# Comparative Effects of Business Model Disclosure on the Value Creation of Listed Firms in Nigeria and South Africa

OSALONI Bankole Ojo[1] OGUNGBADE Oluyinka Isaiah[2] AKINADEWO Israel S[3]
Department of Accounting, Afe Babalola University, Ado-Ekiti, Ekiti State, Nigeria.
Corresponding Author[1]: osalonibo@pg.abuad.edu.ng
Author2: oluwagbadeoi@abuad.edu.ng
Author3: Omoeri_akinadewo@unilesa.edu.ng

**ABSTRACT**

Despite growing adoption of integrated reporting frameworks, evidence on whether business model disclosure enhances firm value remains inconclusive, particularly in emerging markets. This study, therefore, investigates the effect of business model disclosure on the corporate value creation of listed firms in Nigeria and South Africa comparatively. An ex-post facto research design is used because the study is a panel study in nature. While the population for the study consist of (151) listed firms in the Nigerian Exchange Group (NGX) and (317) listed firms in the Johannesburg Stock Exchange (JSE), making a total population of 468 as at December 2024. The study employs a census sampling technique to determine 406 firms as the sample. Data were obtained from secondary sources via published annual reports of firms for the period of 2013 to 2024. Descriptive statistics are employed for analysis. The findings indicate that: EVA ($F = 2.51$, $p = 0.0154$; $R^2 = 0.0291$), Tobin's Q ($F = 8.72$, $p = 0.0000$; $R^2 = 0.0590$), EPS (Wald $\chi^2 = 285.19$, $p = 0.0000$; $R^2 = 0.1933$), and CVC ($F = 5.77$, $p = 0.0000$; $R^2 = 0.1989$). Business model disclosures show mixed effects across the performance measures, with BIN, BAC, and BOC exerting the strongest influence, while BVD remains insignificant. Firm size positively affects EPS and CVC but negatively influences Tobin's Q, whereas leverage positively affects EVA and negatively affects EPS and CVC. This study concluded that the value relevance of integrated reporting with business model disclosure depends on the performance measure considered, indicating that firms with stronger operational structures and clearer value delivery processes tend to achieve better performance outcomes.

**Keywords**: Business model disclosure; corporate value creation

## 1. Introduction

Globally, Prospects for businesses and their sustainability are based on the corporate value creation. Also, for both developed and developing countries, corporate value creation is recognised as an important driver of economic growth, while in emerging economies, it creates long-term shareholder wealth, enabling firms to remain competitive in dynamic markets (Mahmood et al., 2025). However, organization have failed to generate corporate value to better position them in withstanding economic shocks and deliver sustainable returns (Țăran et al., 2026). This failure has led to declining domestic and foreign portfolio investment, alongside significant business closures and economic distress (Nuhu et al., 2025). Consequently, the problems caused about 7.2 million MSMEs to cease operations between 2023 and 2024, while 767 manufacturing firms shut down and 335 others faced severe operational challenges (Attia & Uddin, 2024).

Likewise, the problems have been affirmed by statistical and practical evidence from the Nigerian Exchange Group all-share index, showing high sensitivity to macroeconomic shocks, tax rates, high exchange rates, and inflationary pressures between 2023 and 2025 (Okonkwo & Okereke, 2025). The Central Bank of Nigeria (CBN) reports inflation above 28% in 2024, with the naira depreciating against the US dollar (Umoru et al., 2026). Despite the implementation of integrated

reporting through the King IV Code in 2017, South Africa continues to experience significant governance failures, as illustrated by the collapse of Onderstepoort Biological Products (OBP) (Matandabuzo & Marutlulle, 2026). As a result, the corporate value creation that serves as a universal benchmark of performance has been eroded and undermined economic development (Ali et al., 2025).

Studies have explored the dynamic impact of integrated reporting and business model disclosure on firm value creation across sectors. For example, Sinebe et al. (2025) examine the relationship between business models and value relevance in Nigerian firms. In the same vein, Maroun and Ecim (2024) examine biodiversity reporting in UK-listed companies. Gutmayer et al. (2022) and Sukhari et al. (2025) investigate whether a specific content element of integrated reports, namely, business model disclosure quality, influences corporate value of listed firms in South Africa. Hsiao et al. (2022) examined the integrated reporting Framework and how markets respond to firm value in South Africa. Remarkably, empirical evidence shows potential benefits of business model disclosure in the creation of value. However, there remains a significant gap in Nigeria and South Africa. This study aimed to fill these gaps by providing empirical evidence on the effectiveness of business model disclosure on firm value creation in Nigeria and South Africa to harness business model disclosure capabilities that significantly boost efficiency, a promising solution to value creation of listed firms.

