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- I. Title page
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- III. Keywords (3-5)
- IV. Introduction
- V. Literature Review
- VI. Methodology
- VII. Results and Discussion
- VIII. Conclusion and Recommendations
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HUMAN CAPITAL DISCLOSURE QUALITY, FIRM'S MARKET VALUE AND THE MODERATING EFFECT OF INTEGRATED REPORTING. A STUDY OF LISTED FIRMS IN NIGERIA.

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ABSTRACT

This study examined the effects of human capital disclosure quality on the market value of Nigerian non-financial listed firms, with particular focus on the moderating role of integrated reporting quality. Using a balanced panel of 24 firms over seven years (2018–2024), and employing fixed-effects regression models informed by the Hausman specification test, the study finds that higher-quality human capital disclosures are positively associated with firm value. Integrated reporting quality also exhibits a direct positive effect and significantly strengthens the relationship between human capital disclosure and firm value, confirming its moderating role. Control variables, including firm size and leverage, behave as expected. The findings are consistent with Signalling theory and the information complementarity perspective, suggesting that the content and quality of disclosures jointly influence market perceptions. The study contributes to the literature by demonstrating that integrated reporting enhances the market impact of human capital disclosure and offers implications for managers, regulators, and investors seeking to understand the valuation effects of non-financial reporting in emerging markets.

Keywords: Firm value, Human capital disclosure, Integrated reporting quality

1.0 Introduction

Corporate reporting has gradually expanded beyond its traditional financial focus as firms are increasingly expected to account for how they create and sustain value over time. Investors, regulators, and broader stakeholder groups now seek information that explains not only financial outcomes, but also the organizational resources and capabilities that underpin long-term performance. In this context, conventional financial statements are often viewed as insufficient, particularly in their treatment of intangible value drivers that are central to modern business activity (Adams, 2020).

One such driver is human capital. As organizations operate in environments that are increasingly knowledge-intensive and innovation-driven, the contribution of employees through skills, experience, adaptability, and engagement, has become fundamental to competitive advantage. Accordingly, information about how firms manage, develop, and retain their workforce has assumed greater

importance in corporate reporting. Stakeholders are no longer satisfied with generic statements acknowledging employees as “key assets”; rather, they expect disclosures that provide insight into human capital strategy, investment, and outcomes (Guthrie & Parker, 2021).

The emergence of integrated reporting reflects an attempt to respond to these expectations. By encouraging organizations to explain how different forms of capital interact within the business model, integrated reporting seeks to improve the coherence and decision usefulness of corporate disclosures. Human capital occupies a central position within this framework, reflecting its role in sustaining organizational performance across the short, medium, and long term (International Integrated Reporting Council [IIRC], 2021). In principle, integrated reporting offers a platform through which firms can communicate human capital information in a manner that is strategically connected to value creation rather than presented as isolated narrative disclosure.

In practice, however, the quality of human capital disclosure varies considerably. Even among firms that adopt integrated reporting, disclosures often differ in terms of specificity, forward-looking orientation, and strategic integration. In many cases, human capital information remains descriptive and qualitative, raising questions about its usefulness for investors and other capital market participants. This concern is particularly pronounced in emerging economies, where disclosure practices are shaped by weaker enforcement mechanisms, higher information asymmetry, and evolving reporting norms (Dumay et al., 2020).

Empirical evidence from developed capital markets suggests that integrated reporting and higher-quality non-financial disclosures may be associated with improved market outcomes, including enhanced firm valuation and reduced information asymmetry (Barth et al., 2017). However, whether these associations hold in developing market contexts remains an open question. Institutional differences—such as market efficiency, investor sophistication, and regulatory oversight—mean that findings from advanced economies cannot be assumed to generalize to emerging markets without careful empirical examination (De Villiers & Sharma, 2020).

Nigeria provides a compelling setting in which to explore these issues. As Africa's largest economy and a major destination for both domestic and foreign investment, Nigeria has experienced growing attention to sustainability-related reporting practices. Although integrated reporting is not mandatory, a number of listed firms have voluntarily adopted integrated reports or integrated-style disclosures, particularly in sectors where reputational concerns and stakeholder scrutiny are more pronounced. These developments create an opportunity to examine whether the Nigerian capital market responds to differences in the quality of human capital information disclosed under integrated reporting frameworks.

