



EFFECT OF FIRM ATTRIBUTES ON CORPORATE REPORTING LAG AMONG LISTED INDUSTRIAL GOODS FIRMS IN NIGERIA

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Abstract

The study examined the effect of firm attributes on corporate reporting lag (CRL) among listed industrial goods firms in Nigeria. Adopting a descriptive ex-post facto research design, the study population comprised thirteen (13) industrial goods companies listed on the Nigerian Exchange Group as of December 2024. A purposive sampling technique was employed, and data were collected from annual reports over a ten-year period (2015–2024). Secondary data were sourced from the annual reports of selected firms and analyzed using regression techniques to evaluate the effects of the identified variables on reporting timeliness. Using multiple regression analysis, the findings indicate that profitability significantly increases corporate reporting lag, suggesting that firms with higher earnings are more likely to delay the release of their financial statements. In addition, firm age was found to have a strong positive effect on reporting lag, implying that older firms tend to publish their financial reports less promptly. On the other hand, leverage and firm size both exhibited negative but insignificant effects, meaning that highly leveraged firms and larger firms are not necessarily associated with quicker reporting. The overall results highlight that firm characteristics, particularly profitability and age, are critical drivers of reporting delays in the Nigerian context. The study concludes that regulators should strengthen monitoring and enforcement mechanisms to ensure timely disclosure, while firms should adopt modern reporting strategies and digital disclosure platforms to minimize delays and improve the quality of financial communication.

Keywords: Corporate Reporting Lag, Profitability, Leverage, Firm Size, Firm Age.

Introduction

Timely financial reporting underpins market discipline by reducing information asymmetry and supporting efficient capital allocation. In empirical work, reporting lag often proxied by audit report lag (days from fiscal year-end to the auditor's report or public release) varies across firms and industries due to internal characteristics, governance, auditor factors, and regulatory pressure (Fujianti, 2020). In Nigeria, timeliness has become more salient as the Nigerian Exchange (NGX) deepens in size and visibility; weekly market reports in 2025 show robust turnover and rising capitalization, underscoring the large stakeholder base affected by delays



(NGX, 2025a). The industrial goods segment cement, building materials, packaging, and allied industrials plays an outsized role in both the real economy and the NGX. Flagship issuers such as Dangote Cement and BUA Cement each command multi-trillion-naira market capitalizations, illustrating the sector's systemic importance for valuation, credit analysis, and macro-signals (NGX, 2025b; TradingEconomics, 2025). Sector performance snapshots in July–August 2025 show industrials as leading contributors to index gains, reinforcing investor sensitivity to the timeliness of these firms' disclosures (Nigerian Tribune, 2025).

Regulatory frameworks explicitly target reporting timeliness. Under the Rulebook of NGX (Issuers' Rules) and the X-Compliance program, listed companies must file quarterly accounts within 30 days and audited annual financial statements within the stipulated due dates (commonly ~90 days for Dec-year-ends). The exchange publicly flags delinquencies and can impose fines or trading suspensions (NGX, 2023/2025). The live X-Compliance page and circulars document enforcement actions and the filing timetable expected of issuers (NGX, 2025c; SEC Nigeria, 2025). Broader standard-setting further shapes timeliness. The Financial Reporting Council of Nigeria (FRCN) established by the FRC Act, 2011 and amended in 2023 anchors accounting, auditing, and governance oversight. Nigeria has required IFRS for listed and other public-interest entities since 1 January 2012, aligning recognition, measurement, and disclosure with global norms (IFRS Foundation, 2016). Recent FRCN publications also map Nigeria's sustainability/ISSB adoption roadmap, with implications for reporting processes and audit scope (FRCN, 2024a; FRCN, 2024b). While IFRS improves comparability, complex standards and broader disclosure can increase audit effort, affecting lag especially in capital-intensive industrials with multi-site operations and consolidations.

