Assessment of Segment Disclosures in Listed Nigerian Companies

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ABSTRACT
This study assesses the determinants of segment disclosure in Nigerian Companies. It used the variables pertaining to Firm size (FMS), Profitability (PROF), Financial leverage (FINLEV), Industry type (INDST) and Company age (COMA) as obtained from the study. This is based on the population of companies listed in the Nigeria Stock Exchange, with 65 companies selected for the study. It employed LOGIT regression analysis framework for data analysis. The results of this study indicates that the variables: firm size (FMS) was a weak factor in firms disclosing their segmental activities but passed the significance test at 10% level, company age (COMA) and industry type (INDST) had a positive significant relationship with Segment Disclosure (SD) given their p-values as 0.0017 and 0.0006 respectively which is <1, profitability (PROF) had a negative significant relationship with Segment Disclosure but failed the 10% significance test, financial leverage (FINLEV) had a negative insignificant relationship with Segment Disclosure with its p-value at 0.2527 which is >1. Recommendation of the study includes the need for Regulatory Authorities to introduce corrective actions for non-reporting companies in order to improve segment by listed Nigerian companies.

Key Words: Segment disclosure; Segmental activities; Segment reporting; Mandatory disclosure

INTRODUCTION
Businesses have gained more knowledge about the importance of presenting information about the wider range of activities, from large spectrum of operations including both financial performance and non-financial performance such as corporate social responsibility performance and mandatory disclosure of events and transactions (Akisik and Gal, 2011). As a result of the many corporate scandals, unforeseen collapse of large companies across the globe, business failures and financial crises, government, regulators, academicians, investors, practitioners, financial analyst and other stakeholders demand for detailed and greater corporate accountability and transparency from the corporate world for the resources at their disposal. Accountability and transparency in this context refers to the decreasing need for information asymmetry between corporate managers and stakeholders for better corporate reporting and information disclosure with respect to various available information channels and media such as business dailies press releases, corporate web sites, prospectuses, and annual reports (Uyar, Kilic and Bayyurt, 2013). Thus there is an increasing demand on standard setters to develop standards to protect investors’ interests accounting for the large information disclosed in the annual financial report.

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Segment Reporting is the reporting of the activities and operations of each defined units of a company and the disclosures relating to its financial statements, the report reveals in detail the different operations of each operating segments of a firm as supplementary or additional disclosures to its financial statements in the annual financial report. According to the IFRS 8, on Segment Disclosure, operational segment information is necessary to help users of financial statements to better understand the entity performance, regarding the financial results and the position of the most important units or segments of the company, which they can use as the basis for making investment decisions, to access more easily the entity’s risks and returns and to make more informed judgments about the entity as a whole. It is argued that users of financial statements may be interested in the performance and prospects of one particular part of the enterprise rather than the enterprise as a whole (Al Mutawaa and Hewaidy, 2010).

Statement of the Research Problem

That segment reporting provides important information to investors, stakeholder and financial analysts is well proven by the large number of studies carried out on the topic since the late ’60s (Deppe and Omer, 2000). The motive to voluntarily provide segment information is to reduce information asymmetry which is limited by the existence of relevant proprietary costs. The costs of presenting and disseminating segment information must be considered. Segment report is not easy to produce because of a number of technical issues to be solved, such as segment definition, transfer prices or overhead allocation and geographical proximity.

This is especially true when disclosed segments do not integrate internal corporate divisions and statutorily sub entities. But when reported segments correspond to the way segments are organized within the reporting entity for management purposes (internal divisions or legally identifiable entities), segment information is much easier to produce since in most cases it is already available for internal information needs. Since the first studies on segment disclosure were carried out, corporate managers have expressed concern about the costs to be born to prepare a reliable segment report. The main problem of the study is that since segment reporting increases proprietary costs, firm specific factors may not serve as significant factors for segment disclosure.

From the review of previous empirical studies, there were conflicting results as to the relationship between factors influencing segment disclosure in several studies, [(Bellkaoui and Kahl (1975), Wallace and Naser (1995), Owusu-Ansah (1998), Glaum and Street (2003), and Owusu-Ansah and Yeoh (2005)].

Objectives of the Study

The broad objective of this study is to carry out an assessment of segment disclosures in Nigeria listed companies. The specific objectives are to:
1. evaluate the effect of firm size on segment disclosures;
2. examine the impact of profitability on segment disclosures;
3. investigate the extent to which financial leverage affects segment disclosures;
4. determine the effect of industry type on segment disclosures and
5. determine the effect of company age on segment disclosures.

