QUALITY CORPORATE FINANCIAL REPORTING AND STAKEHOLDERS INTERERST

OLALERE Mayowa David, ADEGBIE Folajimi Festus, Kehinde Joseph Olorundare & Kolawole Samuel OYEGOKE

Babcock University, Department of Accounting, Ilishan-Remo, OgunState, Nigeria.

DOI: https://doi.org/10.56293/IJMSSSR.2022.4574

IJMSSSR 2023
VOLUME 5
ISSUE 2 MARCH – APRIL **ISSN: 2582 - 0265**

Abstract: Information, Communication and Globalization has made the preparation of reports very easy because large volume of transactions needs to be processed. Quality corporate reporting is very essential for the growth of an organization and thus development of the economy of any country. Over the years the quality of reporting has received global and heightened concern as a result of the role it plays in allowing users of financial statements make economic decisions which to a very large extent talks about the soundness and healthiness of a business firm or organization. The objective of the study was to critically examine the relationship between Quality of Corporate Reporting and stakeholder's interest. The study adopted an ex-post facto research design. The population was 35 manufacturing companies while 10 were selected purposively for a period of 10 years making 100 firm year observations. The findings reveal that Quality Corporate reporting had a significant impact on Creditors interest (Adj R^2= 0.653, F(2, 97) = 48.60, P < 0.05), it also had a significant relationship on employees interest(Adj R^2= 0.0.733, F(2, 97) = 40.81, P < 0.05). The study concluded that there exists a significant relationship between Quality of Corporate Reporting and all the variables of Stakeholders interest. It was recommended that Owners and Management of businesses must ensure that a mechanism and a structure is put in place to ensure that reports prepared are of high quality that will meet the needs of the stakeholders.

Keywords: Corporate Reporting, Creditors Interest, Employees Interest, Faithful Representation, Relevance, Timeliness

1. Introduction

According to research scholars, the concept of corporate reporting has continued to gain grounds in the research field of accounting due to the fact that it significantly alters the way that financial business activities are recorded and communicated (Lui, 2019). The increasing decline in the quality of reporting cut across developed, emerging and developing economies; as Trevor et al. (2017), and Johnstone (2019) asserted that firms in United State of America (USA), United Kingdom (UK) and France could not fully achieve their targeted goals, and sustain stakeholder loyalty and expectations due to poor quality of presented financial statements. In China and Hong-Kong, Qian and Chu (2020) stated that firms find it difficult to prepare quality reports and efficiently sustain stakeholder needs which as a result have affected the decision of potential and future investors. Likewise, in developing economies like Africa continent, information technology competency has been one of the major challenges encountered by professional firms which could have hindered their growth and efficiency sustainability (Asikhia, Magaji, &Muritala, 2019).

At the heart of corporate reporting is the true test of created and shared value and the ensuing decision-usefulness of such information reported. Theoretically, organizations could either focus corporate reporting to propagate their agenda of economic self-interest and wealth maximization (sometimes for some individuals) or could go further and incorporate political, social, and environmental aspects (Deegan, 2021). Today, organizations use corporate reporting to legitimize their existence and survival and to curry positive perception, reputation and resources from the stakeholders and society at large.

The concept of corporate reporting remains a growing field of research in varied organizations in light of the need to achieve and sustain competitive advantage through their core competence. Scholars had earlier stressed the need for effective and efficient reporting system since it involves practices that keep a business competitive while achieving predetermined goals and objectives thereby, enabling an organization's ability to accomplish the success of today without compromising the needs of the future and by extension fulfilling the going concern theory and concept (Boudreau & Ramstad, 2005).

Miles (2021) noted that 'stakeholders' interest may be based on power, legitimacy or urgency, proximity or frequency of contact, derived from resource dependency of invested resources, ownership or fiduciary duty, sacrifice made or recognition that the stakeholder has something to lose, but may also be based on concern, beneficence, a duty of care, obligation, responsibility, fairness, because the stakeholder interest is held to have intrinsic value as determined by managerial values spiritualism, symbolism or organizational culture'

Over the years the quality of reporting has received global and heightened concern as a result of the role it plays in allowing users of financial statements make economic decisions which to a very large extent talks about the soundness and healthiness of a business firm or organization. But these statements have been lacking in quality which hampers the decision made and its outcome for the public to use and reduces investors' confidence. In the contemporary business world, the role of accounting information in making or marring a business cannot be over-emphasized. Accounting is generally attributed to collecting, recording, analyzing and interpreting all transactions of a firm (Lawal, 2019).Accounting must be understood as a system of information that measures the activity of a firm and processes this information in such a way that it is easily communicated to and understood by the final users (Lawal, 2019).Ford (2019) pointed to the fact that most accounting institutions especially in developing economies are subjected to quality reporting which have adversely affected their goals actualization, stakeholder loyalty, growth and survival as well as institutional corporate social responsibility and corporate image towards the public.