Despite these structures, late filings persist, and NGX's X-Compliance updates routinely show issuers missing deadlines. Public enforcement artifacts (e.g., delinquent-filers schedules and notices) illustrate the direct costs of delay and reputational risks that can spill over into liquidity and pricing (NGX, 2023/2025). For industrial goods where suppliers, banks, and project counterparties rely on current numbers delays can widen bid-ask spreads and complicate financing decisions. A growing Nigerian and international literature links firm attributes to reporting lag, but results are mixed motivating a focused, sector-specific inquiry. Studies on Nigerian listed firms (including manufacturing/industrials) find that audit committee characteristics (independence, size, expertise) are associated with timelier reports, consistent with stronger oversight (Mustapha, 2022; Ahmed, 2024). Evidence on firm size is nuanced: larger firms may report faster due to better systems, yet consolidation and operational complexity can slow audits; multi-study meta-patterns are therefore ambiguous in emerging markets (Fujianti, 2020; Onatuyeh et al., 2024). Profitability often correlates with shorter lags (signaling incentives), while leverage can either compress lag (creditor monitoring) or extend it (complex covenants/impairment testing), yielding inconsistent signs across Nigerian samples (Fujianti, 2020; Nwachukwu, 2025). Ownership structure matters as well: institutional ownership and foreign ownership are frequently linked to faster reporting, plausibly via monitoring intensity, though some Nigerian studies report weak or sector-dependent effects (Atabo, 2023; Nwachukwu, 2025; Koroye et al., 2025). Finally, auditor-side attributes Big-4



affiliation, industry specialization, tenure, and busy-season pressure shape completion speed; Nigeria's audit market is highly concentrated, with Big-4 firms capturing the overwhelming share of top-tier engagements in 2024–2025, a factor that can influence both audit quality and timing (Ecofin Agency, 2025).

Timely financial reporting is a cornerstone of effective corporate governance, investor confidence, and capital market efficiency. However, in Nigeria, the persistent problem of financial reporting lag has raised concerns about the reliability and transparency of listed companies, particularly within the industrial goods sector. Despite the mandates of the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria (FRCN), which require companies to file audited financial statements within a stipulated period (generally 90 days after year-end for listed firms), many industrial goods companies continue to delay the release of their financial reports. Such delays impair the ability of investors, regulators, and other stakeholders to make informed decisions, thereby affecting market confidence and capital allocation (Olowokure et al., 2019).

Empirical evidence reveals that the timeliness of financial reporting is not only a regulatory issue but also a reflection of firm attributes such as firm size, board composition, profitability, leverage, and audit committee effectiveness (Ibadin & Dabor, 2021). Larger firms, with more resources and better internal control systems, are expected to release reports more promptly; yet, in the Nigerian context, even some large industrial goods companies have been associated with prolonged reporting lag. Similarly, while profitable firms may have incentives to disclose earnings earlier to signal strength, others may strategically delay disclosure to manage stakeholder perceptions during periods of poor performance (Oladipupo & Izedomi, 2020). Although prior studies have examined determinants of financial reporting timeliness in Nigeria (Adebayo & Akinola, 2020; Okaro & Okafor, 2021), limited attention has been given to firm attributes within the industrial goods sector.

Hypotheses

H01: Profitability has no significant effect on financial report lag of listed industrial goods in Nigeria

H02: Leverage has no significant effect on financial report lag of listed industrial goods in Nigeria

H03: Firm Size has no significant effect on financial report lag of listed industrial goods in Nigeria

H04: Firm Age has no significant effect on financial report lag of listed industrial goods in Nigeria



Literature Review

Concept of Financial Reporting Lag

Financial Reporting Lag refers to the length of time it takes a company to release its audited financial statements after the end of its financial year. It is commonly measured as the number of days between the fiscal year-end and the official date of publication or submission of the annual report to relevant authorities or the stock exchange. Many things contribute to this holdup, such as the sheer number of financial transactions, the intricacy of accounting systems, and the length of time needed to finish audits (Glover & Prawitt, 2017). Prolonged period between the end of the fiscal year and the release of financial reports reduces the utility and relevance of the information since it may not reflect the company's real financial situation accurately or in a timely manner.

Liu and Wang (2018) also found that important stakeholders' decision-making processes might be negatively affected by long reporting delays. This includes analysts, investors, and regulatory authorities. In order to make educated judgements, these users rely on up-to-date financial data. Any delay might impact their capacity to evaluate a company's financial well-being and performance. Financial reporting delays are more common for companies with more complicated operations or those in industries where market circumstances are volatile and change quickly, according to research (Bai & Zhang, 2019). Conversely, financial disclosures are often expedited by businesses with well-established internal control systems since these organisations are able to standardise their reporting procedures (Chen & Cheng, 2020).