Moreover, the objective of this study varied in its entirety from past studies, as this study was to comparatively investigate the effect of business model disclosure on the corporate value creation of listed firms in Nigeria and South Africa. Specifically, the study disaggregated the business model into (Business Inputs, Business Activities, Business Outputs, Business Outcomes and Business Value Delivery Mechanism); considering the alarming failure of corporate value creation, this study becomes a vital aspect of listed firms. The remainder of the study is structured as follows: Section two provides a review of relevant literature, while Section three details the methodology employed in the study by gathering insights specifically from 12 years of listed firms in Nigeria and South Africa over a specific time span from 2013 to 2024. Section four presents the data analysis and discusses the findings. The final section concludes the study, offering recommendations and outlining the study's contributions.

## 2. Literature Review

**2.1.** Conceptual Review The main ideas and variables used in this study are defined in this part clearly and briefly.

### 2.1.1 Corporate Value Creation

Corporate value creation among listed firms plays an important role in the economic landscape, influencing not only investor confidence but also national and global economic stability (Enciso-Alfaro & García-Sánchez, 2026). Corporate value creation for listed firms can be understood holistically as the process through which organisations generate sustainable benefits for both their investors and broader stakeholders over time (Sekar & Naga Venkata Raghuram, 2026). Listed firms, by virtue of their public ownership and visibility, are expected to demonstrate how their strategies, resource allocation, and governance structures contribute not just to shareholder wealth but also to the long-term prosperity of employees, customers, regulators, and society at large (Joshi, 2026; Oben et al., 2026). This makes value creation a multidimensional and forward-looking area (Enciso-Alfaro & García-Sánchez, 2026; Owoeye et al., 2025). Similarly, corporate value creation is measured using market-based indicators, specifically Tobin's Q, Economic Value

Added (EVA) and Earnings per share (EPS). These measures are preferred because they reflect investors' forward-looking expectations regarding firms' ability to generate future economic benefits, rather than merely historical accounting performance.

### 2.1.5 Business Model

The business model is a fundamental component of Integrated Reporting (IR), as it illustrates how an organization creates, delivers, and sustains value over time through a structured process involving Business Inputs, Business Activities, Business Outputs, Business Outcomes, and the Business Value Delivery Mechanism (Chude et al., 2022). However, a business model describes how key capitals, namely financial, intellectual, human, social, natural, and manufacturing, are utilized as inputs and transformed through a firm's core activities to produce outputs and outcomes aligned with its strategic objectives (Kanbach et al., 2024). Similarly, a business model disaggregates Business Inputs, Business Activities, Business Outputs, Business Outcomes, and the Business Value Delivery Mechanism. Inputs represent the essential resources a firm relies on, while business activities capture the processes and operations through which these resources are converted into products, services, or other deliverables (Zhang & Shi, 2026; Syahirah, 2026). As Akwuobi et al. (2026) and Mubaraq et al. (2026) observed, comprehensive business model reporting improves the value relevance of corporate disclosures.

## 2.2 Theoretical Framework

The study is anchored on two theories, which are agency theory and Stakeholder theory. However, agency theory was introduced by Stephen Ross and Barry Mitnick in 1973 to address conflicts of interest between a company's principal and agents operating on its behalf. The theory assumes that both parties are rational and self-interested, pursuing the maximisation of their respective utilities. According to Scalamonti (2025), the theory further assumes the existence of information asymmetry, where agents possess more information about the firm's operations than the principals. While stakeholder theory was propounded by R. Edward Freeman in 1984, the theory emerged as a critique and extension of the traditional shareholder-centric model of the firm, emphasising that organisations exist within a network of relationships involving various stakeholders who can affect or are affected by corporate decisions (Asadi et al., 2025). The theory assumes that firms operate within an interdependent system, where value is co-created and sustained through trust, legitimacy, and cooperation rather than merely through profit maximisation.

Studies have applied these two theories; that is, agency theory for information asymmetry and stakeholder theory for value creation. For instance, Fuhrmann (2020), Gutmayer et al. (2022) and Asadi et al. (2025) have used stakeholder theory to justify the transition from traditional financial reporting to integrated frameworks that consider diverse stakeholder expectations on corporate value creation. Within emerging markets such as Nigeria and South Africa, previous research, such as Fuhrmann (2020), indicates that firms use voluntary disclosure mechanisms to compensate for institutional deficiencies, thereby reinforcing the explanatory power of agency theory in understanding IR adoption and its impact on corporate value.