Vasarhelyi (2018) argued that advanced disruptive technologies in accounting such as robotic process automation, artificial intelligence, block chain, smart contracts, and advanced analytics have reshaped existing business models and facilitated the emergence of new approach to the field of accounting which is geared towards improving the quality of reporting thereby increasing the confidence of investors.Singh (2020) stated that advance information technology in accounting like artificial intelligence, robotic technology, cloud accounting, block chain technology, and quick book technology have been recognized, used and depended upon in the developed countries within accounting profession as a whole to make the reporting system of international standards as a bench mark with other countries.

Without quality accounting information system, there will be no quality accounting information. Susanto (2018) said accounting information system is an integration of hardware, software brain ware, procedures, telecommunication network and an integrated data base. Accounting information system has an important function in the organization, are as leverage to improve the effectiveness and efficiency of operations and to support managerial activities including management decision making. Accounting information systems is used as a management tool in controlling the short-term and long term, so the existence of these information resources making corporate executives gain a strategic, tactical excellence and operational excellence (Gelinas, Dull, Wheeler & Hill, 2017). Accounting information will be used in the decision-making process for the user both for internal management and external management and it is produced by the accounting information system (Susanto, 2018).
The main objective of this paper was to examine the relationship between quality of corporate reporting and stakeholder's interest with its specific objectives to:

i. Determine the effect of corporate reporting on creditors interest in listed companies

ii. Assess the effect of corporate reporting on employees' interest in listed companies

Hypothesis

Ho_1: there is no significant effect of corporate reporting on creditor's interest in listed companies
Ho_2: there is no significant effect of corporate reporting on creditor's interest in listed companies

2. Literature Review

2.1 Conceptual Review

Stakeholder Interest

Stakeholders are known, identified, and defined by their interests in a business firm and this has nothing to do whether or not the firm has corresponding interests (Donaldson & Preston, 1995). There is no stakeholder and consequently management without interests. Stakeholders have a stake in the firm; thus the word *stake* could be described as a claim, interest, right, contract, bond, title, agreement, commitment, risk, personal or institutional goal (Miles, 2017). In this study, interest would be used interchangeably with stake.

Miles (2017) noted that 'the interest may be based on power, legitimacy or urgency, proximity or frequency of contact, derived from resource dependency of invested resources, ownership or fiduciary duty, sacrifice made or recognition that the stakeholder has something to lose, but may also be based on concern, beneficence, a duty of care, obligation, responsibility, fairness, because the stakeholder interest is held to have intrinsic value as determined by managerial values spiritualism, symbolism or organizational culture'. The interests of stakeholders are often obvious, and any claim of ambiguity would only be an excuse on the part of the reporting firms. In the same manner, stakeholders measure their protection based on the extent to which their interests are met. The company interest is often centered on its capacity to have assets to fund its activities and satisfy the diverse need of stakeholders. The financial providers (shareholders and creditors) are interested in financial return, financial stability, and sustainable business practices. Employees expect growth and development with conducive working environment and corporate responsibility. Consumers look forward to responsible, quality service and after-service (Singh & Hanafi, 2020).

Quality of Corporate Reporting

Quality means the ability of a product to meet or exceed customer expectations (Stair & Reynolds, 2010). Quality is a fit between the required specifications compared to specifications used by a company. Quality information is used by users to plan, control, and operate the company. Quality accounting information is information that can help users to perform the expected action (Hall, 2011). In addition to the integrated or a solid organization, quality information will improve the quality of managers understanding on the organization to see the changes that occur both within and outside the organization, so that the managers will quickly and accurately respond to the changes. Users need quality information because it will increase the value of the decision to be taken by the company (O'Brien &Marakas, 2011).