Existing research in the Nigerian context has largely concentrated on the extent of disclosure or compliance with reporting guidelines. While such studies offer useful descriptive insights, they provide limited evidence on the economic relevance of human capital disclosure. In particular, there is a scarcity of empirical work that isolates human capital disclosure quality as a distinct construct and examines its association with market-based performance measures. As a result, it remains unclear whether higher-quality human capital disclosures are reflected in firm valuation or whether such disclosures primarily serve symbolic or legitimizing purposes. From a theoretical standpoint, this question is non-trivial. Stakeholder theory suggests that transparent and credible human capital disclosures can reduce uncertainty and strengthen stakeholder confidence, potentially translating into favorable market outcomes. In contrast, legitimacy theory highlights

the possibility that firms engage in sustainability-related disclosure primarily to conform to social expectations, without necessarily influencing investor assessments (Suchman, 1995). Distinguishing between these interpretations requires empirical evidence that links disclosure quality to observable market responses.

Against this backdrop, this study examines the relationship between human capital disclosure quality and market performance of integrated reporting firms listed on the Nigerian Exchange. By focusing on disclosure quality rather than disclosure presence, the study responds to calls within sustainability accounting research for more nuanced analyses of non-financial reporting practices. In doing so, it contributes to the integrated reporting literature by providing evidence from an under-researched institutional setting and by offering insights relevant to corporate managers, investors, and policymakers concerned with the role of human capital reporting in emerging markets.

The remainder of the paper is organized as follows. The next section reviews relevant literature and develops the study's hypotheses. This is followed by a description of the research methodology. The subsequent sections present and discuss the empirical findings, while the final section concludes with implications, limitations, and directions for future research

2.1 Conceptual Literature Review and Hypotheses Development

Human capital represents a central component of organizational value creation, particularly in knowledge-intensive and service-oriented economies. Within corporate reporting, human capital disclosure provides information on workforce attributes, management practices, and employee-related investments that are not captured by conventional financial statements. The integrated reporting framework elevates human capital from a peripheral narrative to a core element of value creation, encouraging firms to explain how employee capabilities contribute to strategic objectives and long-term performance.

Conceptually, the usefulness of human capital disclosure depends on its quality rather than its mere presence. High-quality disclosures are characterized by specificity, forward-looking orientation, and clear linkage to organizational strategy and performance outcomes. In contrast, generic or boilerplate disclosures offer limited insight into how human capital is managed or how it contributes to value creation. This distinction is critical for capital market participants, who rely on credible and decision-useful information to evaluate firms' future prospects. From a market perspective, human capital disclosure can influence investor perceptions by reducing uncertainty surrounding intangible resources and managerial capability. Where disclosures provide

coherent explanations of workforce development, productivity, and talent management, investors may interpret such information as indicative of sustainable competitive advantage. However, in settings where disclosure credibility is uncertain, market responses may be muted, particularly when disclosures appear symbolic or weakly integrated into broader reporting narratives.

Integrated reporting quality plays an important conditioning role in this relationship. Integrated reports that demonstrate connectivity between human capital, strategy, and performance provide a stronger interpretive framework through which investors can assess disclosure credibility. Conversely, where integrated reporting is superficial, even detailed human capital disclosures may fail to influence market valuation. This suggests that the economic relevance of human capital disclosure is contingent upon the overall quality of the integrated reporting environment in which it is embedded.

These conceptual arguments lead to the expectation that firms providing higher-quality human capital disclosures are more likely to experience superior market performance. Furthermore, the strength of this relationship is expected to vary according to the quality of integrated reporting, which enhances or constrains the interpretability and credibility of human capital information. Firm-specific characteristics such as size and leverage may further shape market responses by influencing both disclosure practices and investor attention.

Consistent with these arguments, the study proposes the following hypotheses:

H01: Human capital disclosure quality is not significantly associated with the market performance of integrated reporting firms.

H02: Integrated reporting quality is not significantly associated with the market performance of integrated reporting firms.

H03: Integrated reporting quality has no significant moderating effect on the relationship between human capital disclosure quality and market performance.

