International Financial Reporting Standards Adoption and Financial Reporting Information Overload: Evidence from Nigerian Banks

Ormin, Koholga (PhD)
Department of Accounting
Adamawa State University
Mubi-Nigeria
ormin4real@yahoo.com

Musa, Jerry (PhD)
Department of Accounting
Adamawa State University
Mubi-Nigeria
jerrym6@gmail.com

Abstract

The wide adoption and implementation of International Financial Reporting Standard (IFRS) principally hinges on the notion that it promotes the production of high quality financial information for investor's decision making in the current globalized world. However, IFRS adoption is stated to be associated with the problem of information overload. This paper examines this assertion within the Nigerian banking industry. Data is generated from the financial reports of thirteen banks quoted on the Nigerian Stock Exchange as at 31st December, 2014, two years pre and post-IFRS adoption. Descriptive statistics is utilized to analyse the data and the paired sampled t-test statistics to test the hypotheses. The descriptive results reveal that on average, IFRS adoption cause a 31.6% increase in the length of financial reports with the accounting policies segment increasing by 95.3%, income statement by 84.6%, notes to the accounts by 70.2%, management discussion and analysis by 23.2%, cash flow statement by 13.3%, and statement of financial position by 9.7%. Only the others segments of the financial reports decrease by 10%. The results of the paired t-test shows that there is a significant difference in the overall length of information disclosed by Nigerian banks in the pre and post-IFRS adoption periods implying IFRS adoption led to information over load in the financial reports of Nigerian banks. Further investigation reveals that notwithstanding the increase in information disclosure, post-IFRS reporting is more decision relevant. The paper recommends that investors seeking investment opportunities in the post-IFRS regime should patronize financial analyst to guide their decision making and the regulatory authorities especially the Central Bank of Nigeria should discourage company directors from disclosing unnecessary information by regulating on the maximum number of pages in annual reports and accounts.

Keywords: International financial Reporting Standard, Financial Reporting, Information Overload, Nigerian GAAP, Investors.

I. INTRODUCTION

The wide adoption and implementation of the International Financial Reporting Standard (IFRS) is aimed at, among others, availing investors with more reliable and relevant information for their investment decision-making globally. This view is stressed in a statement attributed to the IASB chairman, Hans HoogeRvorst that IFRS is a very important fundamental of the current global market economy due to its provision of reliable and internationally comparable financial information [1]. However, IFRS adoption and implementation has its own consequences. According to [2], IFRS adoption has the consequential elements of cost of providing information by firms and the likelihood of information overload. This is aside the regulatory implications of adjusting to the new reporting change and ensuring compliance by reporting entities.

The users' of financial reports are shown to have limitations in processing information contained in the reports [3, 4, 2]. In particular, the amount of information disclosed in financial reports affects users' processing ability and decision quality. Too little information disclosure provides insufficient basis for users' effective decision making while too large information poses a problem of screening for decision relevance. Reference [3] posits that the mere supply of voluminous information in the annual reports may not necessarily fulfil or meet users' needs or enhance the quality of financial reporting. This implies that the crux of disclosure should be on disclosing only information that is relevant and useful to user's decision making needs. Reference [5] maintain that the purpose of accounting information and its content is in meeting the needs of external users and decision usefulness of the information.

It is against this backdrop that [4] in 2012 released a proposed guidance titled "To the Point" aim at improving the overall effectiveness of

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financial statements disclosures. The firm was concerned that the increase volume of disclosure would not be helpful to financial statement users. The concern of the accounting firm shows that though detail disclosure in financial reports is of importance, when volume exceeds a limit, it rather creates problems to users in processing and making the best out of the information for their decision purposes. In fact, [6] states that beyond a certain point, information overload occurs and users' decision making ability decreases. Reference [7] would therefore argue that information overload has adverse effect on users' decision quality. Reference [7] described information overload as a situation of too much information being available to users and too little information processing capability.

