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CORPORATE STRATEGIES INFORMATION DISCLOSURE AND BEHAVIOUR OF INVESTORS IN THE NIGERIAN CAPITAL MARKET

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ABSTRACT

Investors in the capital market rely on information disclosed in the financial statements in their investment decisions. Information disclosed in the financial statement is classified into mandatory and voluntary. One of the variants of voluntary disclosure is the corporate strategies information disclosure. Corporate strategies disclosure convey value-relevant information which enables investors to take informed decisions. This study is therefore conducted to examine the relationship between corporate strategies information disclosure and behaviour of investors in the capital market. The main objective of this study was to investigate whether the disclosure of information on corporate strategies has any influence on the behaviour of investors in the capital market. The corporate strategies disclosure was measured by disclosure checklist developed by the researcher while the investor's behaviour was measured by market capitalisation. The relationship between corporate strategies disclosure and investor's behaviour was explained by signalling theory. The study made use of ex post facto research design and data for the study were obtained from financial statements of 60 randomly selected firms listed on the Nigerian exchange group for the years 2015 to 2019. The data were analysed using descriptive statistics and regression model. The SPSS version 20 was used to analyse the data. The results of the analyses indicate that the parameters used to measure corporate strategies disclosure was significantly related to market capitalisation. This implies that the disclosure of information on corporate strategies significantly influences the behaviour of investors in the capital market. The study recommends amongst others that managers should strive to disclose information about their corporate strategies as a means of communicating positive signals about their firms.

KEYWORDS

Corporate strategies, investor's behaviour, market capitalisation, financial statements.

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Introduction

Investors in the capital market are very sensitive to availability of information. They constantly search for available information about the activities of the firms they want to investin order to have a better view of the performance of such firms. Investors usually require useful information about stock market in order to enable them make accurate investment decisions and reduce the risk of failure (Giang&Giang, 2023). The information is usually obtained from various sources including the annual report of the firms. The contents of annual reports and accounts of companies are usually analysed in order to ascertain whether the indicators emanating from the analysis are in line with the expected parameters. The result of the analysis should trigger reaction from investorswhether to invest in such firms or not. As documented by Healy and Palepu (2001) the contents of financial statements are usually divided into mandatory (regulated financial reports) and voluntary disclosures. The mandatory section reports activities in line with the provisions of the law or regulations while the voluntary section reports activities beyond the provisions of the law.

Voluntary disclosure represents the communication of private information to stakeholders. It is the disclosure of information to satisfy the yearnings of stakeholders of financial statements. Bechir, Mansour and Brahmi (2020) averred that voluntary disclosure consists of making voluntary publications regarding their contents, disclosed mandatory vectors such as annual reports or reference manuals. The drive or impetus for voluntary disclosure stems from the increased demand for more information beyond the mandatory requirements. Though the companies and Allied Matters Act (CAMA) 2020 as amended provides that companies should make available their annual reports, there are indications that the contents of those financial reports are not be adequate and therefore the need for additional information becomes imperative, and this must be provided in the voluntary section.

Prior studies focused attention on management discussions and analysis (MD&A) as a proxy for voluntary disclosure, see Bosolan (1997), Bosolan and Plumee (2001). The drive for improved disclosure necessitated the International Federation of Accountants (IFA) to develop policy guidelines number 8 of 2013 in which it articulated voluntary disclosure in five key areas: risks, strategies, governance, environment and human and social factors. Consequently, discussions on voluntary disclosures have shifted to these five key areas. This does not however implies that investigations cannot be conducted on the other areas of voluntary disclosure.