Investors as external users will not trust accounting information with poor quality, and this makes investors allocate their funds to other investments. The quality of accounting information is used to help users for making useful decisions. Therefore, the quality of accounting information of course is needed by investors to create an efficient market. The quality of accounting information system is influenced by information technology, business strategy, and organizational culture (Kwarteng &Aveh 2018).

LadanShagari, Abdullah, and Mat Saat (2017) stated that the effectiveness of the use of information system requires an understanding of the organization, management, and information technology. Information system and technology are essential components of organization's business success. The success of an information system should also be measured by the effectiveness of information technology in supporting the organization's business strategy (DeLone, & McLean, 2016). In addition, information system and technology are business tools used by companies to find, save, and change the information.

Relevance

The conceptual framework for financial reporting describes relevance of financial reports in terms of its predictive and confirmatory values (IASB, 2010). If accounting information is to be valuable, it must be capable of influencing or making a difference in the decisions made by users. A financial report may possess either predictive or confirmatory value or both. The predictive value of a financial report is found in its ability to aid the processes used by users to predict future outcomes, while confirmatory value of a financial report is found in its ability to confirm previous evaluations (Enyi, Adegbie, Salawu&Odesanya 2019).

Erin, Olojede and Ogundele (2017) asserted that the relevance of accounting information lies in its power to effectively predict the decision of investors on investment issues. Accounting information is relevant in determining the value of share prices and subsequently relevant in decision making in the capital market (Sutopo, Kot, Adiati&Ardila, 2018).

Faithful Representation

According to Eugster and Wagnar (2020), information presented in the financial statements should faithfully represent the transaction and events that occurred during a period. Faithful representation requires that transactions and events should be accounted for in a manner that represents their true economic substance rather than the mere legal form.

Faithful representation is the concept that financial statements are produced accurately and reflect the condition of a business. The faithful representation concept should extend to all parts of the financial statements, including the results of operations, financial position, and cash flows of the reporting entity.

Financial statements that faithfully represent these aspects of a business should have the following three attributes according to Ahmed and Rebwar (2019).

Complete: All of the information that a user needs in order to form a clear picture of the results, financial position, and cash flows of a business are included in the financial statements. This also means that no information is omitted that might have led a user to have a different opinion of the business.

Error free: The financial statements should contain no errors, so that the information contained within them presents a fair view of the organization. If there is a continuing series of "errors" that tend to bias the results of the financial statements in a certain direction, this may be considered a case of financial reporting fraud.

Unbiased: The financial statements represent the actual state of an organization, without trying to amplify its results unnecessarily or make them look worse than they really are. For example, biased financial statements could be used to give an overly optimistic view of a business in order to encourage a prospective buyer to pay a higher price for it. Conversely, financial statements could be made to look worse in order to reduce its related income tax liability.

Timeliness

Timeliness is how quickly information is available to users of accounting information. The less timely (thus resulting in older information), the less useful information is for decision-making. Timeliness matters for accounting information because it competes with other information. For example, if a company issues its financial statements a year after its accounting period, users of financial statements would find it difficult to determine how well the company is doing in the present. Timely financial information helps to improve the weaknesses found during last accounting period and set strategies for future strengths, because financial accounting reports on what has happened. Financial information is relevant when it is presented on time and influences decision making process, otherwise it loses its quality of being relevant.

Van-Uytbergen (2018) in his study opined that small and medium enterprises report late and do not meet the legal reporting time. This affects their performance and even quality due to monetary sanctions which are used to improve their level of timely reporting deadlines. Also company's size and external audit services requirement affects positively the timeliness quality of reporting entities. It was also discovered that late financial reporting shows the lower financial reports quality. Again, meeting the financial reporting lag can be achieved through the adoption of accounting software that enhances the speed in recording, classifying, summarizing and publishing the annual reports and enhances efficiency of generation of financial statements and improves efficiency in auditing services and reduces cost of financial information disclosure (Johnston & Zhang, 2018).

2.2 Theoretical Review

Agency Theory

The Agency theory was popularized by Jensen and Meckling (1976). The theory is based on the relationship between the principal (shareholder) and the agent (managers). The separation of ownership from management and control in modern day business corporations provides the basis for the function of agency theory. This separation provides the opportunity for an agent (manager) to be appointed to manage the daily operations of the company. This relationship however, creates the potentials for conflicts of interests between the agent and principal, and requires monitoring costs associated with resolving these conflicts (Jensen &Meckling, 1976).