Nigeria's roadmap for the adoption of IFRS was officially made public on 2nd September, 2010. The roadmap was implemented in three phases; phase one requires all listed entities and significant public interest companies to implement IFRS by 1st January, 2012, phase two which covers all other companies excluded from phase one to implement IFRS by 1st January, 2013 while phase three covering Small and Medium Scale Enterprises (SMEs) mandated IFRS implementation by this category by 1st January, 2014. However, the Central Bank of Nigeria (CBN) in its quest to ensure best practices in financial reporting and disclosure and reduce risk in the banking industry recommended IFRS adoption in 2010.

Though, accounting standards requirements play an important role in financial reports information content, [2] state that most studies focus on the impact of IFRS adoption without considering specifically the aspect of information overload. According to [2], practitioners have claimed that IFRS effect substantial increase in volume of annual reports. This assertion appears to be collaborated by [8] who in a survey in Europe reported about 65% of the respondents agreed that financial reporting under IFRS gave rise to information overload.

This claim of IFRS creating information overload is not yet fully substantiated within the Nigerian context, at least in the banking industry where IFRS was first implemented. This current paper, therefore, assesses if there is a significant difference in the volume of information disclosed by Nigerian banks after IFRS adoption and determines what segments of the financial reports are mostly affected. It also investigates decision relevance of IFRS reporting.

Accordingly, it is hypothesized that; Ho_1: There is no significant difference in the volume of information disclosed by Nigerian banks in the pre and post-IFRS adoption periods, and Ho_2: There is no significant difference in the length of income statement, statement of financial position, cash flow statement, accounting policies, notes to the accounts, management discussion and analysis and others segments of the financial reports of Nigerian banks pre and post-IFRS adoption.

By assessing the IFRS adoption and information overload, this paper reveals one of the efficiency (cost) benefits of IFRS adoption in Nigeria. This insight is also considered to be useful to regulators of financial reporting in formulating policies that will curtail information overload in financial reports and users of the reports on strategies for coping with the new reporting regime.

The paper is structured into main five parts. Part one is introduction which is the foregoing, part two is literature review, part three is methodology, while part four and five is results and discussion, and conclusion and recommendations respectively.

II. LITERATURE REVIEW

A. *Concept of Information Overload*

Information overload has been described by [7] as a phenomenon of too much information and too little information processing capability. According to [2], information overload is a situation where the amount of information to the individual exceeds that individuals' capacity to process it within the available time. These insights shows information overload is related to the quantum of information, individuals' (users') processing capability and time. Put differently, it borders on the issues of information size disclosed in the financial reports being too large and beyond the user of the information processing skills within a reasonable time the decision task is to be executed. Specifically, within the context of this paper, information overload is held as a situation whereby users are provided with more than necessary information in the financial reports such that they are faced with problem of screening the information for decision relevancy.

B. *User's and Information Overload*

The disclosure of information that is relevant and just adequate to effectively guide user's decision making especially investors is of prime concern to accounting standards setting bodies and market regulators such as SEC [4]. In fact, the materiality convention of accounting discourages irrelevant disclosure by requiring that only accounting items capable of having material effect on user's decisions should be accorded their full accounting treatment.

Reference [9] in [7] opined that the financial reports of companies have incorporated too much information that creates confusion to users instead of helping them understand their financial position. Research evidence supports this observation as [2] reported incidence of information overload in New Zealand. Also, [4] documents results of a study in which a review of the annual reports of 25 large companies in the United States of America in 1994, repeated in 2011 using 20 of the initial sample (5 of the original 25 companies were no longer filing separate annual reports by 2011) indicates phenomenal growth in two components namely footnotes and Management's Discussion and Analysis (MD&A) of the annual reports. Specifically, the results indicate that from 1972 to 1992 the number of the footnotes component increase was 325% and MD&A 300%. Base on the 1994 projections, by 2012 the footnotes component would had increase by 1700% (72 pages compare to 4 in 1972) and MD&A by 1500% (48 pages compare to 3 in 1972). On the basis of projection of the footnotes growing by 7900% and MD&A by 7033%, it was concluded that if the trend continues, the two components alone will take up more than 500 pages in the annual reports and accounts by 2032. It suffices to say that for users to cope with this amount of information is unimaginable.

