INTERNATIONAL REVIEW OF FINANCIAL STUDIES | IROFS
Vol 2, Issue 3; June, 2025 / visit: https://journals.unizik.edu.ng/irofs

EFFECT OF SOCIAL, HUMAN AND INTELLECTUAL CAPITAL DISCLOSURES ON MARKET CAPITALIZATION OF LISTED COMPANIES ON THE NIGERIAN EXCHANGE GROUP

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ABSTRACT
The study sought to determine the effect of social, human and intellectual capital disclosure on market capitalization of listed companies on Nigerian Exchange Group. The study was specifically to ascertain the effect of social capital disclosure, human capital disclosure and intellectual capital disclosure on market capitalization of listed companies on Nigerian Exchange Group. The research design adopted for this study was ex post facto research design. The population of the study was made up of one hundred and fifty-eight (158) companies listed on the Nigerian Exchange Group as at 31st December 2023. The study used purposive sampling technique to select the sample size of one hundred and sixteen (116) listed companies. The tool used for analysis was ordinary least square regression. Apart from intellectual capital disclosure, the social capital disclosure and human capital disclosure had significant effect on market capitalization of listed companies on Nigerian Exchange Group. The study recommended among others that since human capital disclosure had a significant effect on market capitalization, therefore; the policymakers should encourage initiatives that promote employees' development, diversity, inclusion and disclose information about their human capital practices. Since the finding showed also that social capital disclosures had significant effect on market capitalization, it is recommended that management should continue to encourage organization's value and culture that will promote positive staff-to-staff relationship, management-to- staff relationship, organization-to-community relationship as well as organization-to-stakeholders relationship. In-as-much-as intellectual capital disclosure did not have any significant effect on market capitalization, the study recommended that policymakers assess if current disclosure requirements effectively captured intellectual capital's value. Management should continue to manage and develop intellectual capital disclosure, even if market capitalization is not directly impacted.

Key words: *Human Capital, Intellectual Capital, Investment, Market Capitalization, Social Capital.*

CITE AS: Ofurum, E.I., Okoye, E.I. & Adeniyi, S.I. (2025). Effect of social, human and intellectual capital disclosures on market capitalization of listed companies on the Nigerian Exchange Group, *International Review of Financial Studies*, 2(3), 151 - 171. Available: https://journals.unizik.edu.ng/irofs

INTRODUCTION

In today's globalized and knowledge-driven economy, intangible assets have increasingly become pivotal to a company's value and competitive advantage, (Barth et al., 2023). Among these intangible resources, social, human, and intellectual capital play a critical role in shaping strategic outcomes, fostering innovation, and driving sustainable growth. As traditional financial indicators become less sufficient in fully capturing a firm's potential, the disclosure of non-financial information, particularly in the form of intellectual capital, has gained prominence in corporate reporting, (Cozma et al., 2022). Intellectual capital comprises three key components: human capital (the knowledge, skills, and expertise of employees), structural capital (organizational systems, processes, and intellectual property), and relational or social capital (relationships with stakeholders, brand reputation, and customer loyalty). These elements not only contribute to internal value creation but also influence how investors perceive the long-term viability and market worth of a company (De Jong et al. 2021).

In the context of Nigeria, the increasing demand for transparency and corporate accountability has intensified the focus on voluntary disclosures, including those related to intellectual capital. However, despite the growing interest in non-financial reporting, there remains limited empirical evidence on how these disclosures impact firm valuation, particularly market capitalization, within the Nigerian Exchange Group (NGX). Given the strategic importance of intangible assets in emerging markets, this gap presents a significant opportunity for investigation (Kundu, 2021). In the contemporary global economy, intangible assets—particularly social, human, and intellectual capital—have become critical components of corporate value. These forms of capital contribute significantly to innovation, competitive advantage, and long-term sustainability. However, traditional financial statements often fail to capture the full value of these intangible resources, prompting an increasing call for their disclosure in corporate reports. In Nigeria, while some progress has been made in non-financial reporting, the disclosure of social, human, and intellectual capital remains largely voluntary, fragmented, and inconsistent across companies listed on the Nigerian Exchange Group (NGX). The absence of standardized disclosure frameworks has created ambiguity regarding the relevance and impact of such information on investors' decisions and overall market valuation. Despite the growing recognition of the importance of intellectual capital in firm valuation, empirical evidence linking these disclosures to market capitalization in the Nigerian context remains limited. Existing studies have primarily focused on developed markets or financial performance indicators, leaving a significant gap in

understanding how social, human, and intellectual capital disclosures influence firm value as perceived by the capital market.