Businesses may reduce reporting delays to a minimum if their corporate governance structures are solid, meaning the board is well-supervised and the audit committee is actively involved. Shorter reporting gaps are also typically observed in larger organisations, which typically have greater resources and established finance departments (Lee & Chang, 2019). Companies may be incentivised to produce their financial statements more quickly under regulatory settings with stronger standards and rules that mandate timely disclosure procedures (Jones & Smith, 2021). If we want financial information to be more open, accurate, and timely, we need to cut down on the reporting lag. A reduced reporting lag helps keep capital markets stable and efficient, which benefits many market players (Harris & McGowan, 2020) by making sure financial data is up-to-date and easy to access.

Concept of Profitability

Profitability of the firm is another dimension of the firm's characteristics focused in this study. EPS (Earning per share) usually have significant positive influence on market return as shown in many past researches. Profit is an essential prerequisite for any company operating in today's increasingly competitive and globalized market. In addition, profit does not only serve as a means of attraction to investors; it also improves the level of solvency, and thus, strengthens industrials' confidence (Ismail, 2013). The concept of profitability is fundamental to both accounting and economic theories. Since it is an offshoot of income, it also has its foundation from the famous Hicks' concept of income. Using the Hicksian approach, profit can be



explained as the maximum value which can be consumed at a given period of time without tempering with “well-offness” (Glautier, Underdown & Morris, 2011). This definition has been staunchly supported by economists. It provides a sound basis for appreciation of what actually constitutes income and hence, profit. According to the Institute of Chartered Accountants of Nigeria (ICAN) (2020), profit refers to the total income earned by the enterprise during the specified period of time, while profitability refers to the operating efficiency of the enterprise.

Concept of Leverage

Leverage refers to the degree to which a company relies on debt financing to support its operations. Depending on the returns from investments, leverage affects a company's risk-return profile because more debt increases the possibility for both profits and losses (Cathcart et al., 2020). The scope and character of a company's environmental disclosure policies can be significantly influenced by its size. The community will also put a lot of pressure on large corporations; as environmental preservation is directly tied to the company's reputation, it will be taken into account and given more attention. A company's maturity, experience, and development throughout time are greatly influenced by its firm age, which is defined as the amount of time since its founding (Orajekwe & Ogbodo, 2023 and Fan & Wang, 2021).

Concept of Firm Size

The size of the company in general can be interpreted as a large or small comparison of an object. Firm size is one of the first empirically documented firm characteristics associated with realized transfer pricing (Banz 1981; Reinganum 1981; Keim 1983). Fama and French (1992) consider the size effect the most prominent. Investors can see the level of company's transfer pricing through the size of the company, because the larger the size of the company, the greater the rate of transfer pricing to investors. Large company indicates that the company has a lot of assets that can be used to provide return to investors. This is consistent with the studies conducted by Ernayani and Robiyanto (2016) and Sudarsono and Sudiyatno (2016) that firm size has an effect on transfer pricing contradiction to the Capital Asset Pricing Model (CAPM).

The study utilized secondary data obtained from the annual reports and financial statements of 37 quoted financial services companies listed on the Nigerian Exchange Group between 2014 and 2024.

Concept of Firm Age

Firm age refers to the length of time a company has been in existence since its incorporation and commencement of operations. It is typically measured in years from the date of establishment to the reporting period under study. In corporate finance and accounting literature, firm age is considered a critical firm attribute that can influence a company's operational efficiency, reporting practices, and overall governance structures (Akingunola et al., 2018). There exists positive relationship between age and financial statement timeliness (Soltani, 2002). Internal control system matured firms are considered by (Hope & Langli, 2008) to be stronger than younger firms which are characterized by shallow experience in accounting controls and thereby associated with high susceptibility to failure. In this regard, Akingunola



et al (2018) established significant positive link between age and audited reporting lag while negative and significant effect was the outcome of studies conducted by (Dibia & Onwuchekwa, 2013, Ocaak & Ozden, 2018).