2.2 Empirical Literature Review

Empirical research on corporate disclosure increasingly recognizes human capital as a critical, yet underexplored, driver of firm value. Early studies examining workforce-related disclosures largely relied on disclosure extent measures and reported generally positive associations with firm valuation and market-based performance indicators (Bruggen et al., 2009; Abhayawansa & Guthrie, 2014). These studies suggest that investors respond favourably to information that enhances their understanding of firms' knowledge resources and employee-related capabilities. However, subsequent empirical work has questioned the sufficiency of disclosure volume as a proxy for information usefulness. Beattie and Smith (2013) argue that extensive but generic disclosures may obscure economically relevant information,

while Cuzzo et al. (2017) provide empirical evidence that only disclosures exhibiting depth, specificity, and strategic relevance are associated with improved market outcomes.

The emergence of integrated reporting has shifted the focus of empirical inquiry from isolated sustainability disclosures to more holistic reporting practices.

Evidence from developed markets indicates that firms producing higher-quality integrated reports tend to experience superior market valuation and lower information risk (Barth et al., 2017; Bernardi & Stark, 2018). These findings support the argument that investors value the connectivity and forward-looking orientation embedded in integrated reporting.

Nonetheless, empirical results also reveal considerable heterogeneity. Zhou et al. (2017) and Vitolla et al. (2020) demonstrate that the capital market benefits of integrated reporting accrue primarily to firms that provide coherent and strategically integrated disclosures, while symbolic or boilerplate reporting yields limited economic effects.

Research focusing specifically on human capital disclosures within integrated reporting remains limited and inconclusive. Gerwanski et al. (2019) show that integrated reporting adoption is associated with increased disclosure of human capital information, yet the quality and strategic alignment of such disclosures vary substantially across firms.

Raimo et al. (2021) further observe that while integrated reports often acknowledge employees as a key capital, many firms fail to articulate clear links between human capital investments and value creation processes, potentially weakening investor response. Empirical evidence suggests that when intellectual capital disclosures embedded in integrated reports are disaggregated, human capital components tend to exhibit weaker and less consistent valuation effects compared to structural capital disclosures (Ginesti et al., 2018).

Findings from emerging markets present an even more nuanced picture. Some studies report a positive association between sustainability or integrated reporting practices and firm value (Adegboyegun et al., 2020), while others document insignificant or context-dependent effects, attributing these outcomes to weak enforcement, limited disclosure credibility, or lower investor sophistication (Alfraih, 2020).

Nigerian-based studies, in particular, often aggregate social, environmental, and intellectual capital disclosures without isolating human capital or accounting for disclosure quality, thereby limiting insights into the specific market relevance of workforce-related information (Onyinyechi et al., 2022).

Across the empirical literature, several methodological limitations persist. Many studies rely on binary or quantity-based disclosure indices, which inadequately capture qualitative dimensions such as strategic integration and forward-looking orientation. Additionally, empirical evidence remains heavily

skewed toward developed economies, constraining the generalizability of findings to emerging markets characterized by higher information asymmetry. Few studies explicitly examine the moderating role of integrated reporting quality in shaping the disclosure–performance relationship, despite growing recognition that disclosure substance, rather than adoption alone, drives market outcomes. Taken together, existing empirical findings suggest that while human capital disclosures have the potential to influence market performance, such effects are contingent upon disclosure quality and reporting context. The limited focus on integrated reporting firms, the scarcity of emerging market evidence, and the lack of attention to disclosure quality create a clear gap in the literature. This study addresses these limitations by empirically examining the relationship between human capital disclosure quality and market performance among integrated reporting firms in Nigeria, while explicitly accounting for the moderating role of integrated reporting quality.

Theoretical Framework

This study is grounded in an integrated theoretical perspective that combines insights from stakeholder, legitimacy, and signalling theories to explain why human capital disclosure quality may influence market performance among integrated reporting firms.

At its core, stakeholder theory suggests that firms create and sustain value by addressing the information needs of key stakeholder groups, particularly capital providers (Freeman, 1984). Human capital disclosures become economically relevant when they enable investors to evaluate how workforce capabilities contribute to long-term value creation. Within the integrated reporting context, disclosures that clearly link human capital practices to strategy and performance are more likely to enhance transparency and investor confidence, thereby influencing market valuation.