Additionally, agency theory and stakeholder theory are relevant to this study due to their ability to explain how integrated reporting affects corporate value creation through business model disclosure. Despite their explanatory power, agency theory has been criticised by Pigatto et al. (2023) based on its narrow assumptions frame of principal and agent that underplay how IR communicates value to other stakeholders. Similarly, stakeholder theory has also been criticised

for its limited attention to information asymmetry and incentive alignment, aspects that agency theory addresses more effectively (Sukendri et al., 2024). Nonetheless, when applied, agency theory and stakeholder theory it provides a robust foundation for understanding how IR with business model disclosure interacts with and influences corporate value creation.

## 2.3 Empirical Review and Hypotheses Development

This section presents a review of related literature on business models and corporate value creation.

### 2.3.1 Business Models Disclosure and Corporate Value Creation

Pereira and Nunes (2020) examined how sustainable business models impact financial performance in publicly listed firms in Portugal, focusing on the energy sector. Using panel data from 85 energy firms listed on Euronext Lisbon. The study revealed that sustainable business models involving clean energy, environmental governance, and sustainability strategies significantly enhanced financial performance and long-term profitability. This was supported by a study in the U.S. by Zott et al. (2020), who noted the lack of sector-specific analysis, which limits the understanding of industry-specific challenges. Likewise in South Africa, Sukhari et al. (2025) investigate whether a specific content element of integrated reports, namely, business model disclosure quality, influences the share price of listed companies. The results for both scenarios indicated that the quality of business model disclosure did not significantly affect the share price of South African listed companies. However, the studies differ from this current study in focus on disaggregating business models into five, with a scope of Nigeria and South Africa.

Teece (2021) examined how business models based on dynamic capabilities impact the performance of public firms in the United States. Using data from 120 publicly traded firms. The study found that firms that adapt their business models to rapidly changing environments (such as digital markets) outperform those that do not. This is correlated with the study of Czinkota and Ronkainen (2021), which found that digital business model innovation significantly influences market performance. Also, Gutmayer et al. (2022) examine companies' business model disclosures in their integrated reports and explore the possible determinants of more detailed business model disclosures. Content analysis is used to identify disclosure themes in the integrated reports of 40 companies listed on the Johannesburg Stock Exchange. The results suggest that financial performance does not significantly positive effect on how companies explain their business model disclosure.

Kuckertz and Brändle (2022) investigated the role of business model design in the strategic transformation of publicly listed firms within Europe. The study applied a qualitative of 22 listed firms. The findings highlighted that companies that successfully redesigned their business models achieved better market performance. They also found that the business model innovation process was strongly value creation. This negates the comparative study of Kenya and South Africa with mixed outcomes (Bangara et al., 2024), which examined human capital disclosure and business model reporting, and found a negative value effect in Kenya but a positive one in South Africa. Additionally, Bonsu and Twum (2022) investigated the relationship between the sustainable business model and firm value in Ghana. Through content analysis and found a positive but statistically weak relationship. This aligns with the study of Europe and North America by Grewatsch and Kleindienst (2023), who investigated how sustainable business models affect firms' cost of equity capital using a longitudinal panel regression. The existing studies provide mixed

evidence. However, none disaggregate business model disclosure into operational components within a dual emerging market framework; to this end, these hypotheses are formulated.

*$H_o1$: Business inputs do not significantly affect corporate value creation in Nigeria and South Africa*

*$H_o2$: Business activities do not significantly affect corporate value creation in Nigeria and South Africa*

*$H_o3$: Business output does not significantly affect corporate value creation in Nigeria and South Africa*

*$H_o4$: Business outcomes do not significantly affect corporate value creation in Nigeria and South Africa*

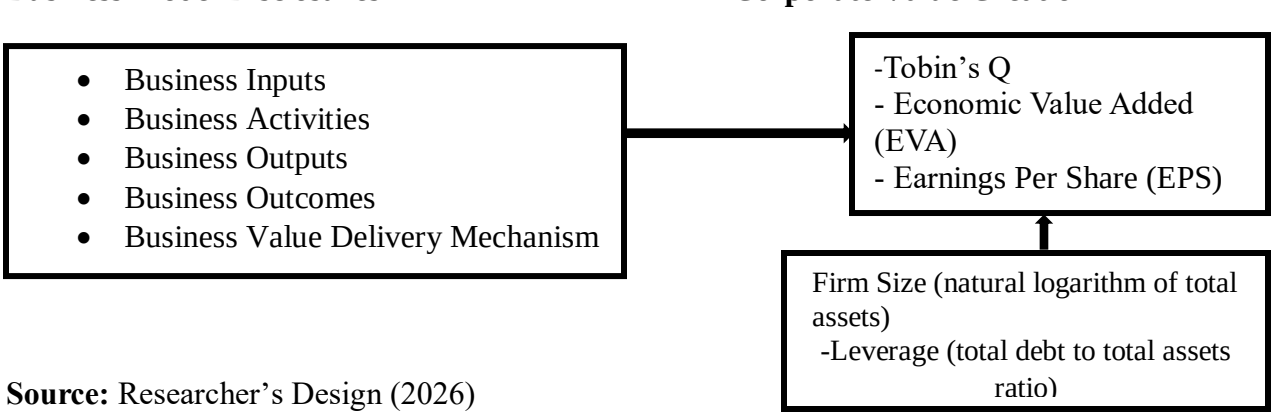
*$H_o5$: Business value delivery mechanism does not significantly affect corporate value creation in Nigeria and South Africa*