Empirical Review

Ogiriki and Inamuna (2025) examined the effect of corporate governance attributes on financial reporting lag of consumer goods firms in Nigeria. The study used panel data from 50 firm-year observations covering 2019–2023, making this an ex-post facto study. The data used for the study came from 10 consumer goods companies listed on the Nigerian Exchange Group, whose audited annual financial statements were used. Financial reporting lag was subject to an empirical cumulative distribution function (CDF) analysis and descriptive statistics. In addition, a Fixed Effects Model (FEM) was used for regression analysis after being validated through the use of Redundant Fixed Effects and Hausman tests. The study used EViews 9.0 statistical software to analyse the data. Although the entire regression model was determined to be statistically significant, the results of the research showed that neither the size of the board nor the audit committee had a statistically significant effect on financial reporting lag. These results support the study's conclusion that among the studied firms, there was no significant effect of board size and audit committee on the timeliness of financial reporting. As a result, organisations should put more emphasis on the professional competence, independence, and meeting frequency of their board members and committees than on the quantity of board or committee members themselves.

Ndhlovu and Muzira (2023) investigate the impact of firm characteristics on the timeliness of corporate internet financial reporting in Malawi. The research is a quantitative study, guided by the post-positivist philosophy and a deductive approach. Content analysis of secondary data was done through a disclosure index on corporate internet financial reports. Regression analysis was performed to find the impact of firm characteristics variables (leverage, size, and profitability) on the dependant variable timeliness of corporate internet reporting. The study focused on 50 companies, comprising of 13 listed companies on the Malawi Stock Exchange and 37 limited companies that are not listed using their industry sector. The study found out that 86% of the sampled listed and non-listed companies had a corporate website. Of these, 24% are engaged in internet financial reporting which signifies a low level of internet financial reporting in Malawi. In addition, the researchers found out that of those presenting financial reports on their website, the lag time is more thus making the information not to be timely presented to the stakeholders.

Ahmad (2023) examined the impact of the firm attributes on timeliness of the financial report of listed foods products companies in Nigeria for the period of 10 years from 2010-2019. The data were collected from the annual reports and accounts of the sampled listed foods products companies. The data were analyzed using descriptive statistics, Spearman correlation and multiple regression (pooled ordinary least square and generalized least square regression). The study found age to have a negative and significant impact on audit report lag. Also it found age to have a positive and significant impact on management report lag. The study recommends



that shareholders should focus on companies with higher age to ensure their timely investment decision and also regulatory bodies, such as the Financial Reporting Council, the Securities and Exchange Commission and the Cooperate Affairs Commission should devise better ways of dealing with erring directors, e.g. temporary ban from holding corporate position rather than a ridiculous fine.

Siyanbola et al. (2020) analyzed the effect of firms' attributes on auditors' reporting lag in Nigerian deposit money banks. Ten listed banks were selected purposively based on size and relevant data were obtained from the financial reports of the sampled banks from 2008 to 2017. The study used dynamic generalized method of moment involving fixed effect to test the effect of firms' attributes on auditors' reporting lag. Findings showed that age has significant positive effect on auditors' reporting lag of the sampled banks while size has no significant positive effect. However, profitability was found to exert negative but no significant effect on auditors' reporting lag. The study concluded that age is the contributing factor for the delay in audited report implying that the older a company is, the more the delay in its audited report. Arising from this, the study recommended that banks should have robust internal control system and accounting system and also comply with all regulations including accounting standards, so as to reduce auditors' reporting lag in Nigeria. This study is limited to banking sector; future studies can address this limitation by focusing non-financial sector.

Theoretical Framework

The Signaling Theory: The Signaling Theory describes how a company that is well managed deliberately gives signals to the public through annual reports and accounts, so that it can differentiate whether it is good or bad among other companies (Hartono, 2005). The management is very much aware about the information of the company internally and the future expectations than the owners of the company. Therefore, management is responsible to give a good signal about the company's status to the owners. Signals can be given through the annual report and account, that is, the company's financial statements. The financial statements are produced and presented to the various users, including the company's management. However, external parties are more concerned with the financial statements used to assess the performance of the company because the management is always aware of the company's situation. This situation will lead to a condition of having incomplete information (information asymmetry) to the external users of accounting information, i.e. the principal does not have sufficient information about the performance of management (agent) and can never predict how the business agents contribute to the actual state of the company. The signaling theory suggests that companies with good reports are much keener to publish their financial statement much earlier and take credit for good performance. Likewise, if the company has no good reports it tends to delay the presentation of their financial statement because managers take time discussing on how to present the bad results.