Agency theory assumes that managers are motivated by their personal gains and work to exploit their personal interest and not the interest of the shareholders. Managers for instance may be interested in buying lavish offices, company cars and other extravagant items, since the cost of these items is not borne by them (managers) but the owners (shareholders). The main problem of agency theory is how to align the conflicting interests of the managers with the interests of shareholders. Consequently, when managers have incentives to manage earnings such as to meet or beat earnings target and performance-based compensation, they manipulate the company's reported earnings. This manipulation reduces the relevance and reliability of reported accounting earnings and financial statements generally. Agency theory therefore suggests monitoring mechanisms such as high-quality audit to reduce these conflicts and align the interests of managers with the shareholders' interests. The self-seeking interest of managers therefore, increases costs to the firm such as costs of contract formation, loss due to decisions taken by the agents and the costs of observing and controlling the actions of the agents

Stakeholders' Theory

This theory was popularized by Freeman (1984) and it postulates that the going concern and sustainability of businesses and their interests hinge on the effective relationships with stakeholders. The theory believed that it would be in the best interests of business firms to consider and tailor their strategies and operations towards stakeholders and their interests. It assumes that shared value is created for all constituents of the firm, while corporate purpose and strategy drive this value (Narbel& Muff, 2017). Friedman's (1972) shareholder view of business is believed to be a narrow definition of stakeholder. However, adopting the expanded definition to include anyone affected or being affected by a firm's activities (Freeman, 1984) goes beyond economic consideration but is being mindful of the powers of stakeholders and the need for firms to seek their approval while adjusting or adapting their activities in this direction.

Both shareholder and stakeholder theories are capitalist-oriented, but their focus is different. Stakeholder theory adopts both capitalism and management perspectives and focuses on stakeholder management as an organization's response to social interests and meeting the corporate purpose (Gray et al., 1997; Ullmann, 1985). The above underscores the assumption of organizational management in stakeholder theory. Freeman's (1984) stakeholder theory goes further to cover ethics and considers stakeholder management as a right thing to do. Business ethics (morals and values) serves as both a reason as well as a guidepost for stakeholder management and ultimately organizational management. Thus, stakeholder theory incorporates shared value generation and integrates ethics and sustainability into the economic perspective of capitalism (Deegan, 2014; Freeman, Harrison, Wicks, Parmar, & De Colle, 2010).

Donaldson and Preston (1995) adopted two approaches to stakeholder theory: instrumental and normative. Narbel and Muff (2017) are of the opinion that these two approaches are the basic reasons why business firms adopt stakeholder management. Instrumental stakeholder theory views stakeholder management as a means to enhance the firm's financial performance (Benson & Davidson, 2010). On the other hand, normative approach believes that stakeholder interests and management have intrinsic value (Donaldson & Preston, 1995).

2.3 Empirical Review

Okaro, Okafor, and Nnabuife (2019) investigated the sustainability reporting practices of Nigerian companies and made a case for a transition to integrated reporting (IR). Content analysis of annual reports of sampled companies was made and this was supplemented with focus group discussion. Focused on governance, labour and environment, the study showed that high, moderate, and low disclosures, respectively. The study concluded that the introduction of IR would enhance the global competitiveness of Nigerian companies, but a gradual approach was recommended.

Udofia, Fagboro, and Adeyemi (2020) studied 90 quoted Nigeria companies from 2013-2017 and considered their readiness towards adoption of integrated reporting in Nigeria. The study used content analysis based on disclosure index developed. It was found that Nigerian listed companies' reports comply with about 75% of the IR framework requirements. The most compliant companies were in the financial sector, followed by manufacturing, extractive, and other sectors. The least disclosed IR content element in all the sectors was performance.

Adegboyegun, Alade, Ben-Caleb, Ademola, Eluyela&Oladipo (2020) constructed an index on integrated reporting disclosures to determine the effect of such disclosures on performance (profit after tax) of 13 Nigerian banks between 2009 and 2018. The study found out that IR has no significant impact on corporate performance in the short run, it has a significant relationship with firm performance in the long run. Eugster and Wagner (2020) attempted to empirically ascertain whether better disclosure quality and value reporting could contribute to better operating performance. The study used a 10-year panel of Swiss firms' yearly index of value reporting quality and future operating performance measured by residual income, ROA, and ROE. It was found out that firms with better value reporting quality deliver better future operating performance and obtain greater economic value added. They also exhibit higher valuation ratios.