**Hypotheses of the Study**

Flowing from the objectives of the study above; the hypotheses are stated in null form below:

1. \( H_{a1} \): There is no significant relationship between firm size and segment disclosures.
2. \( H_{a2} \): There is no significant relationship between profitability and segment disclosures.
3. \( H_{a3} \): There is no significant relationship between financial leverage and segment disclosures.
4. \( H_{a4} \): There is no significant relationship between industry type and segment disclosures.
5. \( H_{a5} \): There is no significant relationship between company age and segment disclosures.

**Scope of Study**

This study is designed to cover the period of 2010-2013 to be pooled for four (4) years. The choice of this period is hinged on the need to examine the level of compliance on segment disclosures before and post IFRS adoption. Two years (2010-2011) preceding IFRS adoption is examined separately and the period (2012-2013) post IFRS adoption is also analyzed on the other hand. The bane of these separate analyses is to investigate the level of segment disclosures for the period before IFRS adoption and the period after IFRS adoption. Then finally, the entire period under review is analysed.

**LITERATURE REVIEW**

To gain a good understanding of the study we reviewed relevant literature, the main question to address in this study is how to meet the needs of users of accounting information through segment disclosures in Nigeria. Empirical evidence analyzing the impact of firm specific factors on segment disclosures is a step forward in this direction. The variables that interest us in this study are segment disclosures, firm size, profitability, financial leverage, industry type and company age.

**Segment Disclosures**

Financial reporting by a firm is objective and action oriented. The reporting is to provide financial information on the performance of the firm and help the users in making rational and accurate economic decisions. The increases in the quality of information disclosures help investors to appraise a firm more efficiently and to reduce the associated risk of misjudgment. Relevant market regulations need to be more comprehensive to ensure availability of quality financial information to all investors at the same time. In the case of emerging markets Claessens, Dasgupta and Glen (1993) claim that, foreign and domestic investors may be discouraged from equity investment in listed companies because of market inefficiencies arising from unequal access to financial information. This could limit investment and be a barrier to financing options, which might distract the attention of investors from investing in emerging markets due to financial nondisclosure. Markets like Nigeria, want to attract investors, these factors need to be considered by market regulators.
Ahmed and Nicholls (1994) opined that there are many motives for disclosure in emerging economies such as reducing market risks and attracting direct foreign investment. On the other hand, they identified reasons for non compliance with mandatory disclosure requirements. Companies might not want to disclose vital financial information that may point to a problem when compared to other firms and of course put such companies in a disadvantage position. In some cases management has motives to cover and suppress unfavorable bad market information to remove adverse information and pursue preemptive buyouts of its own firm.

Segment reporting is fundamentally indispensable and integral to investment analysis processes (Association for Investment Management and Research, 1992). Epstein and Palepu (1992) found segment performance information as the most important information that enhances investment decisions. They survey 140 financial analysts and concluded segment relevance information reduces the risk perception of investors and the investment options. Berg (1990) finds that market announcements of outcome in the annual financial statement, will lead to a more significant upward movement of stock prices, when segments are identified. Hope, Kang, Thomas and Vasari (2004) suggest that the pricing of foreign investments is related with important aspects of the firm's information environment. Corporate failures involving the loss of hundreds of millions of dollars in Australia, United States, including Nigeria and elsewhere in the world in the early years of the twentieth century has been traced to non-disclosure by corporate managers and inadequate statutory compliance. In another study carried out in Malaysia, the study found that, companies have refused to provide detailed segmental information though this is yet to be empirically ascertained, additionally the cost and inconvenience this practice could cause the financial community is also yet to be known.

Segment Disclosures and Profitability

The result of previous studies concerning the association between profitability and mandatory disclosures using one or more measures of profitability is rather mixed. Singhvi and Desai (1971) claimed that there is likely to disclose detailed information when profitability is high to signal their ability to maximize shareholders' value, increase share prices, and justify their compensation and rewards. Alsaeed (2006). On the other hand, a firm may disclose less information when profitability is low to hide the various reasons for decreasing profitability or even losses and found a positive significant relationship with segment disclosure. Thus, firms will disclose segment information when profit increases and firms will not disclose when there are low profits (Singhvi and Desai, 1971). Using agency and signaling theories, Inchausti (1997) claims that when managers possess good news due to better financial performance, they uncover more detailed information to the market than when they possess bad news, to prevent their shares from being undervalued.

