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VOLUNTARY RISK MANAGEMENT DISCLOSURES AND CORPORATE PERFORMANCE; EVIDENCE FROM LISTED ICT FIRMS IN NIGERIA

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Abstract

This study empirically examined the relationship between voluntary risk management disclosures and corporate performance. In order to determine the relationship between voluntary risk management disclosures and corporate performance, voluntary risk management disclosures was proxy using; Strategic Risk Management Disclosure (SRMD), Technological Risk Management Disclosure (TRMD), Empowerment Risk Management Disclosure (ERMD) and Operational Risk Management Disclosure (ORMD) based on disclosure index adopted from Global Reporting Imitative while corporate performance on the other hand was represented by Return on Equity (ROE). Four hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using OLS regression model. The study employed Ex Post Facto design in the data analysis. Secondary data used for the study were obtained from the Nigerian Exchange Group Factbook and the Published Annual Financial Reports & Accounts of the entire firms quoted under ICT Sector of NGX. The data used for the study spanned from 2016-2021. The findings generally indicated that Strategic Risk Management Disclosure (SRMD), Technological Risk Management Disclosure (TRMD), Empowerment Risk Management Disclosure (ERMD) and Operational Risk Management Disclosure (ORMD) exerted significant and positive influence on Corporate Performance (ROE) in Nigeria at 5% level of significance. Based on this, the study concludes that voluntary risk management disclosures positively improved firms' performance in Nigeria. In lieu of this, the study suggests that firms should disclose more of risk information in their annual reports for financial statement user's consumption; as there is a significant and positive association between voluntary risk management disclosures and firm performance. The study contributed to knowledge by modifying existing models, introducing new variable and updating literature on the subject.

Keyword: Voluntary Risk Management Disclosure, Operational Risk Management Disclosure, Strategic Risk Management Disclosure, Corporate Performance.

1.0 Introduction

In recent years, the importance of risk management has been evidenced in the corporate sector. Risk management is important because effective risk management improves the company's performance by contributing to reduction of fraud, managing potential threats, and more efficient use of resources. Taking and managing risk is the very essence of business survival and growth (Axelos Global Best Practice, 2014). According to Cabedo and Tirado (2014), lack of risk management information may mislead investors in their investment decision-making process. Investors make their investment or disinvestment decisions by evaluating both the returns associated to a determined investment project and its risk level. If investors fail to identify actual key risk factors of firms, investors could not assess actual risk level of those firms. This would subsequently lead investors to make wrong investment decision which could end up in a huge loss or disaster to the investors.

FRC (2014) noted that many firms still refuse to increase the disclosure of risk management information as they are unaware of the relationship between these disclosures and firms performance. These firms claim that such information would normally be commercially sensitive information that could jeopardize their business and economic condition. It is still unclear whether such wariness with regards to the negative impact of more risk management information disclosure among firms is valid. Hence, the controversy between investors and firms regarding voluntary risk management disclosure (VRMD) motivates the aim of this study, which is to examine the effects of voluntary risk management disclosure towards firm performance.

In Nigeria, risk management disclosure is regulated by Nigerian Code of Corporate Governance (NCCG) of 2018. The code recommended that there shall be adequate disclosure on firms' risk management based on financial risk (FR), strategic risk (SR), operational risk (OR), empowerment risk (ER) and technological risk (TR) in the corporate reporting.

At international level, risk management disclosures have attracted considerable interest from a number of key stakeholders such as the United Nations Global Compact, the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TFCD) and European Commission Guidelines on Non Financial Reporting

Several stakeholders have also expressed concerns over the need for non-financial information (NFI) to meet their expectations especially as regards to risk management disclosures and not much have been done in academic literature as regard to the usefulness and relevance of risk management disclosures for investors decision making. Owing to the investors' needs, those categories of voluntary risk management disclosures (SRMD, TRMD, ERMD, OPRM) were combined to develop a model fit ranging from *strategic risk management, technological risk management, empowerment risk management to operational risk management* as there is a gap in knowledge on the joint effect of these categories of VRMDs on firms' performance and no specific study had addressed this gap in Nigeria. More importantly, no specific study to the best of our knowledge had examine the effect of voluntary risk management disclosures with reference to the performance of firms quoted under ICT sector of Nigerian Exchange Group (NGX). Hence, the need for the present study.