Voluntary disclosure is therefore seen as the opportunity for managers to meet the stakeholder's information expectation by disclosing certain information beyond the law. As documented by Hadro, Gemra, Okon and Fijalkowska (2022) publishing non-mandatory information under certain conditions and fulfilling stakeholders' information expectation have positive influence on the companies' financial and market reactions in the long run. In the same vein Hemalin and Weisbach (2012) documents that increased disclosure of information about the firm improves the ability of shareholders and boards of directors to monitor the performance of managers. Honggowati, Rahmawati, Aryani and Probohudono (2017) argue that voluntary disclosure is an important aspect to investors and potential investors because it is where a company discloses unique information in accordance with the type of products it produces in order to introduce the company and to appeal to potential investors as well as maintain sustainability and to achieve competitive advantage.

There is a consensus among various authors that voluntary disclosures have impact on the cost of capital as well as decision-making of investors, see Hedro, et al (2022), Bechir, Mansour and Brahmi (2022), Hashim, Nawawi and Salin (2014). Prior studies have focused on the effect of voluntary disclosures generally but not much have been discussed onthe effect of corporate strategies as a

specific variant of voluntary disclosure.The global environment is inundated with uncertainties and this brings to fore the managerial competence in contending with these challenges. Moreover, the investors and other users of financial statements who are concerned about the future of the firm would want to know the corporate strategies deployed in order to contend with these global challenges. Consequently corporate strategies adopted by firms to contend with these challenges cannot overlooked. It is therefore expected that investors will be sensitive to the disclosure of information on corporate strategies that are adopted by firms. According to Santema, Hoekert, Rijt and Oijen (2005) strategy disclosure is the revelation of information an organisation decides to share with its shareholders on the strategy it is pursuing and going to pursue in the future.

The importance of disclosure of corporate strategies in the annual reports cannot be over emphasised. Sentema, et al (2005) averred that communicating the company strategies to its stakeholders gives the firm the opportunity of distinguishing itself from other companies. Moreover, Sieber, Weigbenberger, Oberdorster and Baetge (2014) maintain that insight into a firm's business strategies are of considerable relevance to investors as they shed light on long term managerial actions. Thus strategy disclosure constitutes a key element in linking historical information presented in the financial statements to prospective cashflow forecasting. Winter and Zulch (2019) documents that investors and other users of annual reports and accounts have a decision making perspective and as such need insight into a firm's business strategy to understand the long-term managerial actions.

This study apart from narrowing the identified gap and widening the frontier of knowledge on voluntary disclosure, provides additional evidence on the importance of corporate strategies information disclosure (CSID) to the investors. Moreover, the disclosure of information on organisational strategies will strengthen the belief of investors in the ability of the firm to accomplish its long term objectives and this will promote decision making process of prospective investors. The findings will provide sufficient evidence on the need to advocate for increased disclosure of information on corporate strategies as a way motivating investors in the capital market.

The main objective of this study is to investigate whether corporate strategies information disclosure communicates value-relevant information to investors in the capital market. In other words, the study investigates whether there is any relationship between corporate strategies disclosure and market investor's the investor's behaviour is proxied by market capitalisation.

Literature review

Concept of corporate strategy information disclosure

The organization's strategies represent the approaches, tools adopted or action taken by managers in order to achieve future organizational objectives. Porter (1996) defines strategy as the management of long-term unique activities and resources in order to enhance a firm's value and maintain its position. Thompson and Strickland (2003) maintain that strategy is a managerial action plan aimed at strengthening the market position and boost performance in running the business and conducting operations in order to achieve the targeted levels of organisational performance. Strategy disclosure is seen as the process of revealing information which an organisation decides to share with its stakeholders on the strategy it is pursuing and going to pursue in the future (Santema, Rijt&Oijen, 2005). Yang, Li and Dong (2023) opined that strategy information disclosure encompasses information about external factors such as competitive situation, development, trend of industry, the policy risk and development risk and internal factors such as core technologies, the major investment plans.