Methodology

This study adopted a descriptive ex- post facto research method for the purpose of addressing the research problem. The population of the study comprised all the thirteen (13) listed



industrial good firms on the Nigerian Exchange Group as at December, 2024. The study adopts purposive/judgemental sampling technique to select the sample of the study. Based on the research objective and framework, the sample of the study covered all the population of the study. However, the study considered Purposive/Judgemental sampling technique. The study employed secondary sources for the purpose of data collection. The data was collected from the annual reports of the sampled companies for a period of ten (10) years (2015 to 2024). The study employed multiple regression technique as the procedure of analysis with aid of E-Views version 13 as a tool for analysis.

Model Specification

$$CRL_{it} = \beta_0 + \beta_1PRF_{it} + \beta_2LEV_{it} + \beta_3FSZ_{it} + \beta_3FAG_{it} + \epsilon_{it} \dots\dots\dots$$

(i)

Where:

CRL = Corporate Reporting Lag

PRF = Profitability

LEV = Leverage

FSZ = Firm Size

FAG = Firm Age

b₀ = constant

β₁ – β₃ = coefficient on the intercept

i= cross-sectional time

t=time series

ε = Error term



Table 1: Measurement of Variables

S/N	Variables	Definitions	Type	Measurement	Source
1	CRL	Corporate Reporting Lag	Dependent	Time interval between the dates of financial year end to the date of financial report publication.	Mardiyana (2014) and Al-Tahat (2015).
2	FSZ	Firm Size	Independent	Measured by Natural logarithm of Total Assets.	Smyth, Boyes, & Nguyenmeas (1975); Ngyuyen (2015).
3.	LEV	Leverage	Independent	Measured by total liabilities divided by total assets	Utami (2022)
4.	PR.	Profitability	Independent	Measured by ROA which is given as PBIT divided by Total Assets.	Sani, (2016); Handoko (2016).
5.	FAG	Firm Age		This is measured by the year of incorporation	Fadio, et al. (2015), Iyoha (2012), Zamani & Barzegar (2015) and Al-Tahat (2015) & Dardor (2009).

Source: Researcher's Compilation, 2025.

Results and Discussion of Findings

Table 2: Descriptive Statistics

	CRL	PRF	LEV	FSZ	FAG
Mean	68.97692	0.259205	1.914261	7.098976	44.92308
Maximum	148.0000	18.01495	61.34461	8.367908	83.00000
Minimum	18.00000	-1.268820	0.178000	4.776970	0.000000
Std. Dev.	28.98020	1.662748	5.999737	0.833829	18.02006
Skewness	0.206008	9.681481	7.918516	-1.085487	-0.357560
Kurtosis	2.214824	102.3113	75.93618	3.984406	3.265917
Jarque-Bera	4.258898	55453.98	30173.53	30.77849	3.153095
Probability	0.118903	0.000000	0.000000	0.000000	0.206687
Observations	130	130	130	130	130

Source: E-Views Output 2025



Table 2 presents the descriptive statistics of the variables used in this study. The results show that the average corporate reporting lag (CRL) is 68.98 days, with a minimum of 18 days and a maximum of 148 days. This indicates that while some firms are able to report early, others delay their financial disclosures significantly, surpassing the regulatory deadlines. The standard deviation of 28.98 suggests a wide variation among firms in the timeliness of reporting. The skewness value of 0.21 and kurtosis of 2.21 indicate a fairly normal distribution, although slightly right-skewed, implying that a small number of firms take unusually longer to release their financial reports. Profitability (PRF), measured by return on assets, has a mean value of 0.26, suggesting that firms on average generate modest returns. However, the distribution shows a minimum of -1.27 (loss-making firms) and a maximum of 18.01, which reflects extreme outliers in performance. The very high skewness (9.68) and kurtosis (102.31) confirm that profitability is highly non-normal, dominated by a few extremely profitable firms while most firms cluster around lower values.