To achieve this purpose, the following hypotheses were formulated:

H_{01}: Strategic Risk Management Disclosure has no significant effect on Corporate Performance

H_{02}: Technological Risk Management Disclosure has no significant effect on Corporate Performance

H_{03}: Empowerment Risk Management Disclosure has no significant effect on Corporate Performance

H_{04}: Operational Risk Management Disclosure has no significant effect on Corporate Performance

2.0 Review of Related Literature

2.1.1 Risk Management Disclosures

Reporting via annual accounts and reports by corporate entities is a means of disclosing their business activities including risk management practices. For this reason, annual reports of companies are a dependable medium for shareholders and other stakeholders to assess information on risk management regarding a company (Lang & Lundholm, 2017). Wong (2018) opines that risk management practices of companies particularly financial institutions are disclosed in their annual published accounts and reports, which (the reports) are subject to scrutiny by professional auditors and prepared in accordance with rules and regulations governing financial reports.

Risk itself is closely related to uncertainty. Things that are uncertain will be more likely to cause risks. Therefore, it is important to manage risks in order that the expected results can be achieved. Risk management is a series of methodologies and procedures used to identify, measure, monitor, and control risks that possibly rise in the entire business activities of a bank (Isti, Dira & Rizki, 2022).

As cited in Omaliko, Nwadialor and Nweze (2020), the following are recommended by Nigerian Code of Corporate Governance (2018) as regard to Risk Management Disclosure;

The Board should ensure the establishment of a risk management framework that:

- defines the Company's risk policy, risk appetite and risk limits; and
- identifies, assesses, monitors and manages key business risks to safeguard shareholders' investments and the Company's assets.
- formally approve the risk management framework and ensure that it is communicated in simple and clear language to all employees.
- ensure that the risk management framework is integrated into the day-to-day operations of the business and provide guidelines and standards for management of key risks.
- articulate, implement and review the Company's internal control systems to strengthen the risk management framework.
- conduct at least annually, or more often in companies with complex operations, a thorough risk assessment covering all aspects of the Company's business and ensure that mitigating strategies have been put in place to manage identified risks.
- obtain and review relevant reports periodically to ensure the ongoing effectiveness of the Company's risk management framework and also ensure that the Company's risk management framework is disclosed in the annual report; and
- ensure that the risk management function is headed by a member of senior management who is a professional with relevant qualifications, competence, objectivity and experience.

2.1.1.1 Strategic Risk Management Disclosure

Strategic risk disclosure is information that describes firms' major risks and their expected economic impact on their current and future performance (Miihkinen 2013). Strategic risk management is the process of identifying, quantifying, and mitigating any risk that affects or is inherent in a company's business strategy, strategic objectives, and strategy execution. Strategic risk management is a crucial but often overlooked aspect of enterprise risk management (ERM). While ERM has traditionally focused on financial and, more recently, operational risk, the fact is that strategic risk is far more consequential (Bokpin, 2013).

According to Raheman, Salleh, Afza and Chek (2014), strategic risk management is the risk that failed business decisions, or lack thereof, may pose to a company. Strategic risk is often a major factor in determining a company's worth, particularly observable if the company experiences a sharp decline in a short period of time. Due to this and its influence on compliance risk, it is a leading factor in modern risk management.

2.1.1.2 Technological Risk Management Disclosure

According to Al-Hadi (2013), providing little or no information about an insurance company's technological risk management, might lead outsiders to overestimate the expected loss and/or the probability of the realization of technological risk event, which would result in investors demanding a higher return. The dissemination of information on technological risk is of paramount importance for companies seeking to establish themselves in the financial market. In particular, the utility depends on the quality and quantity of information revealed, which goes beyond annual reports.