Strategies are usually disclosed voluntarily in the narrative section of the corporate report. It is used as an instrument through which information about managements' sincerity and reliability as well as the firm's financial position are communicated (Yuthas, Rogers &Dilhard, 2002). In a competitive environment strategic information are used by managers of firms to differentiate themselves from their competitors regarding their mission, vision, market, customers, plans and strategic goals (Santema, Rijt&Oijen, 2005). A clear description of the objectives, strategy and business model can assist the financial report as a whole to stay focussed on the most significant drivers of business value (Price Water House Coopers, 2011). That is the reason the Integrated International Reporting Committee (IIRC) (2013) argued that a firm's integrated report should be focused on strategy and sustainability.

According to Thompson and Strickland (2003) as cited in Weigbenberger et al (2014) a comprehensive disclosure of information on strategy encompasses essentially information about businesses, strategic objectives, the resulting business strategies and implementation priorities. Also Thakor (2015) averred that the disclosure of information about strategies are sometimes made in the narrative section of the annual reports and such information is inherently qualitative and subjective in nature and consequently, are subjected to many interpretations concerning whether the strategies are suited to the firm or not.

The implication of the strategy disclosure is that firms are required to clearly identify and state significant risks, opportunities and dependencies that are unique and specifically associated with its market and business model. Consequently, it has been suggested that the firm's governance code should incorporate those specific and unique strategies that facilitate the firm's short, medium and long-term sustainability (Zijl, Wostmann&Maroun, 2017).The disclosure of information on strategy is hinged on inherent factors of the firms. Consequently, Sentema, Hoekert and Oijen (2005) averred that the extent to which companies disclose their strategy is predicated on the basis of comparative management and governance literature.They further argued that national differences in corporate governance culture do influence the extent to which companies disclose their corporate strategy.Though firms can choose to disclose anything,however, firms tend to make announcements only about key strategic and organisational events that could impact substantially on their success or value such as competitive pricing strategies, new product introduction, various mergers, acquisitions and other alliances, and a range of detailed structural changes with the firm (Delaney &Thijssen, 2011).

There are numerous benefits of disclosure of strategies in the annual reports of firms. Seiber, et al (2014) found that increased level of voluntary strategy disclosure in the management report is indeed on average associated with lower cost of equity capital, lower bid-ask spread and higher trading volumes. However, in another study, Yang, Li and Dong (2023) investigated the effect of strategy disclosure on cost of equity capital using China as evidence. Their findings show that there is negative association between strategy disclosure and cost of equity capital. In another development, Santos and Pinha (2019) averred that the act of disclosure of strategy information brings many advantages to the company such as reduction of agency cost and cost of capital, as well as greater ease of sales of shares. They further opined that disclosure is the opening of the company through disclosure of information, provides corporate transparency to those interested and reduces the risk of irregularities and fraud, and is the most efficient forms of communication between organisations and its stakeholders.

In this same development, Ungerer (2013) documents that stakeholders need to have insight into a company's strategy in order to assess a variety of factors such as competence of management,

whether the strategy incorporates sustainability issues, or simply whether the strategy seems viable. In line with the above, the voluntary disclosure of business strategies is considered to be beneficial to users of such financial information in so much as they are able to influence their decision making. Firms would naturally tend to disclose those information that would attract investors to them particularly where the firm intends to raise additional capital in the capital market.

Athanasakou, Boshana, Kochetova and Voughgaris (2023) explained that policy makers and capital market participants have placed emphasis on the role of strategy and business model disclosure as a mechanism for communicating a firm's value creation process and its ability to deliver sustainable value.A company's strategy shapes the company's underlying logic of recourse allocation management decisions (Pitenoei, et al, 2021). According to Athanasakou, et al (2023) strategy and business model disclosure in annual reports is useful in two ways. Firstly, they may contain element of new items insofar as they relate to strategic plans and milestones. This may reinforce the credibility of the relevant announcements made through other sources. Secondly, the role of strategy and business model disclosure is contextual in view of the fact that description of strategy and business model help investors understand the linkage of operations to financial results and predict more accurately the sensitivity of the performance to future shocks or events.