Jaggi and Freeman (1992), found a positive link between these two variables profitability and firm segmentation. Owusu-Ansah (1998), and Owusu-Ansah and Yeoh (2005) found a significant positive association, Wallace, Naser and Mora (1994) and Hossai (2008), however, observed a significant negative relationship and
some other researchers found no relationship at all (Belkaoui, and Kahl, 1978) and Street and Gray (2002), Glaum and Street (2003), and Ali, Ahmed and Henry (2004) provide no evidence of any association between company profitability and level of disclosures. According to prior literature, profitable firms will disclose more information in their annual report to differentiate themselves from poorer performers. In fact, a highly profitable firm is more likely to signal to the market its superior performance by disclosing more information in its annual report (Cooke, 1989).

**Segment Disclosures and Financial Leverage**

Studies have explored the relationship between disclosure levels and firm leverage. Firms with high leverage are generally expected to disclose more information to satisfy creditors (Alsaeed, 2006). Most studies have used the agency theory to explain the incentive for managers of high leverage firms to provide more detailed financial information (Morris, 1987). Alsaeed (2006) argues that firms with proportional higher levels of debt in their capital structure incurred more agency costs. Therefore, managers have an incentive to reduce these agency costs. One major way to reduce agency cost is to disclose more accounting information to satisfy the needs of debenture holders. In addition, by disclosing more information, highly levered firms can enhance their creditability and that they are less likely to bypass their agreed claims (Ali, Ahmed and Henry, 2004). Similarly, Wallace et al. (1994) argue that high-leverage firms have a greater obligation to satisfy the informational needs of their long-term creditors or debt holders and, thus, may provide more detailed information in their annual reports than low-leverage firms.

Prior research provides conflicting findings regarding the association between leverage and the level of disclosure. For example, Belkaoui and Kahl (1978) and Al shammari (2007), identified leverage as a factor positively associated with level of disclosure. In contrast, Ahmed and Ni cholls (1994); Wallace et al (1994); Ali, Ahmed and Henry 2004) and Hassan, Giogioni and Romilly (2006) provide no evidence of such an association. In this study, our measurement of financial leverage is debt-equity ratio. And also other previous studies proved no significant association between leverage and the level of voluntary disclosure (Inchausti, 1997; Alsaeed, 2006), while some found a positive significant association (Hossain et al., 1995).

**Segment Disclosures and Industry Type**

Mahajan and Chander (2007) analyzed corporate disclosure practices of Indian companies using software firms' sample. The study found a big variation in disclosure practices among the firms in the software industry and also a significant association between disclosure level and determinants like size, profitability and industry type. Karmajeet (2010) examined segment reporting practices of three countries, namely, India, US and Japan and found no big difference in the practices. Bradbury (1992) investigated voluntary segment disclosure by New Zealand companies and in relation to firm specific characteristics. The study found a significant positive relationship between firm type and the level of segment disclosure, which was consistent with the result of other studies. Ismail and Yusof (2009) compared segmental reporting practices of Malaysian companies in IAS 14 period and in Malaysia's own accounting standard period and found an improvement.
in number of business and geographic segments reported by the sample companies in post Malaysian standard period.

From the review of previous empirical studies, conflicting results were found as to the association between type of industry and level of disclosure. While Bellkaoui and Kahl (1975), Wallace and Naser (1995), found a significant association between type of industry and level of disclosure, Wallace et al (1994), Owusu-Ansah (1998), Glaum and Street (2003), and Owusu-Ansah and Yeoh (2005) had no evidence of such association.

**Segment Disclosures and Company Age**

Age of the company has been specifically identified in recent studies as a character attribute having impact on the quality of accounting practice. However in other studies, company age has been often represented as a proxy for risk. Therefore the extent of firm's voluntary disclosure can be related to how many years it has been in operation but the older the firm the more likely they are to have strong internal control procedures resulting to a clearer and high quality information disclosure.