The objective is to provide an overview of the organization's use of financial instruments and its exposure to risk. Not only do they maintain the monitoring and internal reporting, but they also seek to defend the investors and the insured (Heflin, 2012).

Technological Risk Management (TRM), according to Hoyt and Liebenberg (2011), is the application of risk management methods to information technology in order to manage information technology risk. It is the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise or organization

2.1.1.3 Empowerment Risk Management Disclosure

Empowerment is a management strategy that aims to give employees the tools and resources necessary to make confident decisions in the workplace without supervision. Empowerment is a long-term, resource-intensive strategy that involves significant time and financial investment from the organization's leaders (Wong, 2018).

Hammer and Champy (2013) suggested that empowerment risk as regards the front-line workers is crucial if organizations want to understand core business processes, because front-line workers are closest to these processes and are the only ones who really understand how they work.

Al-Akra and Ali (2012) suggested that the three tools managers should be using to empower their staff are information sharing with everyone, creating autonomy through boundaries and replacing old hierarchies with self-managed teams.

Some of the perceived benefits of employee empowerment include greater job satisfaction and motivation, reduced supervisory requirements and increases in innovation and creativity. Disadvantages include increased risk as staff become more entrepreneurial and more likely to take chances. Security can also be a problem because all important information must be shared for employees to take decisions on their own.

2.1.1.4 Operational Risk Management Disclosure

The annual financial reports of listed firms should show the key indicators of operational risk, because one of the essential responsibilities of firms is to accomplish, evaluate and administer the risks that emerge from their business activities.

The operational risk information that is publicly disclosed usually is based on the type of supported risk event, the exposed business line, the risk indicators, the frequency and severity of operational losses, the measurement approach and the management techniques used. Operational risk is the greatest risk threatening the survival of a company. Studies such as Wallace (2018) found evidence of a significant impact of operational risk disclosure on capital markets. But the particular impact depends on the reporting format chosen (Yazid, 2012).

According to Wallace (2018), the term operational risk management (ORM) is defined as a continual cyclic process which includes risk assessment, risk decision making, and implementation of risk controls, which results in acceptance, mitigation, or avoidance of risk. ORM is the oversight of operational risk, including the risk of loss resulting from inadequate or failed internal processes and systems; human factors; or external events. Unlike other types of risks (market risk, credit risk, etc.) operational risk had rarely been considered strategically significant by senior management. The voluntary disclosure of information relating to operational risk depends on regulations, pressure from financial markets and cultural factors.