Different strategies are adopted by different organizations with diverse measure of success. Thus the analysts, investors and other users of financial statements would be interested in assessing the strategies adopted by the organization in order to evaluate the chances of the organization realizing its set goals and objectives. Strategic investment decision is among the most important strategies of management. Atik (2012) sees strategic investment decision as connoting the investments which have substantial impact on long-term financial and operational performance of firms, and which have substantial effect on competitive advantage of firms. Generally strategic investment decisions have a great deal of influence on the product and services of firms as well as the geographical spread of the operations of the firms. The strategic investment decisions encompasses decisions relating to acquisition and mergers, introduction of new product lines, installation of new manufacturing processes, acquisition of new technologies, new market entrance, as well as research and development (Atik, 2012).

There are however, some opposing views on the disclosure of information on corporate strategies. Firstly, it is argued that managers may not be motivated to disclose their important strategies due to fear of competitors (see Suijs, 2007). Secondly the strategies change in line with the nature of the environment and industry. Moreover some strategies are complex and difficult to interpret. Thus investors may interpret wrongly any corporate strategies they may not understand and this may be become a disincentive to the investors. Hence the managers are careful of what they disclose and what they do not disclose.

Overview of investor's behaviour in the capital market

The capital market is a very sensitive market where operators rely heavily on the availability of information for their investment decision. Like other investments the operators are always risk averse where they are precautious of their actions. As opined by Jaya and Rathod (2021) investment behaviour is based on uncertainty about the future and this is risky. Investors continuously search the information opportunities to identify any information that will assist them in their investment decision making. Thus information about any firm which may be of interest to investorsis usually treated with every amount of seriousness. The disclosure of information on strategies could have a far reaching effect on the behaviour of investors. This is because investors are always very sensitive to information about the firms they want to invest.

The nature and mode of doing business all over the world have witnessed fundamental changes in recent times. These changes are necessitated by competition which increasingly involves value creation as a survival strategy. In order to serve the information needs of the market which should suffice for corporate transparency and accountability, there is agreement among users of financial report that business reporting should be expanded beyond the traditional backward-looking financial model (Beattie, Mcinnes&Fearnley, 2004). Arising from the above, there is need for financial report that is forward-looking and mostly, non-financial in nature. This is perceived to meet the information needs of investors and creditors.

The information contained in the financial report is one of the major factors which influences the attitude of investors in the market place. Apart from mental acceptance or likeness towards a particular set of investments, investors usually display certain behaviour towards a set of investment opportunities. This is also true in the capital markets. The attitude of investors in the capital market is based on experience and information available to them. Financial information have been found to have significant positive effect on the investor intentions and investment decisions. Hence, financial information contributes greatly to investor intentions and investment decisions (Listyarti&Suryani, 2014). The main goal of investors' behaviour towards a certain set of investment opportunities is either to behave favourably or unfavourably towards such investment. Investors behave favourably towards investment opportunities when they make up their minds to invest in such project. On the other hand, they behave unfavourably when they reject or walk away from such investment opportunities. The final decisions of investors are derived from the results of analysis and appraisal of available information about such investment opportunities.

Investors' behaviour can be seen as the exploration of the emotional responsiveness pertaining to attitude exhibited by individuals, financial experts, and traders during the financial planning and investment management process (Baker &Ricciardo, 2014). They further maintain that the decision making process of investors incorporates both quantitative (objective) and qualitative (subjective) aspects that is based on the features of investment product or financial services. Generally, the behaviour of investors flow from the psychological and emotional perception above all other considerations. Investment in the capital market involves committing the resources of individuals or organisations to projects that are long term in nature and whose returns accumulate gradually over time. Errors arising from decisions leading to investment in any firm may threaten the survival of such organisations and consequently thorough appraisal of such investment must be carried before embarking on it.