### 2.3.2 Conceptual Framework

This study's conceptual framework establishes the nexuses between the dependent variable and the independent variable.

**Figure 1:**

The independent variable is functionalised as business model disclosures in their integrated reports, disaggregating into business input, business activities, business output, business outcomes and business value delivery mechanism on corporate value creation across sectors in both Nigeria and South Africa.




**Source:** Researcher's Design (2026)

## 3. Methodology

### 3.1 Research Design

An ex-post facto research design is used, while the population for the study consist of (151) listed firms in the Nigeria Exchange Group (NGX) and (317) listed firms in the Johannesburg Stock Exchange (JSE), making a total population of 468 as at December 2024. The study employs a census sampling technique for firms that meet the set criteria in both Nigeria and South Africa; all companies that remained listed on the NGX and JSE and consistently provided integrated disclosures during the study timeframe were captured rather than selecting only a portion of the population, while firms that do not meet is excluded. The sample comprises 146 Nigerian firms and 260 South African firms, giving a combined sample of 406 firms. Data were obtained from secondary sources via published annual reports of firms for the period of 2013 to 2024.

### 3.3 Measurement of Variables

Table 1

*Measurement of Variables*

| | Variable | Description | Measurement | Source |
|---|---|---|---|---|
| 1 | **Dependent Variable:** Tobin's Q | Market-based measure of firm valuation relative to assets | (Market value of equity + Book value of debt) / Total assets, where Market value of equity = price × shares outstanding. | Csath (2023) |
| 2 | Economic Value Added (EVA) | Economic profit after charging the firm's cost of capital | , NOPAT – (WACC × Capital Employed), where NOPAT = operating profit × (1 − tax rate). | Toumeh (2023) |
| 3 | Earnings per Share (EPS) | Accounting earnings attributable to each ordinary share | (Net income − Preferred dividends) / Weighted average shares outstanding. | Ahmad and Wu (2022) |
| 4 | Corporate Value Creation (CVC) | Composite market performance indicator combining EVA, Tobin's Q, and EPS | Component 1 score from Principal Component Analysis of EVA, TOBINQ, and EPS | Vidada et al. (2026) |
| 5 | **Independent Variable:** Business Model Disclosure | The degree to which the report explains how the firm creates, delivers, and captures value | Dummy Variable: 4 = Comprehensive model with diagram, KPIs, and links to value creation; 3 = Detailed description of components and revenue/streams; 2 = General description of model without KPIs; 1 = Basic/brief mention; 0 = No disclosure. Scores standardized for analysis. | Nunes (2025) |
| 6 | **Control variable** Firm Size | Scale of the firm's operations and asset base | Natural log of Total Assets | Bonsu and Twum (2022) |
| 7 | **Leverag** | Extent to which firm's usetilis debt to finance operations | Debt-to-Equity Ratio = Total Debt / Total Assets | Okonkwo and Okereke (2025) |

**Source: Researcher's Compilation (2026)**

### 3.4 Model Specification

This study adapted the business model disclosure frameworks of Lai et al. (2023), which examine how business model transparency, value creation pathways, and reporting quality influence firm value using Tobin's Q and earnings-based performance measures. The models were modified to reflect the Nigerian and South African reporting contexts by disaggregating business model disclosure into five components: Business Inputs, Business Activities, Business Outputs, Business Outcomes, and Business Value-Delivery Mechanism. Accordingly, separate regression models were specified for Tobin's Q, Economic Value Added (EVA), and Earnings Per Share (EPS) as functions of these five business model disclosure dimensions. The adapted model is stated as:
This present study disaggregated the Business Model into five separate dimensions:

$$CVC = f(BIN,BAC,BOP,BOC,BVD) \quad (3.2)$$

In econometric form, the model becomes:

$CVC_{it} = \alpha_0+\alpha_1 BIN_{it}+\alpha_2 BAC_{it}+\alpha_3 BOP_{it}+\alpha_4 BOC_{it}+\alpha_5 BVD_{it}+\alpha_6 FSIZ_{it}+\alpha_7 LEV_{it}+\varepsilon_{it}$ (3.3)