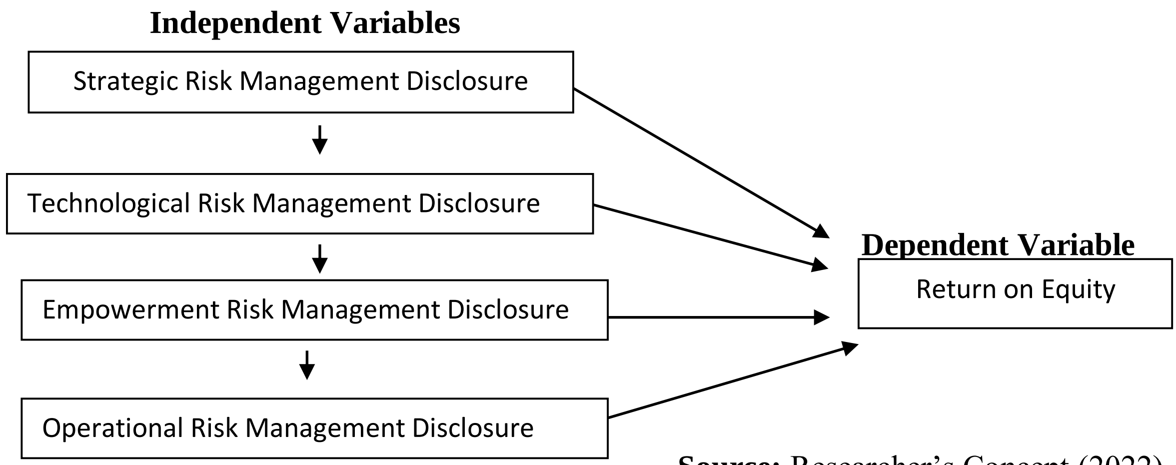
2.1.2 Firms Performance

Ofor, Omaliko and Okoli (2017) see financial performance as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. There are many different ways to measure financial performance, but all measures should be taken in aggregation. Line items such as revenue from operations, operating income or cash flow from operations can be used, as well as total unit sales. Furthermore, the analyst or investor may wish to look deeper into financial statements and seek out margin growth rates or any declining debt (Omaliko, Okeke & Obiora, 2021). According to Erikie and Osagie (2017), as cited in Omaliko and Okpala (2020) financial Performance is the measuring of results of a firm's policies and operations in monetary terms. These results are reflected in the firm's return on investment, return on assets, value added, etc.

Return on Assets and Return on Assets were used as a performance measurement in the prior expectations of Nnubia, Omaliko, Okechi and Etuka (2017), Omaliko, Nweze and Nwadialor (2020), Rouf (2016) etc. For the purpose of this study, Return on Equity (ROE) was used to measure financial performance. This was captured as Net Profit After Tax divided by Total Equity i.e. (ROE) This is expressed mathematically as

$$ROE = \frac{NPAT}{\text{Total Equity}}$$

Figure 1: Conceptual Model for the Study



Source: Researcher's Concept (2022)

2.2 Theoretical Framework

2.2.1 Stakeholder Theory

Stakeholder theory was propounded in the year 1983 by Freeman and David. According to the theory, a company has a responsibility to its stakeholders, including shareholders, employees, customers, suppliers, lenders, and society. All stakeholders own the right to be informed about the company's activities carried out by the executives. Disclosing risk management is one of corporate strategies to have a relationship with stakeholders. It is also a strategic management process in calculating business problems the company comes across. So, in this case, the company is encouraged by its stakeholders to disclose more information than needed to meet the information challenges nowadays (Elfeky, 2017). The more is its depth, the broader is the disclosure, so it shows that the company intends to meet the stakeholders' information needs. Hence, the study is anchored on this theory.

2.3 Empirical Review

The study by Ismail and Rahman, (2013) concluded that the overall score for RM disclosure among public listed companies in Bangladesh is 53%, demonstrating that there are rooms for improvement on the level of risk disclosure. The study explored simple regression model and however notes that risk management disclosures positively associates with firms performance.

Nigerian non-financial reporting environment was empirically investigated by Wallace (2018) who used a sample of 47 companies quoted on Nigerian Stock Exchange as at 2016. Disclosure is treated as a dichotomous item, 1 for an item disclosed and 0 for those not disclosed. The scoring system is informed by its intensity. Two types of disclosure indexes are constructed, unweighted and weighted. Using OLS and variables of ORMD and ROE, the result of the analysis reveals that companies with high level of risk disclosure have higher performance than firms with low level of operating risk management disclosure.

Ferguson (2016) also examined the impact of risk voluntary disclosure of former state owned enterprises in China listed at the Stock Exchange of Hong Kong on firms' performance. The study assesses the disclosure level of risk management using three independent variables namely strategic, financial and operational risk. Using regression model, the study found out that overall disclosure scores are highly variable ranging from 0.03 to 0.44. Risk disclosure by type of information varies considerably. This is consistent with the studies of Meek (2015) who used OLS and found significant positive relation between risk management disclosures and firms performance measured by ROE in Hong Kong. It is discovered that these firms disclose significantly more strategic risk information and operational risk information than financial risk information.

Yusuf (2016) in his study on effect of non-financial disclosure on profitability of firms listed on industrial goods sector of NSE measured non-financial information using financial risk management (FRM) disclosure with dummy variables and explored the test tool of regression model and found significant positive effect between risk management (RM) disclosure and firms profitability proxy as ROE. The study however concludes that non-financial disclosures have exerted significant influence on firms' performance over the years.