Olusanjo, Adegbie, &Akintoye (2019) employed a survey research design to understand effect of integrated reporting practices on improved stakeholders' relationship in Nigerian quoted manufacturing companies. The study revealed that integrated reporting practices had significant effect on improved stakeholders' relationship.

Melegy and Alain (2020) carried a study on the effect of integrated reporting quality on firm value and the predictive power of accounting information. The study used content analysis to generate data on companies listed in the Egyptian Stock Exchange from 2015 to 2018. The results indicate that the quality disclosure of integrated business report leads to increase accounting conservatism and share prices, whereas the earlier leads to decrease in discretionary accruals.

However, some of the results in the above studies were in agreement as it relates to corporate reporting and stakeholders interest. While some were in disagreement as to the level of stakeholders' interest not properly put in place. Also the results of this study was also in conformity with previous studies as it relates to stakeholders' interest being put in place in their corporate governance structure and codes.

3.0 Methodology

The *ex - post facto* research design was adopted making use of data from the Nigerian Exchange Group (NXG). The period covered 10years (2012 – 2021).

The population of the study comprised 35 companies that are listed. The study adopted the purposive sampling technique making use of 10 of them. The model is as specified below:

$Y=f(X)$
Where Y = Dependent Variable represented by Stakeholders Interest
y_1 = CreditorsInterest (CI)
y_2 = Employees Interest (EI)
X = Independent Variable represented by Quality Corporate Reporting
x_1 = Relevance (REL)
x_2 = Faithful Representation (FR)
x_3 = Timeliness (TL)
β_1, β_3= Model Coefficient and parameter estimates
e_{it}= Error term
$CI_{it} = \beta_0 + \beta_1 REL_{it} + \beta_2 FR_{it} + \beta_3 TL_{it} + e_{it}$..........................H_{01}
$EI_{it} = \beta_0 + \beta_1 REL_{it} + \beta_2 FR_{it} + \beta_3 TL_{it} + e_{it}$..........................H_{02}

4.0 Results, Analysis and Interpretation

Descriptive Statistics

Variables	Mean	Std. Deviation	Minimum	Maximum
REL	0.83	0.26	0.1	1.35
FR	1.20	1.37	0.23	6.56
TL	0.05	0.17	0.3	1.06

Source: Researcher's Computation (2023)

The table shows the summary of the statistics of all the variables from the listed companies under study. REL has a mean value of 0.83 and standard deviation of 0.26. The standard deviation measures the degree of dispersion from the mean and shows the level of volatility which is 0.26 in REL. This is further seen in the difference in minimum value (0.1) and maximum value (1.35) which is 1.25.

FR has a mean of 1.20 as well as a standard deviation of 1.37 showing no much dispersion in the series as compared to REL. This is further seen in the difference in minimum value (0.23) and maximum value (6.56) which is 6.33.

TL has a mean of 0.05 as well as a standard deviation of 0.17 showing much dispersion in the series as compared to FR This is further seen in the difference in minimum value (0.3) and maximum value (1.06) which is 0.76.

Pre-estimation Tests

In order to ascertain the appropriateness of the data used, the series were tested for multicollinearity using the Variance Inflation Factor (VIF) and correlation matrix tests. The VIF results reveal the presence or absence of multicollinearity through the mean value but does not reveals the degree of association among the variables in order to identify the variables affected. However, the correlation matrix reveals the magnitude of the associations among the variables under study.

Variance Inflation Factor (VIF) Test Result

Variables	VIF	1/VIF
REL	1.09	0.917431
FR	1.06	0.943396
TL	1.15	0.869565
Mean VIF	1.10	0.910131

Source: Researcher's Computation (2023)

The results show the mean VIF to be 1.10 which is below the threshold of 5 and signifies the absence of multicollinearity problems among the variables data series.