Critical questions such as to what extent did disclosures of social, human, and intellectual capital affect the market capitalization of companies listed on the Nigerian Exchange Group? are deserving appropriate attention. Without clear answers, companies may underreport strategically valuable information, and investors may misjudge the long-term value of firms, leading to inefficiencies in the capital market. This study, therefore, seeks to examine the effect of social, human, and intellectual capital disclosures on the market capitalization of companies listed on the Nigerian Exchange Group**.** Specifically, it aims to determine whether greater transparency in these areas is associated with higher market valuation, and if so, which dimensions of intangible capital have the most significant influence. The findings are expected to contribute to the evolving discourse on corporate disclosure practices in Nigeria and provide insights for stakeholders—investors, regulators, and corporate managers—on the relevance of intellectual capital reporting in enhancing firm value.

Objectives

The main objective of the study strived to determine the effect of intangible reporting disclosure on market capitalization of listed companies on Nigerian Exchange Group. The specific objectives are to:

1. ascertain the effect of social capital disclosure on market capitalization of listed companies on Nigerian Exchange Group
2. determine the effect of human capital disclosure on market capitalization of listed companies on Nigerian Exchange Group.
3. ascertain the effect of intellectual capital disclosure on market capitalization of listed companies on Nigerian Exchange Group.

LITERATURE REVIEW

Market Capitalization

Market capitalization is "the total value of the outstanding shares of a publicly traded company. It is calculated by multiplying the current market price per share by the total number of outstanding shares (Cosma et al., 2020). For Cheng et al. (2024), Market capitalization refers to "the total value of a company's outstanding shares of stock, calculated by multiplying the current stock price by the total number of shares outstanding." While for (Brigham & Joel, 2016), it is "the total dollar market value of all of a company's outstanding shares and it is

calculated by multiplying the number of outstanding shares by the current market price of one share."

The investment community uses market capitalization to determine a company's size instead of sales or total asset figures. In an acquisition, the market cap is used to determine whether a firm represents a good value or not to the acquirer. Market capitalization refers to how much a company is worth as determined by the stock market (Ross, 2016). For Graham and Honk (2010), market capitalization is often used to determine a company's size, and then evaluate the company's financial performance to other companies of various sizes. In investing, companies with larger market capitalization are often safer investments as they represent more established companies with generally longer history in business (Deegan, 2021).

Types of Market Capitalization

Below are the commonly used standards for each capitalization.

i. **Mega Capitalization:** Mega-capitation companies are those with a market capitalization of 200 billion Naira or higher. They are the largest publicly traded companies by market value, and typically represent the leaders of a particular industry sector or market. A limited number of companies qualify for this category. For example, Dangote Cement Plc and Nigerian Breweries (Anyanwu & Emenike, 2010).

ii. **Large Capitalization:** Companies that are considered large-cap have a market capitalization between 10 billion NGN to 200 billion NGN. For example, MTN Nigeria and BUA Cement Company are large-capitalization stocks with market capitalization of 116 billion NGN and 99 billion NGN, respectively. Both mega and large-cap stocks are referred to as blue chips and are considered to be relatively stable and secure. However, there is no guarantee of these companies maintaining their stable valuations as all businesses are subject to market risks (Anyanwu & Emenike, 2010),

iii. **Mid-Capitalization:** Mid-capitation stocks range from 2 billion NGN to 10 billion NGN in market capitalization and this group of companies is considered to be more volatile than the large-capitalization and mega-capitalization companies. Growth stocks represent a significant portion of the mid-capitalization. Some of the companies may or may not be industry leaders, but they may be on their way to becoming one (Anyanwu & Emenike, 2010)

iv. **Small Capitalization:** Small-cap companies have a market cap between 300 million NGN to 2 billion NGN. While the bulk of this category is comprised of relatively young companies that may have promising growth potential, a few established old businesses

which may have lost value in recent times for a variety of reasons also figure in the list. One example is Dang Sugar Company and Transportation Corporations which have a market capitalization of 2 billion NGN. (Anyanwu & Emenike, 2010).

v. **Micro Capitalization:** Companies that are considered micro-capitalization consist mostly of penny stocks—this category denotes companies with market capitalizations between 50 million NGN to 300 million NGN. While the upward potential of such companies is high if they succeed, the downside potential is equally worse if they completely fail. Investments in such companies may not be for the faint-hearted and require more due diligence (Anyanwu & Emenike, 2010).