Okoroafor (2011) in his study on effect of risk management disclosures on firms performance in Nigeria used regression model and found that firms tend to believe the risk management disclosure may negatively affect FV. Given the continuously lack of established stand in the findings, the association between voluntary disclosure and FV remains an empirical issue that needs to be investigated.

This agrees with the study of Hashim and Koon (2016) who investigated on the effect of risk management disclosures on performance of listed Germany used the variable of risk management disclosure and ROA, the study also used OLS and found negative association between risk management and ROA. Based on this, the study concludes that non-financial disclosures have no effect on firms performance.

Olayinka (2016) conducted manual content analysis of selected Malaysian companies listed on the Bursa Malaysia in the year 2005 to examine the effect of risk disclosures on firms performance measured by net assets per share (NAPS). Using OLS, the study found significant negative relation between the variables.

In disagreement, Victoria (2016) used content analysis in determining the extent of risk disclosures and its effect on firms value among the listed firms in Nigeria and found significant and positive effect.

Raheman, Salleh, Afza and Chek (2014) on non-financial information disclosures and its Influence on Firms' Profitability in Malaysia used regression model and content analysis and measured non-financial information disclosure using intellectual capital disclosure and strategic risk management disclosure index and found out that intellectual capital information disclosure and risk management disclosure is positively and significantly related with firms profitability measured by ROA and ROE.

3.0 Methodology

This study adopts ex-post facto design. This was adopted based on the fact that our data is secondary data that exists already which cannot be manipulated or controlled. The population of the study consists of the entire 9 firms under ICT Sector of Nigerian Exchange Group (NGX) as at 2022 business list covering from 2016-2021. The use of quoted ICT Firms could be justified based on availability and reliability of their financial data.

Out of 9 firms that formed our sample size, 3 firms were listed as at July 2019, February 2021 and May 2019 respectively. Hence they have empty financial information within the period under study (*MTN Nigeria Comm Plc, Airtel Africa Plc and Briclinks Africa Plc*) and were removed. Based on this, a total of 6 firms formed our sample size with 36 observations.

Data generated was analyzed using OLS regression model with the aid of STATA V. 15. The study adopted this technique in order to ascertain the effect of the voluntary risk management disclosures on corporate performance which was measured using return on equity (ROE).

3.1 Operationalization and Measurement of Variables

3.1.1 Dependent Variable

The dependent variable in this study is Corporate Performance and it was proxy and measured using Return on Equity. Return on Equity is captured as Net Profit After Tax (NPAT) measured by Total Equity

3.1.2 Independent Variable

The independent variable of Voluntary Risk Management Disclosure was proxy using Strategic Risk Management Disclosure (SRMD), Technological Risk Management Disclosure (TRMD), Empowerment Risk Management Disclosure (ERMD) and Operational Risk Management Disclosure (ORMD). These variables were measured using disclosure index adopted from the Global Reporting Initiative. A dichotomous procedure by (GRI) was applied in scoring the items whereby specifically, a “1-point” score was awarded for each item that is disclosed in the annual report and otherwise, a “0-point”. Then, the sum of scores of all items was computed.

3.2 Model Specification

In line with the previous researches, the researcher adapted and modified the Models of Yusuf (2016) and Wallace (2018) into a model in determining the effect of voluntary risk management disclosures on corporate performance. This is shown below as thus:

Yusuf (2016): $\mathbf{ROE = \beta_0 + \beta_1\ FRMD + \mu}$ **-- -1**

Wallace (2018): $\mathbf{ROE = \beta_0 + \beta_1 ORMD + \mu}$ **-- 11**

The modified functional model is shown below as thus:

ROE = F (SRMD, TRMD, ERMD, ORMD) --- III

The econometric form of the regression modified for the study is expressed as thus:

$\mathbf{ROE_t = \beta_0 + \beta_1 SRMD_t + \beta_2 TRMD_t + \beta_3 ERMD_t + \beta_2 ORMD_t + \mu}$ **------------------------------IV**

Where:

ROE = Return on Equity

SRMD = Strategic Risk Management Disclosure

TRMD = Technological Risk Management Disclosure

ERMD = Empowerment Risk Management Disclosure

ORMD = Operational Risk Management Disclosure

Decision Rule: Accept Ho if P-value > 5% significant level otherwise reject Ho

4.0 Results and Discussion

This section presents the results from the analysis of data and its interpretation

Table 4.1: Descriptive Statistics

	ROE	SRMD	TRMD	ERMD	ORMD
Mean	2.08474	3.09823	0.123543	2.92378	1.08733
Median	1.245675	2.92873	0.11543	2.10983	0.98762
Maximum	6.65432	5.00000	5.00000	5.00000	5.00000
Minimum	0.98374	0.00000	0.00000	0.00000	0.00000
Std. Dev.	3.43766	1.09234	1.02334	1.05673	0.98723
Observations	**36**	**36**	**36**	**36**	**36**

Source: STATA Computational Results (2022).

Table 4.1 helps to provide some insight into the nature of the selected quoted ICT firms in Nigeria used in this study. First, it can be observed that on the average, in a 6-year period (2016-2021), the sampled firms in Nigeria were characterized by positive Return on Equity value ROE = 2.08474. This is an indication that most quoted ICT firms in Nigeria have a positive Return on Equity. Similarly, a positive mean value of 3.09823 was also recorded for Strategic Risk Management Disclosure (SRMD) with a standard deviation value of 1.09234. This indicates that firms under our observation extremely disclosed Strategic Risk Management in their financial reporting. There is also a high variation in maximum and minimum values of SRMD which stood at 5.0000 and 0.0000 respectively. This wide variation in SRMD values among the sampled firms justifies the need for this study as the researcher assumes that firms with higher SRMD values are higher profit making firms than those firms with low SRMD values.

The average Technological Risk Management Disclosure (TRMD) for the sampled firms was 0.123543. Firms with TRMD values of 0.123543 poorly disclosed this information in their financial reporting. There is also a high variation in maximum and minimum values of TRMD which stood at 5.0000 and 0.0000 respectively. This wide variation in TRMD values among the sampled firms justifies the need for this study as the researcher assumes that firms with higher TRMD values are higher profit making firms than those firms with low TRMD values.

The average Empowerment Risk Management Disclosure (ERMD) for the sampled firms was 2.92378. Firms with ERMD values of 2.92378 moderately disclosed this information in their financial reporting. There is also a high variation in maximum and minimum values of ERMD which stood at 5.0000 and 0.0000 respectively. This wide variation in ERMD values among the sampled firms justifies the need for this study as the researcher assumes that firms with higher ERMD values are higher profit making firms than those firms with low ERMD values.

The average Operational Risk Management Disclosure (ORMD) for the sampled firms was 1.08733. Firms with ORMD of 1.08733 poorly disclosed this information in their financial reporting. There is also a high variation in maximum and minimum values of ORMD which stood at 5.0000 and 0.0000 respectively. This wide variation in ORMD values among the sampled firms justifies the need for this study as the researcher assumes that firms with higher ORMD values are higher profit making firms than those firms with low ORMD values.

4.2 Test of Hypotheses

Ordinary Least Square Regression model was developed to test the linear relationship between the dependent and independent variables. It was operated using STATA version 15 as shown in the table 4.2 below:

H_{01}: Strategic Risk Management Disclosure has no significant effect on firms Performance

H_{02}: Technological Risk Management Disclosure has no significant effect on firms Performance

H_{03}: Empowerment Risk Management Disclosure has no significant effect on firms Performance

H_{04}: Operational Risk Management Disclosure has no significant effect on firms Performance

$$\mathbf{ROE_t = \beta_0 + \beta_1 SRMD_t + \beta_2 TRMD_t + \beta_3 ERMD_t + \beta_2 ORMD_t + \mu} \text{ ------------------------------V}$$