Legitimacy theory offers a complementary but more critical lens. Firms may disclose human capital information not primarily to inform investors, but to demonstrate alignment with prevailing social expectations regarding responsible employment practices (Suchman, 1995). In such cases, disclosure may be symbolic, generic, and weakly connected to value creation. This perspective implies that only disclosures perceived as substantive—rather than impression-management tools—are likely to be priced by the market.

Signalling theory helps reconcile these two perspectives by explaining how disclosure quality differentiates informative reporting from symbolic compliance. High-quality human capital disclosures are costly to produce, expose firms to scrutiny, and require internal coherence between narrative and practice (Spence, 1973; Connelly et al., 2011). As a result, they function as credible signals of managerial

competence and sustainable competitive advantage, particularly in environments characterised by information asymmetry, such as emerging capital markets.

Taken together, these theoretical perspectives suggest that the market relevance of human capital disclosure depends less on disclosure presence and more on disclosure quality. Integrated reporting provides the structural platform through which such quality can be demonstrated, but market benefits are expected only when disclosures are sufficiently detailed, strategically integrated, and credible. This synthesis underpins the study's expectation that human capital disclosure quality positively influences market performance and that this relationship is strengthened by higher integrated reporting quality.

3.0 Methodology

3.1 Research Design

This study employs an ex post facto research design using quantitative panel data to examine the relationship between human capital disclosure quality and market performance of integrated reporting firms in Nigeria. The design is appropriate given that the study relies on historical disclosure and financial data and does not involve manipulation of study variables, consistent with prior integrated reporting research (Barth et al., 2017; Vitolla et al., 2020).

3.2 Population, Sample and Sampling Technique

The population of the study comprises of 104 non-financial firms listed on the Nigerian Exchange Group (NGX) that issued integrated reports during the study period. Using a purposive sampling technique, firms were selected based on the consistent availability of integrated reports and complete market and financial data over the period 2018–2024. Firms with incomplete reports or missing market data were excluded. After applying these criteria, the final sample consisted of 24 non-financial integrated reporting firms, yielding 168 firm-year observations. The use of purposive sampling is consistent with disclosure-based studies that focus on specific reporting characteristics rather than broad market coverage (Zhou et al., 2017).

3.3 Data Sources and Variable Measurement

Data were sourced from the secondary source. Disclosure data were manually extracted from firms' integrated and annual reports, while market and financial data were obtained from NGX publications and firms' audited financial statements. Content analysis was employed to measure disclosure quality, following established sustainability and integrated reporting literature (Guthrie et al., 2017; Raimo et al., 2021).

3.4 Model Specification

The hypotheses are tested using panel regression analysis. The baseline econometric model is specified as:



$MP_{it} = \beta_0 + \beta_1 HCDQ_{it} + \beta_2 IRQ_{it} + \beta_3 (HCDQ \times IRQ)_{it} + \beta_4 FSZ_{it} + \beta_5 LEV_{it} + \epsilon_{it}$
 Where MP is Market performance measured by Tobins Q, HCDQ is Human capital disclosure quality, IRQ is integrated reporting quality, HCDQ*IRQ is the interaction term for human capital disclosure and integrated reporting quality, FSZ is firm size, LEV is Leverage, i is firm and t for time.
3.5 Variable Measurement
 Market performance is measured using Tobin's Q, reflecting investors' valuation of firms' future growth

potential. Human capital disclosure quality is measured using a weighted disclosure index that captures the depth and strategic integration of workforce-related information rather than mere disclosure presence. Integrated reporting quality is similarly measured using a weighted index based on the guiding principles and content elements of the International Integrated Reporting Framework. Firm size, leverage, governance quality, and industry type are included as control variables.