Jaya and Rathod (2021) refer to investment decisions as concerned with the optimal use of funds to maximize the wealth of the company and its shareholders. Investment decisions are a function of several factors such as characteristics of the market, and risk profiles of individual in addition to accounting information (Jogogongo&Mutswenje, 2014). Theinvestors are usually considered to be rational with the objective of maximizing their wealth. Consequently, their investment strategies are anchored solely on risk-return trade-off and in strict compliance with basic finance rules. Investors usually take many factors into consideration in their investment decisions. Hussein (2007) argued that investors usually consider the marketability of the firm's stock, get rich syndrome of investors, expectations of corporate returns, past performances of the firm's stock, government interest and availability of organised financial markets in their decision to invest in any company stock.

Theoretical framework

There are many theories that can be used to explain the relationship between disclosure of information on corporate strategies and behaviour of investors in the capital market. However, this study is

anchored on signalling theory. This theory which was propounded by Michael Spence in 1973 states that firms usually disclose information to potential investors to signal to them their superior performance. This theory is used to explain how disclosure of certain information about the performance of firms would woo investors to invest in such firms. In a competitive market, participants are constantly in search of superior information that will motivate them to take decision as to whether to invest in such firm or not. Moreover, managers having realised the information needs of investors usually attempt to satisfy these needs by providing information about their superior performance.

Thus signalling theory emphasizes the link between those who have superior private information (managers) and those who need the information (investors).To this end, Connelly, Certo, Ireland and Reutzel (2011) document that there are three elements in signalling theory: the signallers who are the insiders that provides the signals (in this case the managers or executives), the signals which is the positive and negative private information, as well as the receiver of the signals who are the investors or users of the financial statements.

The voluntary information disclosure of information on corporate strategy is a very important channel of communicating value-relevant information (the signal) which satisfies the yearning needs of investors. Disclosure of information on corporate strategies conveys a signal to the investors about the sustainability of the activities of the firms and thus provides assurance that their investments are secure. Also that there are sufficient mitigating safeguards against any future threats to the survival of the firms. The findings of earlier study by Yasar, Martin and Kiessling (2020) agrees with the fact that receivers of information do react to positive signals and even react much to stronger signals. They conclude that investors and financial managers can predict stock price volatility based upon signals from the firm.

Empirical literature

Discussions on disclosure of information on corporate strategies in annual reports and its effect on behaviour of investors in the capital market are scanty. However, the few that caught our attention are discussed hereunder.

Padia and Yassen (2011) conducted a study on the strategy disclosure in annual reports of South African companies. The main objective of the study was to find out the extent of disclosure of strategies in the annual reports of companies listed on the Johannesburg Securities Exchange (JSE). Data were obtained from annual reports of 100 companies listed on the JSE which were selected from a list of 200 top companies based on their turnover. Their findings indicate that many companies do not make maximum disclosure of information on strategies as this is not required by law.

Sieber, Weibenberger, Oberdorster and Baetge (2014) studied the impact of voluntary strategy disclosure in management reports on the cost of equity capital. A sample of 100 firms listed in Germany from 2002 to 2008 was taken. Disclosure levels for strategy disclosure were collected by hand and index scores awarded. The data were analysed using regression model and the results of analysis showed that higher level of disclosure are associated with lower cost of equity capital. The result of the findings provide evidence that voluntary strategy disclosure in firm’s management reports reduces information asymmetry component of cost of capital and therefor can be considered as a relevant source of information for investors.

Santema, Hoekert, Rijt and Oijen (2005) carried out investigation on strategy disclosure in annual reports across Europe with reference to differences among five countries. Their focus was to

determine whether national culture and national corporate governance feature have any influence on the extent of disclosure of their strategy. Data for the study were obtained from annual reports of companies from five countries in line with the criteria established by the researchers. The data were analysed using MANOVA and regression models. The findings led to the conclusion that corporate governance and culture have influence on the extent to which companies disclose their corporate strategy.