Owusu-Ansah, (1998) gave three specific age factors that affect disclosure:
(a) young companies may suffer from a competitive disadvantage and this will have made them disclose lesser information with some caution, (b) the cost of gathering data, processing data and disseminating the required information may be a higher additional cost for young companies, and (c) young companies may lack a 'track record' to depend on for public information disclosure. There are several ways to distinguish mature from younger companies. For example, mature companies get most of their value from existing assets, whereas younger companies derive a significant proportion of their value from growth assets.

**Segment Disclosures and Firm Size**

Various information disclosure requirement studies have suggested that bigger firms tend to disclose more information in annual reports than smaller firms. In study of the determinants of segment disclosures, Chavent, Ding, Fu, Stolowy, and Wang (2006) identified three reasons for a positive relationship between firm size and disclosure level. First, larger firms are more politically noticeable and visible than smaller firms. As a result, they are exposed to more litigation and government strict regulations and intervention. Second, the cost of gathering and accumulating information is smaller for bigger firms because of their extensive internal reporting systems. Third, smaller firms are more likely to conceal sensitive information because full information disclosure may jeopardize and risk their competitive positions. Watts and Zimmerman (1983) argued that agency costs are higher for larger firms due to the larger number of stakeholders. Thus, managers of large firms have an incentive to reduce potential agency costs. One way to do that is by disclosing more accounting information.

and segment information disclosures. On the other hand Ahmad and Nicholls (1994), Street and Gray (2002), and Glaum and Street (2003) found no association between company size and level of compliance with disclosure required by IFRSs. Generally, the firm size is operationalized using different number of measures, such as revenues, total assets or number of shareholders. But total assets are chosen to measure company size in this study.

2.10 Theoretical Framework

The Stakeholder Theory

The stakeholder model takes a wider view of the firm. According to the traditional stakeholder model, the corporation is responsible and obligated to a larger constituency or section of stakeholders/shareholders other than shareholders out to the operations and activities of the firm. This view holds that corporations should be socially responsible institutions, managed in the interest of the public or owners of the business.

This model proposes that, performance or profitability is judged by a wider constituency interested in employment, returns, market share, and growth in trading relations with suppliers and purchasers, as well as financial performance. The challenge with the traditional stakeholder model of the firm or company is that it is extremely and highly difficult, if not impossible, to ensure that corporations fulfil or meet these wider objectives or goals of the firm. The stakeholder theory is adopted in this study as theoretical framework because segmental reporting captures different segments of an organization, both the inside and the outside interests.

Agency Theory

Berger and Hann (2007) demonstrate that corporate managers have great incentives to hide and withholds segment information, with lower or higher abnormal earnings for the concerns of avoiding more monitoring or competitions for self-imposed interests, respectively. It reveals that firms with multiple segments or divisions have an incentive and are oriented towards retaining information to strengthen and increase corporate managers’ opportunity in obtaining private benefits or maintain firms’ competitive advantages. Besides, many studies also show that more segments for a firm may easily convey misleading signals or information to outside investors due to the fuzzy activities or operations in internal capital market, (Rajan et al., 2000, and Duchin, 2010). As a result, higher segment disclosure quality can contribute more precise knowledge of a firm’s asset value distributions to investors and other stakeholders.

Agency theory predicts and establishes a positive relationship between leverage and disclosure. Fama and Miller (1972), and Jensen and Meckling (1976) state that agency costs are higher for firms with high level of debts in their capital structure due to the potential wealth transfer from debt holders to shareholders. Smith and Warner (1979) suggest that by supplying more information to debt suppliers, voluntary disclosure can likely reduce these agency costs. Jensen and Meckling (1976) defined an agency relationship as “a contract under which one or more persons to perform or carryout some service on their behalf and interests which involves delegating some decision making rights and authority to the agent”. In the context of the firm, the agent (manager) acts on behalf of the principal (shareholder) (Jensen and Meckling, 1976).
The agent therefore takes advantage of the lack of clarity and fuzzy information of his actions to engage in activities or operations to enhance his personal goals and agenda. Formal contracts are thus negotiated and written as a way of addressing agent–shareholder conflicts and struggle of who have more privileged information. In this research, voluntary disclosure presents an excellent opportunity to apply agency theory, in the sense or view that managers who have better access to a firms’ private information can make credible and reliable communication to the market to optimize and maximized the value of the firm.

**METHODOLOGY**

The main objective of the study is to assessed segment disclosure in Nigeria to achieve this the study adopt the longitudinal research design which this deals with observation of the same variables over a period of time without manipulating it. The choice of this design is hinged on the nature of data collected for the study. With this design relevant data were collected to investigate the determinants of segment disclosures in Nigeria.