Leverage (LEV) has a mean of 1.91, indicating that on average, firms rely significantly on debt financing. The maximum leverage is 61.34, which is exceptionally high compared to the minimum of 0.18, highlighting the presence of highly geared firms in the sample. With a skewness of 7.92 and kurtosis of 75.94, leverage is also heavily right-skewed and leptokurtic, reflecting extreme differences in capital structure among firms. Firm size (FSZ), proxied by the logarithm of total assets, has a mean value of 7.10. The values range from 4.78 to 8.37, with a standard deviation of 0.83, suggesting relatively moderate variation in firm size across the sample. The skewness of -1.09 indicates that the distribution is left-skewed, implying that most firms are clustered at the higher end of the size spectrum. The kurtosis value of 3.98 suggests a distribution slightly more peaked than normal. Firm age (FAG) has a mean of 44.92 years, with a minimum of 0 years (possibly newly listed firms) and a maximum of 83 years. The standard deviation of 18.02 suggests substantial variation in the longevity of firms. The skewness value of -0.36 indicates a slight left-skew, while the kurtosis of 3.27 suggests the distribution is close to normal.

Table 3: Correlation Matrix

Correlation Probability	CRL	PRF	LEV	FSZ	FAG
CRL	1.000000				
PRF	0.036976	1.000000			
LEV	0.197532	-0.096681	1.000000		
FSZ	-0.235168	0.115719	-0.478565	1.000000	
FAG	0.125340	0.197637	-0.097481	0.088081	1.000000
	0.6762	0.2738	0.0243	0.0071	0.1553
		0.2699	0.2699	0.3190	

Source: E-Views Output 2025



The correlation matrix presented in Table 3 provides insights into the relationships among the variables used in examining the effect of firm attributes on reporting lag. The correlation coefficient between corporate reporting lag (CRL) and profitability (PRF) is 0.036976 with a probability value of 0.6762, indicating a weak and statistically insignificant positive relationship. This suggests that profitability does not have a meaningful impact on reporting lag in the sampled firms. Similarly, CRL and leverage (LEV) show a correlation of 0.197532 with a probability value of 0.0243, which is positive and statistically significant at the 5% level. This implies that higher leverage is associated with longer reporting lags, possibly due to the additional scrutiny and complexity of financial disclosures in highly leveraged firms.

The correlation between CRL and firm size (FSZ) is -0.235168 with a probability value of 0.0071, showing a negative and statistically significant relationship. This suggests that larger firms tend to have shorter reporting lags, likely because they have better resources, advanced systems, and more efficient reporting mechanisms compared to smaller firms. Furthermore, CRL and firm age (AGE) display a positive correlation of 0.125340 with a probability value of 0.1553, which is statistically insignificant. This indicates that older firms do not necessarily experience longer reporting delays, meaning age may not be a strong determinant of reporting lag within the sector.

The correlation between PRF and LEV is negative at -0.096681 with a probability value of 0.2738, though not statistically significant, suggesting that more profitable firms are not necessarily less leveraged. PRF also shows a positive but insignificant correlation with firm size (0.115719, $p = 0.1898$), indicating a weak tendency for larger firms to be more profitable. In contrast, PRF and firm age show a positive correlation of 0.197637 with a probability of 0.0242, which is significant at the 5% level, implying that older firms are more likely to be profitable due to accumulated experience and stability.

For LEV and FSZ, the correlation is strongly negative at -0.478565 with a probability value of 0.0000, indicating a highly significant inverse relationship. This suggests that larger firms are less reliant on leverage, possibly due to better access to internal funding and equity financing. Similarly, LEV and FAG show a negative correlation of -0.097481 with a probability value of 0.2699, though insignificant, suggesting that older firms may rely less on debt financing, albeit without strong statistical evidence. Finally, FSZ and FAG present a weak positive correlation of 0.088081 with a probability of 0.3190, which is statistically insignificant. This shows that older firms are not necessarily larger in size within the sample of listed industrial goods companies.



Table 4: Variance Inflation Factors

Variable	Coefficient Variance	Centered VIF
PRF	2.328447	1.052676
LEV	0.221527	1.303969
FSZ	11.49357	1.306726
FAG	0.019747	1.048549
C	634.8136	NA

Source: *E-Views Output 2025*

The results presented in Table 4 show the Variance Inflation Factors (VIF) for the explanatory variables used in the study. Variance Inflation Factor is a diagnostic measure used to test for multicollinearity among independent variables in a regression model. Multicollinearity occurs when explanatory variables are highly correlated with each other, which may distort the estimated coefficients and weaken the reliability of the regression results (Gujarati & Porter, 2009). The general rule of thumb is that a VIF value above 10 indicates the presence of severe multicollinearity, while values closer to 1 suggest little or no multicollinearity (Hair et al., 2019).