Winter and Zulch (2019) studied the determinants of strategy disclosure quality among companies in Germany. The study was based on data obtained from a sample of 110 largest companies Germany for the period of 2014 to 2018. The data were analysed with multiple regression model. The findings of the study indicates that firm size, firm growth and capital intensity determine strategy disclosure significantly and positively. However, firm age, financial leverage, ownership structure and profitability do not have significant relationship with voluntary strategy disclosure. The study contributes to knowledge by providing insight into voluntary strategy disclosure of capital market oriented companies.

Hasjim, Nawawi and Salin (2014) investigated the determinants of strategic information disclosure from Malaysian experience. The main objective of the study was to examine strategic information disclosure among Malaysian companies and the factors that influence the volume of such information disclosure. The study adopted corporate governance mechanisms including frequency of board meetings, board size, proportion of independent non-executive directors, CEO duality, and institutional shareholdings. The sample for the study was drawn from companies listed on Bursa Malaysia. A disclosure index was constructed to measure the volume of strategic information disclosed online and multiple regression was used to analyse the relationship among the variables. The findings of the study reveal that companies on average disclose moderate amount of strategic information. The findings further reveal that only the board size has a positive significant impact on the volume of strategic information disclosed.

Santos and Pinha (2019) examined whether the dissemination of information on strategic resources influences the performance of organisations. Their data were taken from 20 companies from Sao Paulo stock exchange of most profitable sector from 2010 to 2018. The study adopted qualitative approach in the analysis of the strategic resources of the selected firms. The data were analysed with the aid Atlas Tsoftware. The performance of was proxied by return on equity (ROE) and disclosure of strategic resources was taken to represent the independent variable. The study was anchored on resource based view theory. The study concluded that dissemination of information on strategy resources does not influence the performance of the sampled companies.

Etengu, Olweny and Oluoch (2019) investigated the effect of corporate strategic information disclosure on earnings management among listed firms at the Ugandan securities exchange. The study used census of 9 firms covering a period of 2012 to 2017. The disclosure index was used a proxy for the extent of corporate strategic information disclosure in the narrative section of annual reports. The findings of the study show corporate strategic information disclosure has negative and significant effect on earnings management. The implication of the findings is that disclosure of information on corporate strategy constitutes constraint on the proliferation of earnings of management.

Methodology

This study is concerned with establishing whether the disclosure of information on corporate strategies by firms communicates value which will propel investors to desire to invest in such firm. Thus a relationship is established between disclosure of information on strategy and investors

behaviour. Behaviour of investors will either be to invest in such firms or not. In each case there is increase or otherwise in the number of investors of such firms. The forces of demand and supply will always push the price of such firm's stock up or down. The interplay of increase/decrease in volume and increase/decrease in price of stock of such firms results in the increase/decrease in market capitalisation. The corporate strategies information disclosure is measured based on the corporate strategy checklist developed based on reviewed literature. Thus hypothesis is postulated to show whether the disclosure of information oncorporate strategies has any significant effect on the behaviour of investors in the Nigerian capital.

H_{01}: Corporate strategies information disclosure in annual reports does not have any significant effect in the behaviour ofinvestors in the capital market.

Model development

The dependent variable in the study is the behaviour of investors which is measured by market capitalisation (MKTCAP); while the independent variable is corporate strategy information disclosure (CSID).

A model is developed in order to establish the relationships as follows:

$$MKTCAP = f(CSID) \quad .... \quad (i)$$

Where MKTCAP = Market capitalisation

CSID = Corporate strategy information disclosure.

Based on the above, a functional econometric model is developed as follows:

$$MKTCAP = \beta_0 + \beta_1 CSID \quad .... \quad (ii)$$

Where $\beta_0$is the autonomous variable and $\beta_1$is the slope of the parameter of the independent variable and the respective values will be derived from the analysis of data.