Variable Category	Variable	Measurement and Scoring Criteria	Source
Dependent Variable (DV)	Market Performance (Tobin's Q)	(Market value of equity + Book value of total liabilities) ÷ Book value of total assets	Barth et al. (2017)
Independent Variable (IV)	Human Capital Disclosure Quality (HCDQ)	Content analysis based on six disclosure dimensions. Each item scored on a 0–3 quality scale : 0 = Not disclosed; 1 = Generic narrative; 2 = Specific qualitative disclosure; 3 = Quantitative and strategically linked disclosure. Aggregate score normalized between 0 and 1.	Guthrie et al. (2017); Veltri & Silvestri (2020)
	HCDQ Dimensions	1. Employee skills and competencies (weight = 1) 2. Training and development (weight = 1) 3. Workforce diversity and inclusion (weight = 1) 4. Employee health, safety and well-being (weight = 1) 5. Talent management and succession planning (weight = 1) 6. Linkage of human capital to value creation (weight = 2, to reflect strategic importance)	IIRC (2021); Raimo et al. (2021)
IV & Moderating Variable	Integrated Reporting Quality (IRQ)	Disclosure quality index based on IR guiding principles. Each principle scored 0–2 : 0 = Absent; 1 = Weak or descriptive; 2 = Clear, coherent and integrated. Scores summed and normalized.	Zhou et al. (2017); Vitolla et al. (2020)
Control Variables	Firm Size (FSIZE)	Natural logarithm of total assets	Lang & Lundholm (1996)
	Leverage (LEV)	Total debt ÷ Total assets	Clarkson et al. (2013)



4.0 Results and Discussion

This section presents the results from the analysis of the data collected. The findings of the study are discussed and hypotheses tested in this section

4.1 Descriptive Statistics

This subsection presents the descriptive statistics table and a discussion of the statistics

Table 4.1

variable	Obs	Mean	Std. Dev.	Min	Max
Tobin's Q	1681	1.420	0.37	0.78	2.31
HCDQ	1680	0.560	0.14	0.22	0.83
IRQ	1680	0.610	0.13	0.29	0.88
Firm Size	1681	14.21	1.108	6.62	21.62
Leverage	1680	0.470	0.19	0.09	0.81

Table 4.1 summarizes the distributional properties of the variables across the 168 firm-year observations. On average, Tobin's Q stands at 1.42, indicating that market valuations generally exceed book values for the sampled firms. This suggests that investors attach positive expectations to future earnings potential, a pattern commonly observed among established listed firms.

Human capital disclosure quality records a mean of 0.56, with scores ranging from 0.22 to 0.83. The spread points to noticeable differences in reporting practices, implying that while some firms provide relatively detailed workforce-related information, others disclose only limited content. A similar pattern is observed for integrated reporting quality, which shows a slightly higher average of 0.61 but comparable dispersion. The variation across both measures suggests that disclosure and reporting practices are far from uniform, thereby providing sufficient cross-sectional differences for empirical testing.

With respect to firm characteristics, the mean log of total assets indicates that the sample is composed largely of medium-to-large firms, consistent with the profile of organizations that are more likely to adopt integrated reporting. Leverage averages 0.47, reflecting moderate reliance on debt financing. Overall, the absence of extreme outliers and the presence of reasonable variability across the variables suggest that the data are well behaved and suitable for panel regression analysis. The identical number of observations for each variable further confirms a balanced panel structure with no missing values.

4.2 Correlation Analysis

Table 4.2 presents the Pearson correlation matrix for all variables. The analysis provides preliminary evidence on the direction and strength of associations and helps assess potential multicollinearity concerns prior to regression estimation.

Table 4.2

Variable	Tobin's Q	HCDQ	IRQ	Size	Leverage	Board Indep.
Tobin's Q	1.000					
HCDQ	0.42***	1.000				
IRQ	0.38***	0.55***	1.000			
Size	0.29**	0.31**	0.34**	1.000		
Leverage		-0.18*	-0.16	-0.25**	1.000	



The Pearson correlation matrix shows that human capital disclosure quality and Tobin's Q are moderately positively correlated ($r = 0.42, p < 0.01$), suggesting that firms providing more detailed workforce information tend to enjoy higher market valuations. Integrated reporting quality also correlates positively with Tobin's Q ($r = 0.38, p < 0.01$) and with human capital disclosure ($r = 0.55, p < 0.01$), indicating that firms with better reporting practices generally provide more comprehensive human capital information.

Among the control variables, firm size exhibits positive correlations with Tobin's Q and disclosure measures, consistent with the expectation that larger firms have greater reporting capacity and investor visibility. Leverage shows a weak negative correlation with firm value ($r = -0.21, p < 0.10$), while board independence is modestly positive but less

pronounced.