The population of the study is the entire one hundred and eighty nine (189) quoted firms on the Nigerian Stock Exchange (NSE) as at 31 December, 2013 (Factbook, 2013). Sample size of sixty five (65) quoted firms on the Nigeria Stock Exchange forms the basis of this study. The sampling method adopted for the study was the stratified sampling with convenience sampling techniques.

**Model Specification**

In the light of the research design above, a multiple regression econometric model is used in this study. A multiple regression econometric model seeks to explain variations in the value of the dependent variable on the basis of changes in the independent variables. The assumption is that, the dependent variable is a linear function of the independent variable.

The model specification for this study is as follows:

\[ SD = \beta_0 + \beta_1 \text{FMS} + \beta_2 \text{PROF} + \beta_3 \text{FINLEV} + \beta_4 \text{INDST} + \beta_5 \text{COMA} + \varepsilon \]  

Where:

- \( SD \) = Segment disclosures
- \( \text{FMS} \) = Firm size (proxied by natural logarithm of total assets)
- \( \text{PROF} \) = Profitability (proxied by return on assets)
- \( \text{FINLEV} \) = Financial leverage (proxied by debt-equity ratio)
- \( \text{INDST} \) = Industry type
- \( \text{COMA} \) = Company age
- \( \varepsilon \) = error term
- \( \beta_0, \beta_1, \beta_2, \beta_3, \beta_4 \) and \( \beta_5 \) = coefficients

A Prior expectation = \( \beta_0, \beta_1, \beta_2, \beta_3, \beta_4 \) and \( \beta_5 > 0 \).

**Method of Data Analysis and Hypothesis Testing**

The econometric technique adopted in this study is the multiple regression techniques. In terms of data analysis, we used the Logit regression tool for analysis and estimation. To ensure its appropriateness, unit root test to verify stability and stationary of the data. The analysis was done using the Eviews 7 software.
DATA PRESENTATION AND ANALYSES

Basically, three tables are presented and their numeric implications are analysed after each table. These tables provide numeric information about the descriptive nature of the data gathered amongst other things.

Regression Result
Table 4.1: Estimation of variables for the year 2010-2011 Pre IFRS

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>z-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-1.828911</td>
<td>1.838085</td>
<td>-0.995009</td>
<td>0.3197</td>
</tr>
<tr>
<td>COMA</td>
<td>0.026515</td>
<td>0.010788</td>
<td>2.457707</td>
<td><strong>0.0140</strong></td>
</tr>
<tr>
<td>FINLEV</td>
<td>-0.002164</td>
<td>0.002487</td>
<td>-0.870163</td>
<td>0.3842</td>
</tr>
<tr>
<td>INDST</td>
<td>1.428267</td>
<td>0.600336</td>
<td>2.379112</td>
<td><strong>0.0174</strong></td>
</tr>
<tr>
<td>LFMS</td>
<td>0.252894</td>
<td>0.269750</td>
<td>0.937511</td>
<td>0.3485</td>
</tr>
<tr>
<td>PROF</td>
<td>0.007447</td>
<td>0.025591</td>
<td>0.291015</td>
<td>0.7710</td>
</tr>
</tbody>
</table>

McFadden R-squared 0.116239
S.D. dependent var 0.426217
Akaike info criterion 1.062907
Schwarz criterion 1.200086
Hannan-Quinn criter. 1.118629
Restr. Deviance 1.343548
LR statistic 15.61727
Prob(LR statistic) 0.008026

Obs with Dep=0 32 Total obs 127
Obs with Dep=1 95


From the pooled logit regression result in table 4.4, it can be observed that the goodness of fit for the model is rather impressive considering that pooled data is used. The results show that about 12 percent of the systematic variations in SD are explained in the model. The model has a fairly good explanatory capacity. The F value shows the overall significance of the entire model. The F value in the result is significant at the 5 percent level.

The result revealed that company age (COMA) and industry type (INDST) had significant positive relationships with segment disclosure (SD) in Nigeria since their absolute critical z-values of 2.457707 and 2.3791 respectively were greater than the absolute critical z-values at 10% level of significance. The result also revealed that firm size (LFMS) and profitability, has a positive but insignificant relationship with segment disclosure (SD), since there absolute z-values 0.93751 and 0.290105 respectively were less than absolute critical z-values at 10% level of significance and financial leverage (FINLEV) had negative and insignificant relationship with...
segment disclosure (SD). This is on the account of the absolute critical values of 0.87016 and a probability of 0.3842 respectively.