vi. **Nano Capitalization:** Nano Capitalizations are another high-risk, high-reward layer beyond the micro-caps. Nano-cap companies have market caps below 50 million NGN. Historical analysis reveals that mega- and large-capitalization often experience slower growth with lower risk, while small-capitalization have higher growth potential but come with higher risk. It is common to see companies making transitions from one category to the other depending upon the change in their market capitalization valuations regularly. Along with companies, other popular investments like mutual funds and exchange-traded funds (ETFs) are also categorized as small-capitalization, mid-capitalization, or large-capitalization. In the case of funds, the terms represent the types of stocks in which the fund primarily invests (Anyanwu & Emenike, 2010).

vii. **Diluted Market Capitalization:** A security's market capitalization may change over time due to the outstanding number of shares. This is especially prevalent in cryptocurrency where new tokens or coins are issued or minted frequently. Because new offerings theoretically thin the value of existing coins, tokens, or shares, a different market capitalization formula can be used to calculate what the potential market capitalization will be should all authorized shares or tokens be issued and still be worth the current trading price (Dyllick & Muff, 2016).

Integrated Reporting

A major factor that led to the birth of integrated reporting was the growing demand for more holistic and transparent corporate disclosures that go beyond traditional financial reporting. Stakeholders, including investors, regulators, and the public, began to recognize that financial information alone doesn't provide a full picture of an organization's performance or long-term sustainability. Therefore, integrated reporting is a process founded on integrated thinking for communicating how an organization's strategy, governance, performance and prospects lead

to the creation of value in the short, medium and long term (Joshi et al., 2018). The six pillars of integrated reporting include; financial, manufactured, intellectual, human, social and relationship, and natural. Across these six categories, all the forms of capital an organization uses should be considered.

Types of capital

Joshi et al. (2020) listed the following as types of capital:

i. Social capital,
ii. Relationship capital,
iii. Human capital,
iv. Manufacturing capital,
v. Natural capital,
vi. Intellectual capital,
vii. Financial capital.

But the study will be narrowed to three of the listed types of capital, which are, social capital, human capital and intellectual capital.

Social Capital Disclosure

Social capital disclosure refers to the process by which organizations communicate information about their relationships, networks, trust, and mutual obligations with stakeholders that contribute to the organization's ability to create value. Social capital encompasses the quality of relationships with customers, suppliers, communities, regulators, employees, and other stakeholders, as well as the organization's reputation and social license to operate (Joshi et al., 2021).

H_{01}: *Social capital disclosure do not have any significant effect on market capitalization*

Elements of Social Capital Disclosure

1. **Stakeholder Relationships** – Information on the nature and quality of interactions with key stakeholder groups such as customers, employees, communities, regulators, and NGOs.
2. **Reputation and Brand Value** – Disclosure of initiatives that build or protect the company's reputation, trust, and brand image.

3. **Community Engagement** – Reporting on social investment programs, corporate social responsibility (CSR) projects, and contributions to local communities.
4. **Customer Satisfaction and Loyalty** – Metrics and narratives on customer experience, service quality, and retention (Joshi et al., 2021).
5. **Regulatory and Legal Relationships** – Engagement with regulators and adherence to social, environmental, and ethical standards.
6. **Social Risk Management** – How the organization identifies and manages risks related to public perception, trust, and stakeholder relations. (Joshi et al., 2021).

Importance of Social Capital Disclosure

i. **Investor Confidence**: Provides investors with insights into intangible assets that can affect long-term profitability.
ii. **Reputation Management**: Helps maintain a positive image and trust among stakeholders.
iii. **Sustainability Reporting**: Supports integrated reporting frameworks such as the International Integrated Reporting Council (IIRC) model, which recognizes social capital as one of the six capitals (Joshi et al., 2021).
iv. **Stakeholder Engagement**: Strengthens accountability and transparency in business operations.

Reporting Standards and Guidelines

Social capital disclosure is often guided by frameworks such as:

i. **IIRC Integrated Reporting Framework** – Categorizes social capital as one of the six capitals (Joshi et al., 2021).
ii. **Global Reporting Initiative (GRI)** – Provides specific indicators for social and community-related disclosures.
iii. **Sustainability Accounting Standards Board (SASB)** – Identifies sector-specific social performance metrics.

In the modern business environment, where intangible assets play a significant role in value creation, social capital disclosure is becoming increasingly important. It allows organizations to communicate their commitment to building trust, fostering strong stakeholder relationships, and contributing positively to society, which in turn enhances long-term sustainability and competitiveness (Jensen et al. 2020).