$Tobin's\ Q_{it} = \alpha_0+\alpha_1 BIN_{it}+\alpha_2 BAC_{it}+\alpha_3 BOP_{it}+\alpha_4 BOC_{it}+\alpha_5 BVD_{it}+\alpha_6 FSIZ_{it}+\alpha_7 LEV_{it}+\varepsilon_{it}$ (3.4)

$EVA_{it} = \alpha_0+\alpha_1 BIN_{it}+\alpha_2 BAC_{it}+\alpha_3 BOP_{it}+\alpha_4 BOC_{it}+\alpha_5 BVD_{it}+\alpha_6 FSIZ_{it}+\alpha_7 LEV_{it}+\varepsilon_{it}$ (3.5)

$EPS = \alpha_0+\alpha_1 BIN_{it}+\alpha_2 BAC_{it}+\alpha_3 BOP_{it}+\alpha_4 BOC_{it}+\alpha_5 BVD_{it}+\alpha_6 FSIZ_{it}+\alpha_7 LEV_{it}+\varepsilon_{it}$ (3.6)

Where:
CVC = Corporate Value Creation
EVA = Economic Value Added
EPS = Earnings Per Share
BIN = Business Inputs
BAC = Business Activities
BOP = Business Outputs
BOC = Business Outcomes
BVD = Business Value-Delivery Mechanism
FSIZ = Firm Size
LEV = Leverage
$\alpha_o$ = Constant
$\alpha_1$–$\alpha_5$ = Coefficients of the independent variables
$\varepsilon$ = Error term
it = time
priori expectation's $\beta_1$, $\beta_2$, $\beta_3$, $\beta_4$, $\beta5$, $\beta6$, $\beta7$, > 0.

## 4. Data Presentation Analysis

### 4.2 Descriptive Statistics

Table 2

*Descriptive Statistics for Business Model and Corporate Value Creation Variables*

| Variable | Obs | Mean | Std. Dev | Min | Max |
|---|---|---|---|---|---|
| EVA | 4,442 | -13.097 | 14.070 | -26.943 | 23.531 |
| TOBINQ | 4,442 | 0.947 | 1.131 | 0.000 | 15.315 |
| EPS | 4,436 | 0.859 | 1.462 | -7.740 | 8.246 |
| CVC | 4,434 | 0.000 | 1.226 | -5.451 | 4.177 |
| BIN | 4,443 | 3.964 | 0.187 | 3 | 4 |
| BAC | 4,443 | 2.504 | 0.500 | 2 | 3 |
| BOP | 4,443 | 3.937 | 0.361 | 1 | 4 |
| BOC | 4,443 | 3.931 | 0.318 | 2 | 4 |
| BVD | 4,443 | 3.967 | 0.269 | 1 | 4 |
| FSIZ | 4,443 | 12.392 | 2.465 | 1.393 | 19.064 |
| LEV | 4,443 | 4.582 | 0.781 | 0 | 11.382 |

Source: Researcher's Computation (2026)

The descriptive statistics presented in Table 4.23 provide insight into the distributional characteristics of the variables used to examine the effect of business model components on the value creation of listed firms in Nigeria and South Africa. The descriptive statistics reveal considerable variation in the corporate value creation indicators across the sampled firms. Economic Value Added (EVA) records a mean of −13.097 (SD = 14.070), indicating wide differences in economic value creation, while Tobin's Q has a mean of 0.947 (SD = 1.131), reflecting variations in market valuation. Earnings per Share (EPS) reports a mean of 0.859 (SD =

1.462), suggesting substantial differences in profitability, whereas the composite Corporate Value Creation (CVC) index has a standardized mean of approximately zero and a standard deviation of 1.226.

The business model variables exhibit generally high mean values with relatively low dispersion, indicating that most firms maintain strong business inputs (3.964), outputs (3.937), outcomes (3.931), and value delivery mechanisms (3.967), while business activities (2.504) show comparatively greater variation. Among the control variables, firm size (mean = 12.392; SD = 2.465) and leverage (mean = 4.582; SD = 0.781) also display sufficient variability. Overall, the descriptive statistics suggest adequate variation across the study variables, supporting the suitability of the dataset for subsequent econometric analysis.

### 4.3 Correlation Analysis

Correlation analysis is conducted to examine the strength and direction of the linear relationships among the variables included in the study.