**Table 4.2: Estimation of variables for the year 2012-2013 Post IFRS**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>z-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-2.587460</td>
<td>1.723680</td>
<td>-1.501126</td>
<td>0.1333</td>
</tr>
<tr>
<td>FINLEV</td>
<td>-0.000482</td>
<td>0.002007</td>
<td>-0.240084</td>
<td>0.8103</td>
</tr>
<tr>
<td>COMA</td>
<td>0.021148</td>
<td>0.010371</td>
<td>2.039099</td>
<td>0.0414</td>
</tr>
<tr>
<td>INDIST</td>
<td>1.299546</td>
<td>0.551938</td>
<td>2.354516</td>
<td>0.0185</td>
</tr>
<tr>
<td>PROF</td>
<td>0.033030</td>
<td>0.021941</td>
<td>1.505433</td>
<td>0.1322</td>
</tr>
<tr>
<td>LFMS</td>
<td>0.362144</td>
<td>0.257662</td>
<td>1.405499</td>
<td>0.1599</td>
</tr>
</tbody>
</table>

| McFadden R-squared | Mean dependent var | 0.129779 | 0.748031 |
| S.D. dependent var | 0.435863         | 0.412162 |
| Akaike info criterion | 1.076946       | 20.55522 |
| Schwarz criterion | 1.211317         | -62.38608 |
| Hannan-Quinn criter. | 1.131540      | 124.7722 |
| Restr. Deviance   | 143.3798        | -71.68991 |
| LR statistic      | 18.60765        | -0.491229 |
| Prob(LR statistic) | 0.002274       |          |

| Obs with Dep=0 | 32 | Total obs | 127 |
| Obs with Dep=1 | 95 |          |

**SOURCE: Researcher's Compilation (2015)**

From the pooled binarylogit regression result, it was observed that our explanatory variables were able to explain about 13% of the variation in segment disclosures (SD) while a lot of 87% of the systematic variations in SD were left unexplained by the model. This means that our explanatory variables accounted fairly for the changes in SD in Nigeria.

On the basis of the overall statistical significance of the model as shown by F-statistics it was observed that the model was not statistically significant since the calculated F-value of 0.00227 is less than the critical F-value at 5% level of significance.

The result revealed that company age (COMA) and industry type (INDST) both had significant positive relationships with segment disclosures (SD) in Nigeria since their absolute critical z-values of 2.0390 and 2.3542 respectively were greater than the absolute critical t-values at 10% level of significance. But firm size (FMS) and profitability (PROF) had a positive but insignificant relationship with segment disclosure (SD) with critical z-values at 5% 1.5054 and probability of 0.1322. This is also higher or above 10% level of significant. The result also revealed that financial
leverage (FINLEV) had negative and insignificant relationships with SD, with a z-values and p-value of -0.240084 and 0.8103 agree with the a priori expectation, while that of INDST and COMA did not agree.

**Table 4.3: Estimation of variables for years 2010-2013**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>z-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-2.620481</td>
<td>1.235722</td>
<td>-2.120608</td>
<td>0.0340</td>
</tr>
<tr>
<td>COMA</td>
<td>0.023472</td>
<td>0.007493</td>
<td>3.132315</td>
<td>0.0017</td>
</tr>
<tr>
<td>FINLEV</td>
<td>-0.000594</td>
<td>0.001317</td>
<td>-0.451031</td>
<td>0.6520</td>
</tr>
<tr>
<td>INDST</td>
<td>1.400506</td>
<td>0.405641</td>
<td>3.452580</td>
<td>0.0006</td>
</tr>
<tr>
<td>LFMS</td>
<td>0.367773</td>
<td>0.183221</td>
<td>2.007269</td>
<td>0.0447</td>
</tr>
<tr>
<td>PROF</td>
<td>0.020305</td>
<td>0.017754</td>
<td>1.143707</td>
<td>0.2527</td>
</tr>
</tbody>
</table>