Human Capital Disclosure

Human capital disclosure refers to the reporting of information on an organization's workforce, including employees' skills, competencies, experience, health, safety, motivation, and overall capacity to contribute to the organization's value creation (Abeywardana, 2024). Human capital is recognized as one of the key intangible assets in integrated reporting and sustainability reporting frameworks. The primary aim is to provide stakeholders—investors, regulators, employees, and the public—with transparent insights into how an organization develops, manages, and retains its workforce. Such disclosure highlights the organization's ability to generate future returns through the effective use of its human resources (Jensen et al. 2020).

H_{02}: *Human capital disclosure does not have any significant effect on market capitalization*

Key Elements of Human Capital Disclosure

i. **Workforce Composition** – Number of employees, diversity statistics, turnover rates, and employment types.
ii. **Skills and Competency Development** – Training programs, upskilling initiatives, and investment in employee development.
iii. **Employee Engagement and Motivation** – Surveys, retention strategies, and workplace culture initiatives.
iv. **Health, Safety, and Well-being** – Policies, occupational safety records, and wellness programs (Jensen et al. 2020).
v. **Remuneration and Benefits** – Pay structures, incentives, and equity-based compensation.
vi. **Leadership and Talent Management** – Succession planning and leadership development programs.

Importance of Human Capital Disclosure

i. **Investor Decision-Making**: Helps investors evaluate whether the organization has the talent base to sustain long-term growth (Abeywardana, 2024).
ii. **Regulatory Compliance**: Aligns with emerging requirements for workforce-related disclosures (e.g., SEC and EU directives).
iii. **Attracting and Retaining Talent**: Publicly demonstrating a strong human capital strategy can improve employer branding (Jensen et al. 2020).

iv. **Operational Resilience**: Transparent human capital reporting shows how the organization is prepared to handle changes and challenges in its workforce.

Reporting Standards and Guidelines

Human capital disclosure is often structured according to:

i. **IIRC Integrated Reporting Framework** – Identifies human capital as one of the six capitals (Jensen et al. 2020).
ii. **Global Reporting Initiative (GRI)** – Provides employee-related disclosure standards (GRI 401–GRI 405).
iii. **Sustainability Accounting Standards Board (SASB)** – Offers sector-specific workforce reporting guidelines.

Human capital is an essential driver of organizational success and competitive advantage. Disclosing human capital information enhances transparency, fosters stakeholder trust, and ensures accountability for workforce management practices (Abeywardana, 2024). In an era where intangible assets dominate corporate value, effective human capital disclosure is not only a compliance requirement but also a strategic necessity (Joshi et al., 2021).

Intellectual Capital Disclosure

Intellectual capital disclosure refers to the communication of information about an organization's intangible knowledge-based resources that contribute to value creation. Intellectual capital is typically divided into three components: human capital (knowledge, skills, and competencies of employees), structural capital **(**organizational processes, databases, intellectual property, and culture), and relational capital (relationships with customers, partners, and external stakeholders). The goal is to provide stakeholders with a deeper understanding of how an organization leverages its intangible assets to drive innovation, efficiency, and competitive advantage. By disclosing intellectual capital, companies demonstrate their capacity to sustain long-term performance beyond physical and financial assets (Dube, 2020).

H_{03}: *Intellectual capital disclosure does not have any significant effect on market capitalization*

Key Elements of Intellectual Capital Disclosure

1. **Human Capital** – Employee expertise, training programs, leadership quality, and talent retention strategies (Abeywardana, 2024).
2. **Structural Capital** – Patents, trademarks, proprietary systems, research and development activities, and organizational culture.
3. **Relational Capital** – Customer loyalty, supplier partnerships, brand reputation, and strategic alliances (Joshi et al., 2021).
4. **Innovation Capacity** – New product development, technological advancements, and process improvements.
5. **Knowledge Management** – Systems and practices for capturing, storing, and sharing knowledge internally.

Importance of Intellectual Capital Disclosure

i. **Investor Insight**: Enables investors to assess the sustainability of an organization's competitive advantage.
ii. **Transparency and Accountability**: Builds trust with stakeholders through clear communication of intangible value drivers (Abeywardana, 2024).
iii. **Strategic Planning**: Helps stakeholders evaluate innovation readiness and adaptability to market changes.
iv. **Market Valuation**: Addresses the gap between book value and market value by explaining intangible asset contributions.