Table 3

*Correlation Matrix for Business Model and Corporate Value Creation Variables*

| Variables | EVA | TOBINQ | EPS | CVC | BIN | BAC | BOP | BOC | BVD | FSIZ | LEV |
|---|---|---|---|---|---|---|---|---|---|---|---|
| EVA | 1.000 | | | | | | | | | | |
| TOBINQ | 0.031 | 1.000 | | | | | | | | | |
| EPS | -0.503 | 0.034 | 1.000 | | | | | | | | |
| CVC | -0.867 | 0.006 | 0.867 | 1.000 | | | | | | | |
| BIN | -0.041 | -0.121 | 0.011 | 0.030 | 1.000 | | | | | | |
| BAC | -0.151 | -0.088 | 0.060 | 0.121 | 0.160 | 1.000 | | | | | |
| BOP | -0.005 | 0.016 | 0.002 | 0.004 | -0.003 | -0.001 | 1.000 | | | | |
| BOC | -0.107 | 0.002 | -0.057 | 0.029 | 0.012 | 0.198 | -0.007 | 1.000 | | | |
| BVD | 0.011 | 0.001 | 0.016 | 0.003 | -0.015 | 0.013 | -0.021 | -0.000 | 1.000 | | |
| FSIZ | -0.318 | -0.207 | 0.435 | 0.434 | 0.053 | 0.028 | -0.003 | -0.165 | 0.013 | 1.000 | |
| LEV | 0.059 | -0.054 | -0.019 | -0.045 | 0.227 | 0.152 | -0.012 | -0.083 | -0.002 | 0.099 | 1.000 |

**Source: Researcher's Computation (2026)**

The correlation analysis indicates that Economic Value Added (EVA) has a weak positive relationship with Tobin's Q (0.031), a moderate negative relationship with Earnings per Share (EPS) (−0.503), and a strong negative relationship with the composite Corporate Value Creation (CVC) index (−0.867). Greatly, EPS exhibits a strong positive correlation with CVC (0.867), suggesting that firms with higher earnings per share tend to achieve higher overall corporate value creation. The business model variables generally display weak correlations with the corporate value creation indicators, although business activities (BAC) show a modest positive relationship with CVC (0.121) and a moderate positive association with business outcomes (BOC) (0.198).

Among the control variables, firm size (FSIZ) is positively correlated with EPS (0.435) and CVC (0.434) but negatively related to EVA (−0.318) and Tobin's Q (−0.207), while leverage (LEV) shows generally weak correlations except for moderate positive relationships with business inputs (0.227) and business activities (0.152). Importantly, all correlation coefficients among the explanatory variables are below the 0.80 threshold, indicating the absence of serious multicollinearity and confirming the appropriateness of the variables for reliable regression analysis.

### 4.4 Diagnostic Tests

### 4.5 Test for Multicollinearity

Table 4

*Variance Inflation Factor (VIF) Test for Business Model Variables*

| Variable | VIF | 1/VIF |
|---|---|---|
| BAC | 1.09 | 0.915 |
| LEV | 1.09 | 0.916 |
| BOC | 1.08 | 0.922 |
| BIN | 1.08 | 0.929 |
| FSIZ | 1.04 | 0.962 |
| BVD | 1.00 | 0.999 |
| BOP | 1.00 | 0.999 |
| **Mean VIF** | **1.06** | |

Source: Researcher's Computation (2026)

The results of the Variance Inflation Factor (VIF) indicate that all explanatory variables have VIF values ranging from 1.00 to 1.09, well below the acceptable threshold of 10. Business activities (BAC) and leverage (LEV) record the highest VIF values (1.09), followed by business outcomes (BOC) and business inputs (BIN) (1.08), while the remaining variables have values close to 1.00. The mean VIF of 1.06 further confirms a very low level of correlation among the explanatory variables. Overall, the findings indicate that multicollinearity is not a concern in the dataset, as the business model components and control variables are sufficiently independent.

### 4.6 Test for Autocorrelation (Wooldridge Test)

Table 5

Wooldridge Test for Autocorrelation in Panel Data

| Dependent Variable | F Statistic | Probability Value | Decision |
|---|---|---|---|
| EVA | 39.376 | 0.0000 | Autocorrelation Present |
| TOBINQ | 34.286 | 0.0000 | Autocorrelation Present |
| EPS | 17.296 | 0.0000 | Autocorrelation Present |
| CVC | 30.560 | 0.0000 | Autocorrelation Present |

Source: Researcher's Computation (2026)

The Wooldridge test results reveal statistically significant F-statistics for all models: EVA (39.376), TOBINQ (34.286), EPS (17.296), and MP (30.560), with probability values of 0.0000. Since all p-values are below 0.05, the null hypothesis of no first-order autocorrelation is rejected, confirming the presence of serial correlation in the panel data. Consequently, the study employs robust estimation techniques to adjust the standard errors for both heteroskedasticity and autocorrelation, thereby ensuring more reliable and consistent regression estimates.