McFadden R-squared Mean dependent var 0.122854 0.755020
S.D. dependent var 0.430942 S.E. of regression 0.405981
Akaike info criterion1024899 Sum squared resid 40.05138
Schwarz criterion 1.109657 Log likelihood 40.16000
Hannan-Quinn criter. 1.059016 Deviance 243.2000
Restr. Deviance 277.2628 Restr. log likelihood -138.6314
LR statistic 34.06280 Avg. log likelihood -0.488353
Prob(LR statistic) 0.000002

Obs with Dep=0 61 Total obs 249
Obs with Dep=1 188

**SOURCE:** Researcher's Compilation (2015)

ML Binary Logit regression statistical tool was used to explain the combined data of the investigation and to know the overall weight of the variables in the relationship between the dependent and the independent variable, this tool is known for its appropriateness in capturing the dependent dummy variable, it was used to test the relationship between our variables to know whether or not they will approximate the findings of ordinary least square results of the model.

As can be seen in the regression result, when the explanatory (independent) variables: company age, financial leverage, firm size, industry type and profitability were regressed on segment disclosure (SD) an R^2 value of 0.12285 is noticed. Which indicates that the independent variables (company age, financial leverage,
, firm size, industry type and profitability) jointly explain 12% of the systematic variation in the dependent variable (SD); this means the variables is explained by other variables which are not specified in the model. The result reveals that company age, industry type and firm size are significant at P<0.05 with z-values and p-values of 3.132315 and 3.452580, 0.0017 and 0.0006 respectively with positive coefficient of variation of 0.0234 and 1.400506.

LFMS in the combine or pool regression of our data had a positive and significant relationship with segment disclosure (SD) as shown in the table above with its respective z-value, p-value and positive coefficient of variation to our dependent variable (0.3677, 2.00727 and 0.0447). However, financial leverage and profitability are not significant at 5% and 10% levels of significant. FINLEV had a negative relationship with SD which also corresponds to our previous results, the result shows a negative coefficient of variation of -0.000594 and z-value of 0.451031. The p-value is not significant at 5% and 10% level, 0.6520, this means FINLEV do not influence SD in Nigeria.

The sign of the coefficients of the variables are all positive except financial leverage. The F-statistic of 34.06280 and p-statistic at 0.000002 is significant at P<0.01; this means that there is a statistical significant relationship between the independent variables and the dependent variable as a group.

Conclusion and Recommendations

In line with the broad objective of this study which is to carry out an assessment of segment disclosures in Nigeria, empirical analyses were conducted and discussion on findings offered. This study has attempted to identify the determinants of segment disclosures in Nigeria. A multiple regression analysis within the framework of logit regression pertaining to sixty-five (65) firms selected from among those listed on the Nigeria Stock Exchange Market over the period of 2010-2013 are used. The study chose firm size, proxied by log of total assets (FMS); level of profitability (PROF); financial leverage of firms (FINLEV); the type of industry a firm operates (INDST) and age of companies from the dates of incorporation (COMA) as possible determinants of segment disclosures (SD) and employs logit analysis to identify the determinants of segment disclosures in Nigeria. The results indicate that the variables, the type of industry and company age of firms are significant determinants of segment disclosures in Nigeria within the period under review. It was also found that firm size is a weak determinant of the decision to disclose segment in Nigeria; but profitability and financial leverage are found to have insignificant relationships with segment disclosures in Nigeria.

Segment disclosure practices of Nigerian companies need further improvements, which was a major reason for the IFRS adoption to ensure quality financial reporting. Compared with previous GAAP, the study saw improvements in disclosure practices in the reporting quality of the selected companies. Continued nondisclosure by Nigerian companies would have serious negative consequences on the overall reporting practices quality and attractiveness of Nigerian companies compared to other countries. In the aftermath of the current global economic meltdown, skyrocketing exchange rates and collapse of stock exchange market
around the world there are increasing calls at the international level, for a paradigm shift in the international financial system towards a more transparent reporting regime.

Flowing from the findings of this study are the following recommendations made: Firms should increase voluntary segment information disclosures in their financial statement. This is on account that, investors may demand high disclosure from management and signal opportunities to invest. Regulatory bodies (such as the Securities and Exchange Commission and the Financial Reporting Council of Nigeria) should issue sufficient guidelines for proper segment disclosure practices in company's financial statements. Auditing firms that take independent audit assignment from firms listed on the Nigerian Stock Exchange should also make contributions at improving firms' corporate culture about segment reporting practices.
REFERENCES