Reference [10] submitted that the voluntary section of the annual reports and accounts often contain twice the amount of information of the mandatory section [3]. It was on the basis of this claim that [3] examined whether the narrative section of Iranian companies' annual reports satisfies the information requirements of stakeholders (financial analysts) employed by institutional investors. The study found a general lack of information flow by Iranian listed companies in meeting their stakeholders' information needs. Whereas, there is evidence of increase volume of disclosure in the annual reports and accounts, at least in Iran, [3] reveals lack of decision relevancy and usefulness of the information.

Reference [4] highlighted the likely reasons for the increase volume of annual reports to include, the increase complexity of businesses, introduction of additional requirements to address the business complexities and perceived abuses and the non-elimination of existing requirements when new ones are added due to the fact that disclosures are often addressed on an issue-by-issue basis. This problem is stated to be further compounded by the previously lack of an overall disclosure framework by most of the world accounting standards setting bodies which is basis for determining disclosures that are most useful to investors.

Though, research indicates that increase information disclosure enhances user's decision quality, beyond a certain level considered optimal, it has adverse effect. This is because it takes more time to read the reports, screen and sort information for relevancy and generally understand its content. Reference [7] documents substantial research evidence on the effect of information overload on decision quality. These studies generally show that information overload adversely affects the timeliness and decision accuracy of decision makers. Reference [7] from an experiment stimulating a real business predication task sampling business managers reported that prediction accuracy deteriorates under information overload. Reference [11] maintain that when the amount of information available to the decision maker exceeds the capacity to process it, there is a decline in the task to be performed. Also, [2] indicates that lower decision quality is associated with information overload.

It was in recognition of the presence and consequences in the Nigerian environment that [5] recommends for the introduction of more standards that can curtail information overload in the country. On their part, [2] discussed three ordered strategies of coping with information overload by users, namely acceleration, filtration and changing the decision model. Acceleration is about the chunks of information that an individual can process at a time. The higher the number, the better the individual can handle information overload. However, evidence suggests that an individual can only process about six or seven chunks of information at a time [2]. Filtration is about screening information for importance. With this strategy, more important information is filtered from less important information. With respect to the strategy of changing the decision model, [2] state that higher information load should lead to adoption of less cognitively demanding decision model and vice versa. From the preparers' perspective, [7] opined that the use of decision aids such as graphs in financial reporting can substantially overcome the adverse effect of information overload on decision quality.

C. IFRS and Information Overload

Financial reporting information overload may directly be seen as an architect of accountants and company directors whose responsibility it is to prepare financial reports. However, accounting standards or rules issued by accounting standards setters that dictates financial reporting has significant influence on the volume of information disclosed in the reports. This view is reiterated by [2] who posits that accounting standards setters have responsibility for information characteristics of readability and information load.

IFRS as a new reporting framework may contribute to information overload in financial reports. This may be so because of the principles-based nature of IFRS and need to rationalized changes in accounting policies and effects thereof in the year of adoption. IFRS is principles-base thus emphasises the exercise of judgment in financial reporting. The exercise of judgment further requires that detail explanation in terms of notes to the accounts be accorded to affected accounting matters. Such details provide insights into reported numbers but at the same time may end in mass information disclosure.