### 4.7 Model Selection Test (Hausman Specification Test)

Table 6

*Hausman Specification Test*

| Dependent Variable | Chi-square Statistic | Probability Value | Preferred Model |
|---|---|---|---|
| EVA | 72.84 | 0.0000 | Fixed Effects |
| TOBINQ | 129.01 | 0.0000 | Fixed Effects |
| EPS | 7.18 | 0.4103 | Random Effects |

| Dependent Variable | Chi-square Statistic | Probability Value | Preferred Model |
|---|---|---|---|
| CVC | 30.18 | 0.0001 | Fixed Effects |

Source: Researcher's Computation (2026)

Table 6 shows that the Hausman test statistics vary across the different performance measures used in the study. For EVA, the chi-square statistic is 72.84 with a probability value less than 0.05, indicating that the null hypothesis of no systematic difference between the fixed effects and random effects estimators is rejected. This implies that the fixed effects model is more appropriate for the EVA regression model. Similarly, the TOBINQ model reports a chi-square statistic of 129.01 with a probability value of 0.0000, indicating statistical significance. This result also leads to the rejection of the null hypothesis and suggests that the fixed effects model provides more consistent estimates for the TOBINQ regression model. In contrast, the EPS model reports a chi-square statistic of 7.18 with a probability value of 0.4103, which is greater than the conventional significance level of 0.05. Therefore, the null hypothesis cannot be rejected, implying that the random effects model is appropriate for the EPS regression model. For the CVC model, the Hausman test statistic is 30.18 with a probability value of 0.0001, which is statistically significant. This indicates that the fixed effects model is more suitable for estimating the relationship between the explanatory variables and MP. Overall, the Hausman test results indicate that fixed effects estimation is appropriate for the EVA, TOBINQ, and CVC models, while the random effects model is appropriate for the EPS model.

### 4.8 Regression Results

Table 7

*Regression Results for the Effect of Business Model on Corporate Value Creation*

| Variables | EVA (FE) | Tobin's Q (FE) | EPS (RE) | CVC(FE) |
|---|---|---|---|---|
| BIN | -3.2887 (0.023) | -0.3387 (0.000) | 0.0551 (0.780) | 0.2657 (0.000) |
| BAC | -2.0525 (0.000) | -0.1386 (0.000) | 0.1720 (0.000) | 0.1343 (0.003) |
| BOP | -0.2200 (0.675) | 0.0486 (0.002) | 0.0213 (0.667) | 0.0260 (0.551) |
| BOC | -4.6291 (0.000) | -0.6758 (0.000) | 0.0225 (0.737) | 0.2314 (0.000) |
| BVD | 0.9018 (0.118) | -0.0251 (0.489) | 0.0666 (0.298) | -0.0101 (0.830) |
| FSIZ | -0.0830 (0.822) | -0.3448 (0.000) | 0.2657 (0.000) | 0.1373 (0.000) |
| LEV | 1.7260 (0.004) | 0.0396 (0.572) | -0.1549 (0.008) | -0.1734 (0.003) |
| Constant | 3.6235 (0.000) | 8.9094 (0.000) | -2.5384 (0.005) | -2.1534 (0.016) |
| Observations | 4442 | 4442 | 4436 | 4434 |
| Overall $R^2$ | 0.0291 | 0.0590 | 0.1933 | 0.1989 |
| F / Wald Statistic | 2.51 | 8.72 | 285.19 | 5.77 |
| Prob > F / $Chi^2$ | 0.0154 | 0.0000 | 0.0000 | 0.0000 |

Source: Researcher's Computation (2026)

Note. FE = Fixed Effect; RE = Random Effect.

The EVA model is statistically significant ($F = 2.51$, $p = 0.0154$; $R^2 = 0.0291$), indicating that the business model variables jointly explain 2.91% of the variation in Economic Value Added. Business inputs (BIN), business activities (BAC), and business outcomes (BOC) have significant negative effects on EVA, while business outputs (BOP) and business value delivery mechanisms (BVD) are insignificant. Among the control variables, leverage (LEV) positively and significantly influences EVA, whereas firm size (FSIZ) is insignificant. Similarly, the Tobin's Q model is

significant ($F = 8.72$, $p = 0.0000$; $R^2 = 0.0590$), with BIN, BAC, BOC, and FSIZ exerting significant negative effects, while BOP has a significant positive effect, and BVD remains insignificant.