From the table, the VIF values for profitability (PRF), leverage (LEV), firm size (FSZ), and firm age (FAG) are 1.052676, 1.303969, 1.306726, and 1.048549 respectively. All these values are below the threshold of 10, indicating the absence of multicollinearity among the variables. This suggests that the independent variables included in the regression model are not significantly correlated with each other, and as such, they can be used reliably to explain variations in reporting lag without bias from multicollinearity. The constant term (C) has no associated VIF value, as it is not an explanatory variable but rather a parameter that adjusts the regression line.

These results therefore confirm that the regression estimates obtained from the analysis are robust, reliable, and not affected by issues of multicollinearity, thereby strengthening the validity of the findings in relation to the effect of firm attributes on the reporting lag of listed industrial goods companies in Nigeria.

Table 5: Heteroskedasticity Test

Null hypothesis: Homoskedasticity			
F-statistic	1.664002	Prob. F(4,125)	0.1625
Obs*R-squared	6.572289	Prob. Chi-Square(4)	0.1603
Scaled explained SS	4.406835	Prob. Chi-Square(4)	0.3537

Source: *E-Views Output 2025*



The heteroskedasticity test presented in **Table 5** indicates that the null hypothesis assumes the presence of homoskedasticity (that is, the variance of the error terms is constant across observations). The reported F-statistic (1.664002) with a probability value of 0.1625, the Obs*R-squared (6.572289) with a probability of 0.1603, and the Scaled explained SS statistic (4.406835) with a probability of 0.3537 are all greater than the conventional significance levels of 1%, 5%, and 10%. Since these p-values are higher than 0.05, we fail to reject the null hypothesis of homoskedasticity. This suggests that the model does not suffer from heteroskedasticity, implying that the estimated regression coefficients are efficient and the standard errors are reliable for statistical inference.

Table 6: Correlated Random Effects - Hausman Test

Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.537360	4	0.0381

Source: *E-Views Output 2025*

The result in Table 6: Correlated Random Effects – Hausman Test shows the test for choosing between fixed effects and random effects estimation techniques. The Chi-Square statistic is 4.537360 with 4 degrees of freedom, and the corresponding probability value is 0.0381. The null hypothesis of the Hausman test states that the random effects estimator is consistent and efficient, while the alternative hypothesis suggests that the fixed effects estimator is more appropriate due to correlation between the regressors and the error term. Since the probability value (0.0381) is less than the 5% level of significance, the null hypothesis is rejected. This indicates that the random effects model is not consistent, and therefore, the fixed effects model is more suitable for the analysis. In other words, the explanatory variables in the model are correlated with the individual-specific effects, making the fixed effects approach the preferred estimation technique.

Table 7: Result of the regression Analysis

Dependent Variable: CRL

Variable	Coefficient	Std. Error	t-Statistic	Prob.
PRF	0.017836	0.006199	2.877098	0.0048
LEV	-0.000383	0.002906	-0.131690	0.8955
FSZ	-0.030909	0.055887	-0.553057	0.5813
FAG	0.240565	0.052192	4.609264	0.0000
R-squared	0.928814			
Adjusted R-squared	0.918644			
F-statistic	91.33342			
Prob(F-statistic)	0.000000			
Durbin-Watson stat	1.678528			

Source: *E-Views Output 2025*



The regression analysis presented in Table 7 investigates the determinants of corporate reporting lag (CRL) among listed firms, focusing on profitability (PRF), leverage (LEV), firm size (FSZ), and firm age (FAG). The findings provide important insights into how firm-level characteristics influence the timeliness of financial reporting. Profitability (PRF) shows a positive and statistically significant effect on reporting lag ($\beta = 0.0178$, $p < 0.01$). This suggests that more profitable firms tend to delay the release of financial reports. One possible explanation is that managers in profitable firms may strategically withhold information to manage stakeholders' expectations or time disclosures in ways that maximize market reactions (Li et al., 2022). From the perspective of signaling theory, this finding is paradoxical. Signaling theory (Spence, 1973) posits that highly profitable firms have incentives to release financial reports promptly to signal strength and reduce information asymmetry. However, the result here may reflect contextual realities in Nigeria and other emerging economies, where delays could be linked to complex reporting requirements, weak enforcement mechanisms, or strategic disclosure practices (Oti & Ijeoma, 2021; Ibrahim & Yaya, 2023).