Pearson Correlation Matrix Test

	REL	FR	TL
REL	1	0.0971	-0.1026
FR	0.0971	1	-0.0443
TL	-0.1026	-0.0443	1

Source: Researcher's Study (2023)

REL is positively but weakly associated with FR and TL

Hypothesis One: Hypothesis One: Quality of Corporate Reporting and Creditors Interest

	MODEL ONE			
Dependent Variable: CI				
Variable	Coeff	Std.Err	t-test	Prob
Constant	0.1621	0.0808	2.01	0.076
REL	0.0834	0.0785	1.72	0.000
FR	0.0785	0.0128	6.09	0.000
TL	0.0685	0.0125	4.08	0.001
Adj. R^2	0.653			
F-Stat	$F_{(2, 97)} = 48.60$			
Probability of F-Stat	0.0000			
Hausman Test	$chi^2_{(3)} = 0.90(0.8255)$			
Breusch Pagan LM	$chi^2_{(1)} = 235.37\ (0.000)$			
Testpram	-			
Heteroskedasticity Test	$chi^2_{(1)} = 8.73\ (0.0031)$			
Pesaran Test	$chi^2_{(1)} = 4.492\ (0.0000)$			
Serial Auto-Correlation Test	$F_{(1, 15)} = 0.033(0.8584)$			

Source: Researcher's Computation (2023)

$CI_{it} = \alpha_1 + \beta_1 REL_{it} + \beta_2 FR_{it} + \beta_3 TL_{it} + \mu_{it}$
$CI_{it} = 0.1621 + 0.0834REL_{it} + 0.0785_{it} + 0.0685TL_{it}$
T-test = 2.01 1.72 6.09 4.08

Interpretation

From the results, there is evidence that Relevance, Faithful Representation and Timeliness have positive relationship with Creditors Interest. This implies that both variables are a significant factor influencing changes in Creditors Interest of listed firms in Nigeria.

The parameter estimates show a positive significant value judging from their values (REL, 0.0834, P < 0.05; REL, 0.0785 and TL, 0.0685, P < 0.05) respectively. Thus, the study concluded that there is a significant effect of Quality of Corporate Reporting on Stakeholders Interest of listed firms in Nigeria.

The Adjusted R^2 which measure the proportion of the changes in Creditors Interestis as a result of changes in Relevance, Faithful Representation and Timeliness which explains about 65 per cent changes in Creditors Interest, while the remaining 35 per cent were other factors but were not captured in the model.

Decision Rule

The Wald-test Statistic of 48.6 with a probability value of 0.000 is significant at 5 per cent level of significance. This implies that the null hypothesis (that there is no significant effect of Quality of Corporate Reporting on Creditors Interest) was rejected and the alternative hypothesis (that there is a significant effect of Quality of Corporate Reporting on Creditors Interest) was accepted.

Hypothesis Two: Quality of Corporate Reporting and Employees Interest

	MODEL TWO			
Dependent Variable: EI				
Variable	Coeff	Std.Err	t-test	Prob
Constant	0.6021	0.2453	2.45	0.037
REL	0.7013	0.2369	2.96	0.016

FR	2.106	0.3428	6.14	0.000
TL	1.206	0.2317	3.14	0.002
Adj. R^2	0.733			
F-Stat	$F_{(2,97)} = 40.81$			
Probability of F-Stat	0.000			
Hausman Test	$chi^2_{(3)} = 22.10(0.0001)$			
Heteroskedasticity Test	$chi^2_{(16)} = 423.73(0.0000)$			
Pesaran Test	$chi^2_{(1)} = 5.823(0.0000)$			
Serial Auto-Correlation Test	$F_{(1, 15)} = 4.842(0.0439)$			
Breusch Pagan LM	-			
Testpram	$F_{(2, 99)} = 3.97(0.0002)$			

Source: Researchers Computation (2023)

$EI_{it} = \alpha_1 + \beta_1 REL_{it} + \beta_2 FR_{it} + \beta_3 TL_{it} + \mu_{it}$

$EI_{it} = 0.6021 + 0.7013REL_{it} + 2.106FR_{it} + 1.206TL_{it}$

T-test = 2.45 2.96 6.14 3.14

Interpretation

From the results, there is evidence that Relevance, Faithful Representation and Timeliness have positive relationship with Creditors Interest. This implies that both variables are a significant factor influencing changes in Employees Interest of listed firms in Nigeria.

The parameter estimates show a positive significant value judging from their values (REL, 0.7013, $P < 0.05$; REL, 2.106 and TL, 1.206, $P < 0.05$) respectively. Thus, the study concludes that there is a significant difference between Quality of Corporate Reporting and Stakeholders Interest of listed firms in Nigeria.