Reporting Standards and Guidelines

Intellectual capital disclosure is often aligned with:

i. **IIRC Integrated Reporting Framework** – Recognizes intellectual capital as one of the six capitals.
ii. **Global Reporting Initiative (GRI)** – Contains elements related to innovation, R&D, and stakeholder relationships (Joshi et al., 2021).
iii. **OECD Guidelines** – Provide recommendations for knowledge-based asset reporting.

In today's knowledge-driven economy, intellectual capital is a key determinant of long-term organizational success. By disclosing intellectual capital information, companies not only comply with modern reporting expectations but also highlight their innovative capacity, competitive strengths, and future growth potential (Dube, 2020).

Integrated Reporting and Market Capitalization

When companies disclose social, human, and intellectual capital information, they reduce information asymmetry and build investor confidence in the firm's long-term prospects. Social capital disclosure enhances corporate reputation, strengthens stakeholder trust, and demonstrates a secure social licence to operate, which lowers reputational and regulatory risks. Human capital disclosure signals that the organization can attract, develop, and retain skilled, motivated employees, improving productivity, innovation, and operational resilience (Joshi et al., 2021). Intellectual capital disclosure highlights the firm's proprietary knowledge, innovation capabilities, and competitive advantages, assuring investors of sustainable differentiation in the market. Together, these disclosures communicate that the company possesses strong intangible assets capable of driving future earnings and mitigating risks. This improves investor sentiment, increases demand for the firm's shares, and often raises share prices, thereby expanding overall market capitalization (Dube, 2020).

Theoretical Review

Stakeholder Theory

According to Freeman (1984), stakeholders are groups or individual who are influenced or can influence corporate activities. The long run survival of the organization depends on its stakeholders' support and approval. The more power the stakeholders possess, the better the organizations' ability to meet their demand. According to Freeman (1984) the theory provides a means of connecting ethics and strategy which can help organizations who have the intention of serving the interests of all the stakeholders. Integrated reporting engenders the need for transparency and accountability, raising a growing interest in understanding how the economic system, ethics, and sustainability can serve all organization stakeholders, whether they are primary (capital providers) or not. The importance of the stakeholder engagement is essential when considering informational asymmetry, given that external stakeholders have limited means to monitor the agent's behaviour. For Schaltreger (2012), stakeholder trust in organizations occur not only through the issuance of standardized financial statements, but also in the face of diverse activities and interactions. Establishing relationships of trust and developing organizational communication refers to the idea of integrated thinking (IIRC,2015), which involves stakeholders in a mutually beneficial interaction. Therefore, the institutional relationship with stakeholders will lead to the process of incorporating relationship management (Freeman et al., 2010; Schaltegger, 2012)

Information Transparency Theory

The information transparency theory as propounded by a set of scholars in 1970 posits that increased transparency in a company's disclosures leads to more informed investment decisions by market participants. Integrated reporting, which provides a comprehensive view of a company's financial, environmental, social, and governance (ESG) performance, enhances transparency. Investors can use this additional information to better assess the company's long-term prospects, risk exposure, and sustainability practices. As a result, greater transparency can attract more investors, reduce uncertainty, and ultimately contribute to higher market capitalization for companies practicing integrated reporting. Greater transparency can attract more investors, reduce uncertainty, and ultimately increase market capitalization (Barth et al.,2023).

Voluntary Disclosure Theory

The voluntary disclosure theory was propounded by Michael Diamond and Donald Schwartz in 1983, which suggests that firms choose the extent and timing of their financial disclosure based on their own self-interest and perceived benefits, rather than solely in response to regulatory requirements. Since the implementation of integrated reporting is still voluntary in many domains, therefore, one may expect that the scope and quality will vary among the firms. In order to support integrated reporting disclosures, Voluntary Disclosure Theory (VDT) may be applied.

This study is anchored on the Stakeholder's theory, which posits that the primary responsibility of a company is to maximize profits for all stakeholders such as employees, creditors, government, suppliers, investors, communities/societies, not just for shareholders. Therefore, companies are under compulsion to submit a comprehensive report (Integrated Reporting) that discloses their financial and non-financial operations to all interested stakeholders, hence allowing all stakeholders monitor how these companies of interest have maximized the various capital available to it.

Empirical Review

Below are some reviewed literatures stress that social, human and intellectual capital disclosures have significant effect on market capitalization.

Iorun, et al., (2023). Relational Capital Disclosure and Market Value of Selected Quoted Companies in Nigeria. The Method used was Ex-post facto design and panel data analysis using multiple regression with random effects model. The study found that customer service

disclosure has a negative and insignificant relationship with market value, while distribution channels and strategic partnership disclosures have positive significant effects on market value.