Table 4.2.1: Regression Result for the Relationship between Voluntary Risk Management Disclosures and Corporate Performance

Source	SS	df	MS		
				Number of obs =	36
				F (4, 31) =	13.311
Model	3.34107800	4	.83526950	Prob > F =	0.0012
Residual	1.94524192	31	.06274973	R-squared =	0.5809
				Adj R-squared =	0.5411
Total	5.28631992	35	0.12014363	Root MSE =	0.2166

ROE	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]

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SRMD | .2185188	.0397011	5.50	0.000	.0617201	.0987577
TRMD | .0306192	.0141284	2.16	0.050	.0022646	.0593738
ERMD | .2306987	.0957263	2.41	0.004	.2241687	.1627713
ORMD | .1113781	.0416280	2.68	0.003	.0727553	.0955115
_cons | .9112676	.4183175	2.18	0.024	.8567188	.8341836

Source: Result output from STATA 15.

4.3 Discussion of Findings

H_{01}: Strategic Risk Management Disclosure has no significant effect on firms Performance

From the table above, the P-value of 0.0000 was found to have a positive influence on the sampled quoted companies Return on Equity (ROE) and this influence is statistically significant at 1% level as the P-value is within 1% significant level. This result, therefore suggests that the researcher should reject our null hypothesis one ($H0_1$) which states that Strategic Risk Management Disclosure (SRMD) does not have significant effect on Return on Equity (ROE), to accept the alternative hypothesis. This means that in Nigeria, Strategic Risk Management Disclosure (SRMD) as a measure for Voluntary Risk Management Disclosure of a firm has significant and positive effect on firms Return on Equity (ROE).

This finding therefore support the a priori expectation of Yusuf (2016), Ferguson (2016) etc. who found significant positive association between strategic risk management disclosures and firms performance

H_{02}: Technological Risk Management Disclosure has no significant effect on firms Performance

From the table above, the P-value of 0.050 was found to have a positive influence on the sampled quoted companies Return on Equity (ROE) and this influence is statistically significant at 5% level as the P-value is within 5% significant level. This result, therefore suggests that the researcher should reject our null hypothesis two ($H0_2$) which states that Technological Risk Management Disclosure (TRMD) does not have significant effect on Return on Equity (ROE), to accept the alternative hypothesis. This means that in Nigeria, Technological Risk Management Disclosure (TRMD) as a measure for Voluntary Risk Management Disclosure of a firm has significant and positive effect on firms Return on Equity (ROE).

This finding therefore support our a priori expectation as well as the findings of Ferguson (2016), Wallace (2018) who found out that operational risk management disclosures have significant positive association with firms performance in China and Nigeria respectively.

H_{03}: Empowerment Risk Management Disclosure has no significant effect on firms Performance

From the table above, the P-value of 0.0040 was found to have a positive influence on the sampled quoted companies Return on Equity (ROE) and this influence is statistically significant at 1% level of significance as the P-value is within 1% significant level. This result, therefore suggests that the researcher should reject our null hypothesis three ($H0_3$) which states that Empowerment Risk Management Disclosure (ERMD) does not have significant effect on Return on Equity (ROE), to accept the alternative hypothesis. This means that in Nigeria, Empowerment Risk Management Disclosure (ERMD) as a measure for Voluntary Risk Management Disclosure of a firm has significant and positive effect on firms Return on Equity (ROE).

This finding therefore support the a priori expectation of Yusuf (2016) Ismail and Rahman, (2013) who found out that operational risk management disclosures have significant positive association with firms performance.

H_{04}: Operational Risk Management Disclosure has no significant effect on firms Performance

From the table above, the P-value of 0.0030 was found to have a positive influence on the sampled quoted companies Return on Equity (ROE) and this influence is statistically significant at 1% level of significance as the P-value is within 1% significant level. This result, therefore suggests that the researcher should reject our null hypothesis four ($H0_4$) which states that Operational Risk Management Disclosure (ORMD) does not have significant effect on Return on Equity (ROE), to accept the alternative hypothesis. This means that in Nigeria, Operational Risk Management Disclosure (ORMD) as a measure for Voluntary Risk Management Disclosure of a firm has significant and positive effect on firms Return on Equity (ROE).