The Adjusted R^2 which measure the proportion of the changes in Employees Interest is as a result of changes in Relevance, Faithful Representation and Timeliness which explains about 73 per cent changes in Employees Interest, while the remaining 27 per cent were other factors but were not captured in the model.

Decision Rule

The Wald-test Statistic of 40.81 with a probability value of 0.000 is significant at 5 per cent level of significance. This implies that the null hypothesis (that there is no significant effect between Quality of Corporate Reporting and Employees Interest) was rejected and the alternative hypothesis (that there is a significant effect between Quality of Corporate Reporting and Employees Interest) was accepted.

Discussion of Findings

The findings showed that a positive and significant influence exists between Quality of Corporate Reporting and Creditors Interest. This supported the report of Balsam, Krishnan and Cheong *et al* (2019) to give a significant but positive relationship between Quality of Corporate Reporting and Stakeholders Interest. However, the study of Gul *et al* (2019) found a significant relationship between Quality of Corporate Reporting and Creditors Interest. Okoli (2019) conducted a research using Relevance and Faithful Representation and found out that it increases the interest of stakeholders which is reflected in this study that shows that Quality of Corporate Reporting has an impact on the interest of stakeholders because the reports are perceived to be prepared timely and represents the real economic reality of the entity. Mensah (2020) also disagrees with this study that Quality of Corporate Reporting does not have an impact on Stakeholders interest in their study which showed a positive but insignificant relationship Employees interest which is line with Olthof (2017).

5.0 Conclusion

From the results of the study it was however concluded that Quality corporate reporting as measured with Relevance (REL), Faithful Representation (FR) and Timeliness (TL) had significant relationship with Stakeholders interest measured with Creditors Interest (CI) and Employees Interest (EI). For hypothesis one the study had a significant effect with Creditors interest while for hypothesis two it also had a significant effect with Employees Interest.

6.0 Recommendations

Based on the results obtained ascertaining the relationship between Quality of corporate reporting and Stakeholders interest, it was recommended that owners and management of businesses must ensure that a mechanism and a structure is put in place to ensure that reports prepared are of high quality that will meet the needs of the stakeholders.

7.0 Contribution to Future research

Conceptually, this study has contributed through extant literature using the various measurements of Quality of Corporate Reporting and stakeholders' interest that has provided an empirical and theoretical relationship between the variables under study.

In terms of methodology going by the econometric model adopted that has given rise to the empirical findings and discussion.

It has further laid credence to the agency and stakeholders' theory because creditors are stakeholders of organizations who expect to get a maximum return from their investments decisions which is conditioned on inferences arrived from the financial statements which brings about economic reality and the more expectations of the investors being met by the real and actual reality.

Finally, to accounting practice and researchers who will be able to know the importance of quality reports that will help in assisting and protecting their interest as stakeholders.

References

1. Abe, P. O., Adegbie, F. F., &Ajayi-Owoeye, A.E. (2020). IFRS disclosures and protection of shareholders' interests in Nigerian quoted firms. *European Journal of Business and Management Research, 5*(5), 1-10.
2. Ahmed, Y. A., &Rebwar, M. A. (2019).The Impact of Accounting Information Systems Quality on Accounting Information Quality.*Conference Paper.*
3. Al-Zoubi, M. (2017). The effect of cloud computing on elements of accounting information system Journal of *Management and Business Research, 17*(3), 1-8.
4. Asikhia, O. A., Magaji, N., &Muritala, A. S. (2019). Technological Intelligence and organisational Performance: Moderating role of process innovation. *Open Journal of Economics and Commerce, 2*(1)*, 25-31.*
5. Boudreau, J., & Ramstad, P. (2005).Talentship, talent segmentation, and sustainability: A new HR decision science paradigm for a new strategy definition. *Human Resource Management*, *44*(2), 129–136.
6. Buyya, R., Yeo, C., Venugopal, S., Broberg, J., &Brandic, I. (2009). Cloud computing and emerging IT platforms: Vision, hype, and reality for delivering computing as the 5th utility. *Future Generation Computer Systems 25*(6), 599-616.
7. Chishakwe, D.B., &Smith, W. (2012).An analysis of the impact of disruptive technology on the success of small and medium enterprises (SMEs) in a developing nation.A case of King Williams Town.*Journal of Business Management,6*(36), 50-60.
8. Christensen, C. M., & Bower, J. L. (1995). Disruptive technologies: Catching the wave. Harvard Business Review, 1, 43-53.
9. DeLone, W. H., & McLean, E. R. (2016).Information systems success measurement. *Foundations and Trends® in Information Systems*, *2*(1), 1-116.
10. Enyi, P. E., Adegbie, F. F., Salawu, R. O. &Odesanya, O. S. (2019).Ethical Principles and Faithful Representation of Financial Reports of Quoted Companies in Nigeria.*International Journal of Business and*