Baridoo, et al. (2023). Human Capital Reporting and Market Capitalization of Pharmaceutical Firms in Nigeria. The method used was Ordinary Least Squares (OLS) and multiple linear regression analysis. The study revealed that human capital reporting has a positive and statistically significant relationship with market capitalization in the pharmaceutical sector.

Anifowose, et al. (2017). Intellectual Capital Disclosure and Corporate Market Value: Does Board Diversity Matter? The method used was Two-step dynamic system Generalized Method of Moments (GMM). The study found a significant positive relationship between intellectual capital disclosure and market capitalization, with board diversity moderating this relationship.

Also, the work of Nwadi, et al. (2015) on *Intellectual Capital Management and Market Value of Listed Conglomerates in Nigeria showed* that intellectual capital management improves market value. The method used was Ex-post facto research design and Ordinary Least Squares (OLS) regression. The study found that human capital management has a significant positive effect on the market value of listed conglomerates in Nigeria.

Terhemba (2014). Effect of Human Capital Accounting on Financial Performance of Deposit Money Banks in Nigeria. The method used was Ex-post facto research design and multiple regression analysis using SPSS. The study found that human capital accounting has a significant effect on return on assets, return on equity, and profit margin of listed deposit money banks in Nigeria.

Uwalomwa and Egbide (2012) Corporate Social Responsibility Disclosures in Nigeria: A Study of Listed Financial and Non-Financial Firms. The study used a multiple regression analysis and the study revealed that firms' corporate financial performance and the size of audit firm have a significant positive relationship with the level of corporate social responsibility disclosures, while financial leverage has a significant negative relationship.

MATERIALS AND METHOD

The research design adopted in this study was *ex post facto* research design to examine the effect of integrated reporting disclosure on market capitalization of listed firms on Nigeria Exchange Group. The population of the study was made up of all firms listed on the Nigerian Exchange Group (NGX). As at 31st December 2023, One hundred and fifty eight (158) companies were listed on the Nigerian Exchange Group. The study used purposive sampling technique to select the sample size of 116 companies. This sampling technique was used to enable researcher to select firms that he could conveniently assess their data. The sources of data included annual reports and accounts of companies, the Nigerian Exchange Group Fact books and corporate website of companies of the selected One hundred and sixteen (116) companies listed on the Nigerian Exchange Group for a period of 12 years (2012 – 2023).

This study adapted Mustafa and Mounir (2023); Adeboyegun et al, (2020); El Deeb (2019) model stated as:

$MVA = \beta 0 + \beta 1DSRCit + \beta 2DFC2it + \beta 3DNC3it + \beta 4DICit + \varepsilon$ …… Eqn 1.

$MKTcap = \beta 0 + \beta 1SRDit + \beta 2HCDit + \beta 5ICDit + uit$ (ii) …… Eqn 2.

Where:

MKTcap =Market capitalization

SRD =Social and relationship disclosure

HCD = Human capital disclosure

ICD= Intellectual capital disclosure

0= Intercept Coefficient

1, 2, 3,4, 5 = The slope of coefficient

t = Time dimension of the variant

uit- the general error term.

The *apriori* expectations are stated as: $\beta 1>0$; $\beta 2>0$; $\beta 3>0$; $\beta 4>0$; $\beta 5>0$;

The dependent variable (market capitalization) was company's current share price multiply by number of shares outstanding while the independent variables in this study were integrated reporting disclosures. It measured the proportion of the total variation in the dependent variable that is jointly explained by the linear influence of the explanatory variable. The value of R^2 lied between zero and one, that is, $0<R^2<1$ with values close to 1 indicating a good degree of fit. The F-statistic was used to test whether or not there was a significant relationship between dependent and independent variable in the regression equation. A rule of thumb is that if the value of F-Statistic is less than the F-distribution table value at a specified level of significance then we accept the null hypothesis and reject the alternative. As a rule of thumb,

the null hypothesis (H_0) was rejected if the calculated value of any of the statistical tools adopted in this study was greater than the critical/table value, at 5% level of significance, otherwise H_0 was accepted.

