used to test the statistical significance of the hypotheses of the study. Using the reduced model and full model, the results indicate that firm size and Board Composition has significant and positive relationship with voluntary disclosure quality. On the other hand, profitability and gearing were found to be significant and negatively related to the voluntary disclosure quality of listed firms in Nigeria. The implication of these findings is that large firm discloses more extensive information than do small firms. Moreover, highly profitable firms in Nigeria tend to disclose less information to avoid political attention in the form of pressure for the exercise of social responsibility and greater regulations such as price control and higher corporate taxes. Moreover, high number of non-executive independent directors on the board promotes extensive disclosure than do firms with less number of non-executive independent directors and finally, firms with more debt in their capital structure tend to provide less information to gain access to the capital markets and to reassure investors of the possibility of continuous going concern by the firms.

**KEYWORDS:** Voluntary Disclosures, Nigeria Stock Market, Listed Firms, Disclosure Quality