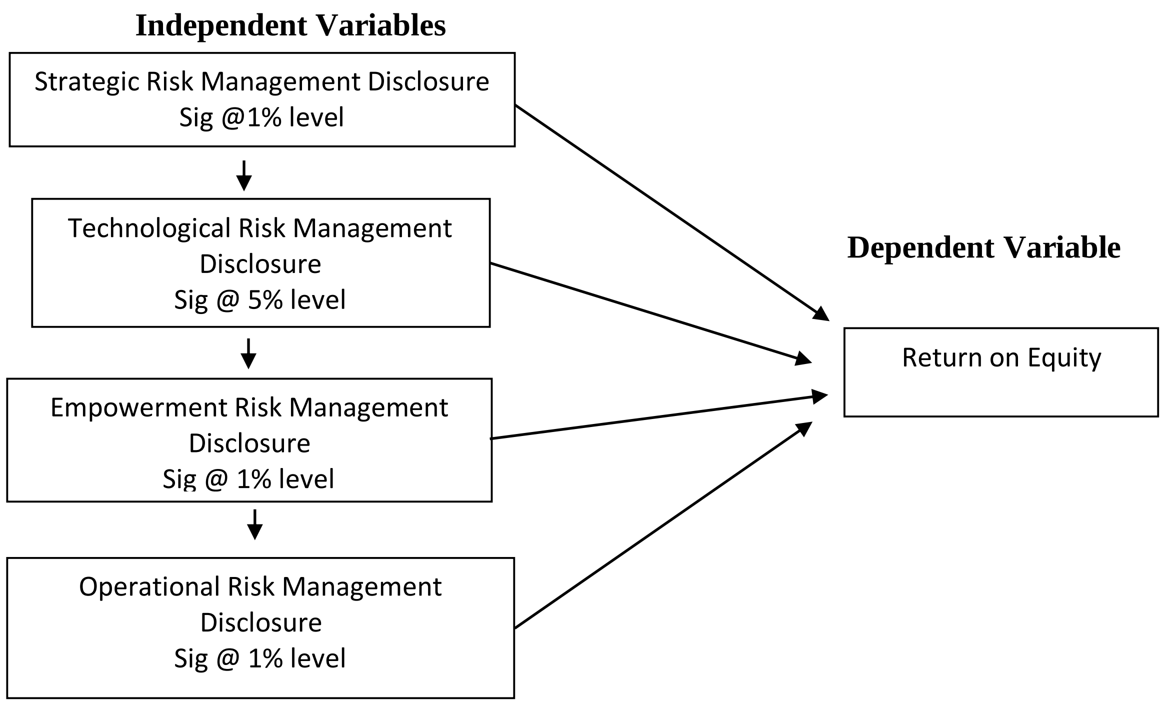
This finding therefore support our apriori expectation as well as the findings of Olayinka (2016) Okoroafor (2011) who found out that operational risk management disclosures have significant positive association with firms performance in Malaysia and Nigeria respectively.

5.1 Conclusion and Recommendation

Study having established a model fit on risk management disclosures (SRMD, TRMD, ERMD & ORMD) concludes that voluntary risk management disclosures have significant effect on corporate performance among the quoted firms in Nigeria. This is to say that risk management of firms drive performance. Based on findings of the study, it was recommended that firms should disclose more of risk information in their annual reports for financial statements users' consumption since these disclosures ensure firms corporate performance and financial prospect.

5.2 Contribution to knowledge

i. The study contributed to knowledge by modifying existing models, introducing new variable and updating literature on the subject
ii. The study also contributed to knowledge through the conceptual model developed and designed for the study. It is shown below as;



Source: Researcher's Concept (2022)

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