ANALYSES AND RESULTS DISCUSSION

Table. 1: Descriptive Analysis

	MKCP	SRD	HCD	ICD
Mean	91029668	2.784535	3.804805	2.159910
Median	4410005.	2.000000	3.000000	1.000000
Maximum	4.604709	18.00000	28.00000	32.00000
Minimum	0.000000	0.000000	0.000000	0.000000
Std. Dev.	3.615808	2.708081	3.158860	6.083253
Skewness	8.150664	3.232274	4.987455	4.505090
Kurtosis	81.98069	16.82997	35.74453	22.21061
Jarque-Bera	360954.4	12934.74	65029.50	24987.81
Probability	0.000000	0.000000	0.000000	0.000000
Sum	1.214911	3709.000	5068.000	2877.000
Sum Sq. Dev.	1.746820	9761.161	13281.25	49254.94
Observations	1332	1332	1332	1332

In Table.1, the descriptive analysis for market capitalization (MKTcap) shows a mean of 91029668 indicating that on average, the firms in the sample reported a positive market capitalization. The maximum value of 4.604709 suggested that there were outliers with significant positive values, whereas the minimum value of 0.000000 signaled that data-set did not contain negative value. The standard deviation of 3.615808 showed high variability in market capitalization across firms.

The skewness of 8.150664 indicated a long tail on the right side, which means most firms, tends to report positive market capitalization. The kurtosis value of 81.98069 was high; indicating the distribution of market capitalization was highly peaked with extreme outliers. The Jarque-Bera test statistic of 360954.4 indicated that the distribution was normal, with a significant deviation from normality.

Social and relationship disclosure showed a mean of 2.784535, which showed that most companies in the sample size provided extensive social and relation disclosure close to maximum value of 3. The minimum value of 0 and the standard deviation of 2.708081 indicated that there are some firms that provided minimal or no disclosures. The skewness of 3.232274 signified a long tail on the right side of the distribution that meant that firms

provided social and relation disclosure. The Jarque-Bera statistic for social and relation disclosure showed that the distribution was likely not normally distributed.

Human capital disclosure showed a mean of 3.804805, indicating that on average, companies in the sample population reported positive human capital resources. The minimum value was 0.00000 which showed there were outliers with significant positive values. The skewness of 4.987455 indicated that the distribution is severely positively skewed while the Jarque-Bera probability value is 0.0000, suggesting that the distribution is not normal.

The mean value of Intellectual capital disclosure was 2.159910 with a maximum value of 32.00000 and a minimum value of 0.00000. The standard deviation was 6.083253. The skewness value was positive (4.505090), indicating that the data was highly skewed to the right. The kurtosis value was (22.21061), indicating that the distribution had heavy tails and a sharp peak. The Jarque-Bera probability value was 0.0000, suggesting that the distribution was not normal.

Test of Hypotheses

Hypothesis One

$H_{0:}$ Social capital disclosure does not have any significant effect on market capitalization

$H_{0:}$ Social capital disclosure has significant effect on market capitalization

Table. 2. Test of Hypothesis 1
Dependent Variable: MKTcap
Method: Least Squares
Date: 12/16/24 Time: 14:44
Sample: 2012 2023
Included observations: 1332

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	51880646	14121129	3.673973	0.0002
SRD	140594.49	3636155.	3.866570	0.0001

R-squared	0.621516	Mean dependent var	91029668
Adjusted R-squared	0.610372	S.D. dependent var	3.61E+08
S.E. of regression	3.59E+08	Akaike info criterion	42.23842
Sum squared resid	1.72E+20	Schwarz criterion	42.24622
Log likelihood	-28128.79	Hannan-Quinn criter.	42.24134
F-statistic	14.95037	Durbin-Watson stat	0.238397
Prob(F-statistic)	0.000116		

Source: Eviews 10 Output (2025)

In Table. 2, the coefficient for social capital disclosure on market capitalization was 140,594.49, with a p-value of 0.000. This suggested a positive effect of social capital disclosure on market capitalization. The marginal effect of this coefficient means that for every unit increase in social and relationship capital disclosure, market capitalization increased by 140,594.49 units, which is a substantial effect. Since the p-value was 0.000, it was statistically significant at the 5% level, indicating that the effect was robust and reliable. Therefore, we could conclude that social and relationship capital disclosure has a positive and statistically significant effect on market capitalization. we therefore rejected null hypothesis and accept alternate hypothesis that stated that social and relationship capital disclosure has a significant effect on market capitalization of listed companies on Nigeria Exchange Group.