The EPS model, estimated using random effects, is statistically significant (Wald $\chi^2 = 285.19$, $p = 0.0000$; $R^2 = 0.1933$), explaining 19.33% of the variation in earnings per share. Only BAC has a positive and significant effect among the business model variables, while BIN, BOP, BOC, and BVD are insignificant. Firm size positively influences EPS, whereas leverage has a significant negative effect. Likewise, the CVC model is significant ($F = 5.77$, $p = 0.0000$; $R^2 = 0.1989$), explaining 19.89% of the variation in corporate value creation. BIN, BAC, and BOC positively and significantly influence CVC, while BOP and BVD are insignificant. Firm size has a significantly positive effect, whereas leverage negatively and significantly affects CVC.

### 4.9 Discussion of Findings

### 4.10 The Effect of Business Model Disclosure on Corporate Value Creation

Conceptually, business model disclosure explains how firms transform resources and capabilities into sustainable value while reducing information asymmetry in line with agency theory and improving stakeholder understanding of value creation with stakeholder theory. However, disclosures that are symbolic, compliance-oriented, or lack operational credibility may weaken performance outcomes (Pereira & Nunes, 2020). This aligns with findings that indicate that business model disclosure enhances corporate value creation mainly through improved information quality, credibility, and governance discipline rather than through a direct effect on short-term accounting performance (Pereira & Nunes, 2020; Zott et al., 2020).

The EVA results indicate that the effects of business model disclosure differ across Nigeria and South Africa. In Nigeria, business inputs disclosure enhances economic value creation, whereas business outcomes disclosure reduces EVA, suggesting that outcome-focused reporting may reflect value-creation pressures and impression management rather than stronger operational performance (Teece, 2021; Czinkota & Ronkainen, 2021). In South Africa, the negative effects of business inputs, outputs, and outcomes disclosures imply that these disclosures may signal cost intensity, operational complexity, and financial burdens that reduce economic returns after capital costs (Bangara et al., 2024; Bonsu & Twum, 2022). However, this contrasts with evidence that credible, decision-oriented integrated reporting can enhance economic performance (Czinkota & Ronkainen, 2021).

The Tobin's Q results show that the valuation effects of business model disclosure differ between Nigeria and South Africa. In Nigeria, business activities disclosure enhances market valuation by demonstrating firms' operational execution, whereas business inputs and outcomes disclosures reduce valuation, indicating that investors value evidence of execution more than resource or outcome narratives (Czinkota & Ronkainen, 2021; Kuckertz & Brändle, 2022). In South Africa, business model disclosures exhibit weak valuation effects, with only outcomes disclosure showing a marginal negative association, suggesting that firm valuation depends more on disclosure credibility and institutional enforcement than on disclosure volume (Bonsu & Twum, 2022; Grewatsch & Kleindienst, 2023).

The findings indicate that business inputs and outcomes disclosures have contrasting effects on firm performance. While business inputs disclosure enhances earnings per share in South Africa by signalling stronger organisational capabilities and operational strength (Kuckertz & Brändle, 2022; Zott et al., 2020), business outcomes disclosure reduces both market valuation and earnings, suggesting that investors associate such disclosures with resource intensity, cost exposure, performance uncertainty, and the financial burden of sustainability and stakeholder initiatives

(Bangara et al., 2024; Bonsu & Twum, 2022). Overall, the findings show that business model disclosure influences corporate value creation through selective rather than uniform channels. Across Nigeria and South Africa, disclosures that improve transparency on operational activities and resource mobilisation enhance value creation, whereas greater emphasis on outcomes is associated with cost pressures and performance uncertainty. Thus, business model disclosure creates value when it is credible, operationally grounded, and clearly demonstrates how firms generate value, rather than relying on narrative-heavy reporting.

## 5.0 Conclusion And Recommendations

### 5.1 Conclusion

The results for business model disclosure also confirm that business model elements influence corporate value creation. Business inputs, business activities, and business outcomes show positive and statistically significant relationships with corporate value creation, indicating that firms with stronger operational structures and clearer value delivery processes tend to achieve better performance outcomes. However, business outputs and business value delivery mechanisms do not demonstrate significant effects, suggesting that not all elements of business model disclosure contribute equally to corporate value creation.

### 5.3. Recommendations

Listed firms in Nigeria and South Africa should strengthen business model disclosures by ensuring they clearly demonstrate how organisational resources, capabilities, and activities are translated into sustainable value creation. Boards and management should present business model information that is supported by measurable operational outcomes rather than narrative or compliance-driven reporting, while avoiding excessive emphasis on outcomes that may signal inefficiencies or value creation pressures. Investors and controlling shareholders should use their monitoring role to ensure business model disclosures are aligned with long-term strategic performance and operational efficiency. Regulators should enhance guidance, assurance, and disclosure quality reviews to promote credible, consistent, and decision-useful business model reporting. These measures will improve the credibility of business model disclosures, enhance investor confidence, and strengthen corporate value creation and market performance in both Nigeria and South Africa.

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