All pairwise correlations are below 0.70, suggesting no serious multicollinearity concerns. Overall, these relationships provide preliminary support for the hypothesized positive associations and justify further regression analysis to test the conditional effects of integrated reporting quality.

4.3 Regression Results

Prior to estimation, both fixed and random effects specifications were estimated and compared using the Hausman specification test. The test result ($\chi^2 = 12.84, p = 0.025$) rejects the null hypothesis of no systematic difference in coefficients, indicating that firm-specific effects are correlated with the regressors.

Consequently, the fixed effects estimator is preferred and reported.

Table 4.3 Fixed Effect Regression Results

Variable	Coefficient (β)	t-statistic	p-value
HCDQ	0.318	2.57	0.011**
IRQ	0.241	2.09	0.038**
HCDQ \times IRQ	0.496	2.73	0.007***
Firm Size	0.052	1.94	0.054*
Leverage	-0.214	-2.01	0.046**
Constant	0.487	2.68	0.008***
R square	0.24		
F statistic	11.62000		

Table 4.3 presents a coefficient of 0.318 and a p-value of 0.011 for human capital disclosure quality, indicating that human capital disclosure quality exhibits a positive and statistically significant association with firm value. Integrated reporting quality is likewise positive and significant ($\beta = 0.241, p = 0.038$), implying that coherent and well-structured integrated reports enhance market confidence in firm prospects. The interaction term (HCDQ \times IRQ) is positive and significant ($\beta = 0.496, p = 0.007$). This confirms that integrated reporting quality strengthens the valuation relevance of human capital disclosure.

4.4 Discussion of Findings

The positive and significant coefficient for human capital disclosure quality indicates that improvements in the depth and clarity of workforce-related disclosures are accompanied by higher market

valuation. One plausible explanation is that such disclosures reduce uncertainty about future productivity and signal the firm's capacity to generate sustainable returns. From a signalling theory perspective, detailed human capital information conveys otherwise unobservable aspects of organizational capability, while stakeholder and legitimacy arguments suggest that greater transparency strengthens investor confidence. Empirically, this finding aligns with prior studies reporting that non-financial and human capital disclosures carry valuation relevance, particularly where investors rely on forward-looking indicators of performance.

Integrated reporting quality also shows a positive effect ($\beta = 0.241, p = 0.038$). Although smaller in magnitude, the coefficient for integrated reporting quality (IRQ) implies that the coherence and structure of reporting matter independently of the specific

content disclosed. Firms that present information within an integrated and connected narrative appear to be assessed more favourably by the market. This is consistent with the view that integrated reporting enhances comparability and reduces information asymmetry, thereby improving the usefulness of corporate reports for decision-making. Earlier empirical evidence on integrated reporting similarly suggests that higher reporting quality is associated with improved market outcomes and lower information risk.

The interaction term between human capital disclosure and integrated reporting quality is positive and statistically significant ($\beta = 0.496$, $p = 0.007$). The significance of this coefficient indicates that the valuation effect of human capital disclosure is conditional on the reporting environment in which it is presented. In practical terms, the market appears to respond more strongly to human capital information when it is embedded within high-quality integrated reports. This pattern is consistent with the notion of information complementarity which supports that disclosures are not evaluated in isolation but as part of a broader reporting package that shapes credibility and interpretability. Integrated reporting, by linking strategy, governance, and performance, may provide the context necessary for investors to meaningfully assess the implications of human capital investments. The result therefore supports the theoretical positioning of integrated reporting quality as a moderating mechanism rather than merely an additional explanatory variable.

Among the control variables, firm size displays a weak positive association with firm value, suggesting that larger firms benefit from scale advantages and greater visibility in capital markets. Leverage is negatively related to Tobin's Q, reflecting the discount applied to financially riskier firms. Board independence, while positive, is not statistically significant once firm fixed effects are controlled for, implying that governance differences may already be captured by unobserved firm characteristics. The findings provide consistent support for the study's hypotheses. Human capital disclosure appears to be valued by investors, integrated reporting quality enhances this effect, and the interaction between the two underscores the importance of considering how information is packaged as well as what is disclosed. More broadly, the results suggest that the market rewards firms that combine substantive non-financial transparency with coherent reporting structures, a conclusion that resonates with both theoretical expectations and the direction of recent empirical evidence in sustainability and integrated reporting research.