Hypothesis Two

$H_{0:}$ Human capital disclosure does not have any significant effect on market capitalization

$H_{i:}$ Human capital disclosure has significant effect on market capitalization

Table, 3. Test of Hypothesis 2
Dependent Variable: MKTcap
Method: Least Squares
Date: 12/16/24 Time: 14:46
Sample: 2012- 2023
Included observations: 1332

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	77255174	15491728	4.986866	0.0000
HCD	36202.89.	3133164.	1.155474	0.0021

R-squared	0.591003	Mean dependent var	91029668
Adjusted R-squared	0.470252	S.D. dependent var	3.61E+08
S.E. of regression	3.61E+08	Akaike info criterion	42.24859
Sum squared resid	1.73E+20	Schwarz criterion	42.25639
Log likelihood	-28135.56	Hannan-Quinn criter.	42.25152
F-statistic	1.335120	Durbin-Watson stat	0.235235
Prob(F-statistic)	0.248104		

Source: Eviews 10 Output (2025)

In Table .3, the coefficient for human capital disclosure on market capitalization was 36,202.89, with a p-value of 0.002. This suggested a positive effect of human capital disclosure on market capitalization. The marginal effect of this coefficient means that for every unit increase in human capital disclosure, market capitalization increased by 36,202.89 units, which is a substantial effect. Since the p-value was 0.000, it was statistically significant at the 5% level, indicating that the effect was robust and reliable. Therefore, we could

conclude that human capital disclosure has a positive and statistically significant effect on market capitalization. we therefore rejected null hypothesis and accept alternate hypothesis that stated that human capital disclosure has a significant effect on market capitalization of listed companies on Nigeria Exchange Group.

Hypothesis Three

H_0: Intellectual capital disclosure does not have any significant effect on market capitalization.

H_i: Intellectual capital disclosure has significant effect on market capitalization

Table .4. Test of Hypothesis 5
Dependent Variable: MKTcap
Method: Least Squares
Date: 12/16/24 Time: 14:48
Sample: 2012-2023
Included observations: 1332

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	89867153	10503904	8.555595	0.0000
ICD	538223.8	1627712.	0.330663	0.7410

R-squared	0.008182	Mean dependent var	91029668
Adjusted R-squared	0.380670	S.D. dependent var	3.61E+08
S.E. of regression	3.61E+08	Akaike info criterion	42.24951
Sum squared resid	1.74E+20	Schwarz criterion	42.25731
Log likelihood	-28136.18	Hannan-Quinn criter.	42.25244
F-statistic	0.109338	Durbin-Watson stat	0.234756
Prob(F-statistic)	0.740951		

Source: Eviews 10 Output (2025)

In Table .4, the coefficient for intellectual capital disclosure on market capitalization was 538,223.8 with a p-value of 0.741. This suggested a negative effect of intellectual capital disclosure on market capitalization. Since the p-value is 0.741, which was above the 5% significance level, this effect was not statistically significant at the 5% level, meaning that the impact of intellectual capital disclosure on market capitalization is not reliable. The R-squared of 0.0081 suggested that the model explains a very small proportion of the variation in market capitalization and the Prob (F-statistic) of 0.1093 indicated that the overall model was only marginally significant. In summary, since p value was greater than 0.05, we therefore rejected alternate hypothesis and accepted null hypothesis that stated that Intellectual capital disclosure

does not have any significant effect on market capitalization of listed companies on Nigeria Exchange Group.

CONCLUSION AND RECOMMENDATIONS

From the findings, it could be concluded that intangible capital reporting disclosures maximize market capitalization as all listed companies on Nigerian Exchange Group that invested in human capital (such as employee development, talent management) and published their human capital reports were valued by the market. The Companies that prioritized social capital (such as; stakeholder engagement, community development) were stakeholders' investment preferences. However, intellectual capital disclosure did not have a significant effect on market capitalization, suggesting that: the market may not have fully appreciated or recognized the value of intellectual capital (such as; patents, research and development) or its disclosure.

Based on findings and conclusion of this study, the following recommendations beneficial to stakeholders are put forward:

a. The finding shows that social capital disclosure has a significant effect on market capitalization, the study recommends that policymakers should support initiatives that promote stakeholder engagement and social responsibility practices among companies.
b. The finding shows that human capital disclosure has a significant effect on market capitalization therefore; the study recommends that policymakers should encourage initiatives that promote employee development, diversity, and inclusion and disclose information about their human capital practices.
c. Since the finding shows that intellectual capital disclosure does not have any significant effect on market capitalization, the study recommends that policymakers should assess whether current disclosure requirements effectively capture intellectual capital's value. Management should continue to manage and develop intellectual capital disclosure, even if market capitalization isn't directly impacted.

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