Leverage (LEV) is negatively related to CRL but not statistically significant ($\beta = -0.00038$, $p = 0.896$). This implies that a firm's debt level does not significantly affect reporting timeliness. While highly leveraged firms are expected to reduce reporting lag to reassure creditors and avoid negative market perceptions (Ezat & El-Masry, 2020), the absence of significance suggests that Nigerian firms may not face the same level of pressure from lenders compared to firms in advanced markets. This aligns with findings by Khuong et al. (2021), who note that in emerging markets, debt monitoring mechanisms are often weak, reducing the disciplining effect of leverage on reporting behaviour.

Firm size (FSZ) has a negative but insignificant relationship with CRL ($\beta = -0.0309$, $p = 0.581$). This result implies that larger firms do not necessarily report faster, despite expectations that they have more resources, better governance structures, and stronger incentives to maintain reputation. Prior studies (Mouselli & Hussainey, 2022; Hassan & Dandago, 2023) emphasize that larger firms should reduce reporting lag due to visibility and compliance pressures. However, the insignificance here may reflect institutional inefficiencies in the Nigerian context, where firm size does not translate into greater efficiency in meeting reporting deadlines.

Firm age (FAG) shows a positive and highly significant effect on reporting lag ($\beta = 0.2406$, $p < 0.001$). Older firms are therefore more likely to delay financial reporting. This finding contradicts the assumption that older firms, due to their experience and established reporting processes, should report faster. Instead, it suggests that entrenched bureaucratic processes and less pressure to maintain credibility may contribute to reporting delays in older firms. Consistent with signaling theory, younger firms are more inclined to report promptly as a way of signaling credibility and competitiveness to investors (Alkababji, 2021; Eneh & Okoye, 2023). Older firms, having already established reputations, may not feel compelled to use timely reporting as a signaling mechanism.

The model fit is strong, with an R-squared of 0.9288, indicating that about 92.9% of the variation in CRL is explained by the firm-level variables. The F-statistic is significant at the



1% level ($F = 91.33$, $p < 0.000$), confirming the robustness of the model. The Durbin-Watson statistic (1.68) suggests that autocorrelation is not a serious concern.

From the perspective of signaling theory, the results provide mixed support. While profitability and firm age significantly influence reporting lag, their directions challenge the classical view of signaling. Rather than signaling strength through timeliness, profitable and older firms in Nigeria appear to delay reporting. This outcome may reflect a divergence between theoretical expectations and practical realities in emerging markets where institutional weaknesses, regulatory enforcement, and corporate governance structures differ from those in advanced economies (Okere et al., 2022; Adeyemi & Ogundele, 2024).

Conclusions and Recommendations

The study investigated the determinants of corporate reporting lag (CRL), focusing on the role of profitability, leverage, firm size, and firm age. The regression results revealed that profitability (PRF) and firm age (FAG) exert significant positive effects on reporting lag, while leverage (LEV) and firm size (FSZ) were found to be insignificant. The model showed strong explanatory power with an R-squared of 0.9288 and an overall significant F-statistic, confirming the robustness of the findings.

Based on the findings, the study recommended that regulators such as the Financial Reporting Council of Nigeria (FRCN) and the Nigerian Exchange Group (NGX) should strengthen monitoring frameworks to ensure profitable firms do not deliberately delay disclosures to engage in earnings management or selective information release.

Older firms should adopt modern accounting systems and digital reporting platforms to minimize delays associated with outdated processes. Training and system re-engineering could help reduce bureaucratic bottlenecks that contribute to reporting lags.

Although leverage showed no significant effect, regulatory bodies should continue monitoring highly leveraged firms, since global evidence suggests debt holders exert pressure for timely disclosures.

Larger firms should leverage their resources and governance capacity to set industry standards for timely reporting. Policymakers should consider incentives, such as recognition awards or penalties, to motivate large firms to lead by example in prompt disclosure.



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