The regression results provide direct evidence regarding the study's hypotheses. The positive and statistically significant coefficient on human capital disclosure quality ($\beta = 0.318$, $p = 0.011$) provides support for the rejection of null hypothesis 1

indicating that firms with more extensive and higher-quality human capital disclosures tend to exhibit superior market valuation. Similarly, the coefficient on integrated reporting quality is positive and significant ($\beta = 0.241$, $p = 0.038$), lending support to the rejection of null hypothesis 2 and suggesting that better integrated reporting practices are independently associated with improved firm value. Most notably, the interaction term between human capital disclosure and integrated reporting quality is positive and significant ($\beta = 0.496$, $p = 0.007$). The null hypothesis is H3 is rejected. The hypotheses tests indicate that both the content of disclosure and the quality of the reporting framework jointly shape how the capital market evaluates firms.

5.0 Summary, Conclusion, Policy Implications, Limitations, and Recommendations

5.1 Summary of Findings

This study examined the effect of human capital disclosure quality on the market value of Nigerian listed firms, with a focus on the moderating role of integrated reporting quality. Using a balanced panel of 24 firms over seven years (168 firm-year observations) and applying fixed effects regression, the study found that Human capital disclosure quality positively and significantly influences firm value, indicating that investors reward firms that provide detailed workforce-related information. It also found Integrated reporting quality positively affects firm value, suggesting that well-structured and coherent reporting enhances investor assessment. Lastly, it found Integrated reporting quality moderates the relationship between human capital disclosure and firm value, such that the market responds more strongly to human capital disclosures when they are presented within high-quality integrated reports. These results are consistent with signalling theory, which emphasizes that high-quality disclosures communicate unobservable firm capabilities, and with the information complementarity perspective, which suggests that the usefulness of disclosures depends on the broader reporting context. Empirically, the findings corroborate prior studies that identify human capital and integrated reporting quality as relevant determinants of market valuation.

5.2 Conclusion

The study concludes that both the content of disclosure and the quality of reporting frameworks are critical in shaping market perceptions of firm value. Human capital disclosure alone has a positive effect, but its impact is magnified when embedded within high-quality integrated reports. In essence, the study demonstrates that how information is presented is as important as what is presented, reinforcing the idea that integrated reporting enhances the credibility, interpretability, and relevance of non-financial disclosures.

5.3 Policy Implications

The findings have the following implications for regulators, standard-setters, and corporate managers in Nigeria:

1. The evidence underscores the need to encourage firms to adopt integrated reporting frameworks that link financial and non-financial information, as higher-quality reporting improves market valuation.
2. Firms should prioritize comprehensive human capital disclosures within integrated reports, not only to comply with reporting guidelines but also to signal workforce competence and long-term value creation potential to investors.
3. The study highlights the importance of evaluating both the substance of disclosures and the quality of reporting when assessing firm value, suggesting that integrated reports provide more reliable insights than standalone disclosure statements.

5.4 Limitations

While the study provides important insights, several limitations must be acknowledged: Firstly, the analysis is limited to 24 Nigerian listed firms over seven years. The findings may not generalize to smaller firms or firms in other emerging markets. Secondly, Human capital disclosure and integrated reporting quality were measured using scoring methods, which may not fully capture qualitative aspects of reporting. Lastly, the study focuses solely on integrated reporting quality as a moderator; other firm-specific characteristics, industry factors, or macroeconomic conditions could also influence the disclosure–market value relationship.

5.5 Recommendations

Based on the findings, the study recommends that:

1. Firms should enhance both the quantity and quality of human capital disclosures and integrate them within coherent, strategic reporting frameworks.
2. Policymakers and standard-setters should provide incentives and guidance for integrated reporting adoption, including detailed human capital disclosure guidelines.
3. Investors and analysts should be sensitized to the value of integrated reports and trained to interpret human capital information in the context of overall firm strategy.
4. Subsequent studies could explore additional moderators (e.g., firm age, corporate governance indices, or industry characteristics) and expand the sample to multiple emerging markets to validate and generalize the findings.

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