Management Review, 7(3), 1-10.
11. Erin, O., Oloyede, P.&Ogundele, O. (2017). Value relevance of accounting data in the pre and post IFRS era: Evidence from Nigeria. *International Journal of Finance and Accounting*, 6(4), 95-103
12. Eugster.F., & Wagner, A. F. (2020).Value Reporting and Firm Performance.*Journal of International Accounting, Auditing and Taxation, 40*
13. Hall, James A. (2011).Accounting Information System.7th Edition: South-Western Publishing Co.
14. Kwarteng, A., &Aveh, F. (2018).Empirical examination of organizational culture on accounting information system and corporate performance. *Meditari Accountancy Research*.
15. LadanShagari, S., Abdullah, A., & Mat Saat, R. (2017).Accounting information systems effectiveness: Evidence from the Nigerian banking sector. *Interdisciplinary Journal of Information, Knowledge, and Management*, *12*, 309-335.
16. Lawal, A. B. (2019).Accounting Information and Managerial Decision Making in the Manufacturing Industry in Nigeria. *Advances in Social Sciences Research Journal*, *6*(9), 143-155.
17. Miles, S. (2021). Stakeholder theory classification: A theoretical and empirical evaluation of definitions. *Journal of Business Ethics*, 1-23, doi:10.1007/s10551-015-2741
18. Lui, K.A. (2019). *The impact of disruptive information technology innovations and firm performance: The case of RFID adoption and its implications in fashion and textiles industries*. Ph.D Thesis, Hong Kong Polytechnic University.
19. Odhong, E. A., & Were, S. (2013). *Human capital management as a tool for value creation*.Proceedings of First SHRD Annual Research Conference, 12th and 13th September, Nairobi, Jomo Kenyatta University of Agriculture and Technology main campus.
20. Odoh, L.C., Echefu, U.B., &Chukwuani, N.V. (2019). Effect of artificial intelligence on the performance of accounting operations among accounting firms in South East Nigeria*Asian Journal of Economics, Business and Accounting, 7*(2), 1-11.
21. Pyke, J. (2009). Now is the time to take the cloud seriously. Available at:www.cordys.com/cordyscms_sites/objects
22. Rogers. E. M. (1976). *Diffusion of innovations* (4th ed). New York: Free
23. Seseni, L., &Mbohwa, C. (2019).*The implications of Artificial Intelligence on Soweto Furniture Manufacturing SMEs*.Proceedings of the International Conference on Industrial Engineering and Operations Management Washington DC, USA.
24. Singh, D. S. M., & Hanafi, N. B. (2020).Disruptive technology and SMEs performance in Malaysia.*International Journal of Academic Research in Business and Social Sciences, 9*(12), 136–148.
25. Stair, Ralph M. &George W. Reynolds. (2010).Principles Of Information Systems, Course Technology. 9th Editions. NY: Mc-Graw-Hill
26. Steckel, A.J. (2011). An analysis of quickbooks internal control utilization University of Northern Iowa.business automation: Developing an ethical framework. *Business Horizons, 61*(6), 823-832.
27. Susanto, A. (2016). The effect of internal control on accounting information system. *International Business Management*, *10*(23), 5523-5529
28. Sutopo, B., Kots, S., Adiati, A. &Ardila, L. (2018). Sustainability reporting and value relevence of financial statements.doi:10.3390/10030678.
29. Van Rijmenam, M. & Ryan, P. (2018).*Blockchain: Transforming your business and our world* (1st ed.). London, UK: Routledge
30. Windel, A.C. (2007). *The impact of disruptive technologies on designated organisations within the IT industry in South Africa*.M.Sc Mini Dissertation by Technology University of Pretoria