Data collection

The study adopted *ex post facto* research design as data for the study were obtained from published annual report of some randomly selected companies listed on the floor of Nigeria Exchange Group for the years 2015 to 2019 (previously called Nigerian Stock Exchange). Contents analysis was used to extract the data based on an established checklist. This is in line with prior studies by Bolossan (1997) and Alhieri (2011). The disclosure checklist was developed after careful review of literature and it is made up of eight items as follows:

Strategies information disclosure (SID)	i. Business strategies. ii. Strategic innovation. iii. Competitive advantage iv. ICT innovation v. Supply chain innovation vi. Human development innovation vii. Mission statement. viii. Pricing strategy

Source – researcher, 2023.

Content analysis was used in scrutinising the financial statements of sampled firms in order to identify the item of disclosure in the checklist. Krisntadl and Bontis (2007) describe content analysis as a technique used in research for making replicable and valid inferences from texts. This method is suitable for disclosure with related questions especially when narratives are involved. Beattie, McInnes and Fearnley (2004) opine that content analysis involves classifying texts units into categories and for valid inferences to be drawn the procedure for classification must be reliable and valid. A score of 1 was awarded when there was disclosure of the item in the annual reports and 0 was awarded when there was no disclosure.

Results of analysis of data

The data generated were analysed with SPSS version 20 and the results of analysis are discussed below.

Descriptive statistics

The data generated were analysed using SPSS version 20.

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
STRATEGY DISCLOSURE %	300	.00	100.00	54.0000	22.22182	.387	.141	.877	.281

Source – results of analysis, 2023

The result of the analysis in the table above revealed that the minimum Strategy disclosures was 0%, maximum Strategy disclosures was 80%, average Strategy disclosures was 34% and standard deviation was 23.78%. This implies that the selected companies made average corporate strategies disclosures of 34% and the degree of dispersion of the disclosures from the mean was 23.78%. The value of skewness for strategies disclosures was -0.146 which implied that it was moderately skewed meaning the left log tail of the distribution is longer than the right. The kurtosis value was -1.006 meaning that it was platykurtic showing that its tails are shorter and thinner and its central peak is lower and broader.

Test of hypothesis

The hypothesis earlier postulated for the study is tested as follows:

> H_0: Corporate strategies information disclosure in annual reports does not have any significant effect in the behaviour of investors in the capital market.

The result of the analysis shown in the table below indicates that the beta value of 0.146 was obtained for strategies disclosures while the p-value stood at 0.006;the t-cal. was 0.2757and the t-tab was 1.967. In line with the decision rule of the study, the null hypothesis is rejected and the alternate accepted because t-tab<t-cal. and p-value < 0.05. This implies that strategies disclosure has a significant effect on market capitalisation in the Nigerian stock market.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	8.189	.463		17.691	.000		
TOTAL STRATEGIES DISCLOSURE	.161	.058	.146	2.757	.006	.703	1.422

Source – Results of analysis of data, 2023.

Discussion of findings

The result indicates that corporate strategies disclosure significantly affect market capitalisation in the Nigerian Stock Market. This was indicated by the result of the analysis where the beta coefficient was 0.146 or 14.6%. This means that 14.6% variation in market capitalisation is accounted for by corporate strategies disclosure made by the companies listed in the Nigerian Stock Exchange. This finding was in agreement with the earlier findings of Weibenberger, Oberdorster andBaetge (2014) who found that voluntary strategy disclosure in management reports are associated with lower cost of equity capital. This provides evidence that disclosure of information on corporate strategies reduces information asymmetry component of cost of capital and therefore can be considered as a relevant source of information for investor's decision making.

Conclusion and recommendations

The findings of the study reveal a positive significant relationship between corporate strategies information disclosure and investor's behaviour in the capital market. The study therefore concludes that the disclosure of information on corporate strategies significantly affects the market capitalisation of firms listed on the floor of Nigeria Exchange Group.

The study therefore makes the following recommendations:

1. That firms should strive to disclose more information on corporate strategies not only as a means of meeting the information needs of investors but also to signal their superior performance.
2. That investors should have confidence in the information oncorporate strategies voluntarily provided by managers in the annual reports of their firms.

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