In Nigeria, significant differences exists in financial reporting requirements and content under the IFRS compare to the then Statement of Accounting Standards (SAS). Reference [12] identified the major differences as the extensive use of fair value reporting under IFRS which results to differences in income recognition and carrying values of assets and liabilities and further difference in current and deferred tax liability and assets. The adoption of the fair value measurement basis as against the historical accounting measurement will require detail disclosure of change effect at least in the year of adoption. In terms of content, the financial reporting under the Nigerian GAAP did not cover accounting subject matters such as Revenue (IAS 18), Accounting for Government Grants and Disclosure of Government Assistance (IAS 20), Borrowing Costs (IAS 23), Related Party Disclosure (IAS 24), Financial Instruments: Disclosure and Presentation (IFRS 7), Financial Instruments: Recognition and Measurement (IAS 39) and Impairment of Assets (IAS 36). The inclusion of these subject matters under IFRS may also inform remarkable increase in information disclosure.

Previous studies show IFRS adoption as leading to financial reporting information overload. A survey by [8] in Europe reveal an overwhelming 65% of the respondents to agree that financial reporting under IFRS gave rise to information overload. In other words, too much irrelevant information is being provided under IFRS reporting regime. Reference [4] documents the results of a validation research to confirm a 1994 prediction by a then chairman of the firm that if trends in disclosure witness in the previous two decades continue, by 2012, the annual reports would be “paper glut” of “frightening” proportions. This prediction was reported as coming to past. In particular, the report indicated that the average number of pages of notes to the accounts rose to 69 in 2011 just 3 pages less than the 72 pages prediction. While the average number of pages of Management’s Discussion and Analysis (MD&A) projection of 48 pages by 2012 in 1994 was reached in 2011. Though, this increase could not be solely attributed to IFRS, because of the fair value accounting which IFRS emphasises, it was stated that 2012 reports will contain more footnotes. Reference [2] also provide evidence of IFRS adoption leading to information overload in New Zealand. The study sampled 38 out of the 170 firms listed on the New Zealand stock exchange and covered year of adoption (2007) and the year after adoption (2008). The results indicated that IFRS increased the length of the annual reports and accounts for 92% of the sample firms and on average; the increase was 29% above the preceding year’s annual reports. Notable increase was found in the notes to the accounts and accounting policies segments.

Whereas these studies show IFRS adoption as creating information overload, [13] pointed out that information overload in IFRS financial reports is not primarily an IFRS problem but a consequence of the complexities of modern business operations and the diverse needs of investors. Reference [13] further argue that information overload may arise due to the inclusion of immaterial disclosure and not disclosing strictly base on IFRS requirements. Impliedly, irrelevant disclosures could contribute to information overload. Such irrelevant disclosure could stem, for example, from the disclosure requirements of local statutes such as the Companies’ and Allied Matters Act (CAMA), Banks and Other Financial Institution’s Act (BOFIA), Central Bank of Nigeria (CBN) codes and guidelines, Securities and Exchange Commission (SEC) Act in Nigeria which IFRS does not recognize.

Notwithstanding, previous studies especially [2] shows that the nature of IFRS and the resultant change in accounting policies following its adoption could create information overload in the annual reports and accounts. Since little research evidence exists within the Nigerian environment, this current paper assesses the scenario in the Nigerian banking industry being one of the first industries to implement IFRS.

D. Theoretical Framework

The semi-strong form of the Efficient Market Hypothesis (EMH) supposes that greater disclosure is paramount in addressing the problem of information asymmetry in capital markets [14 in 2]. This theory suggest that greater information disclosure is ideal thus information overload does not arise as far as the information contain in the financial reports help investors to make inform decisions in the capital market. However, [15] argues that the decision makers’ information processing capacity is influence by the information load. This means that information overload exists and is a problem that users of financial information may face in their decision making. Reference [2] document that psychologist suggest that information overload has negative effect on users information processing strategies and decision outcomes.

In fact, decision makers have different cognitive and other characteristics that limit their information processing capability. Thus, beyond a certain level, coping with information supply becomes problematic [11]. It is on this premise that [16] suggested a U-shaped relationship between information load and decision quality, arguing that as information load increases, decision quality first increases then subsequently decreases [17]. This is shown to be particularly true where the decision maker is faced with time constraint.

The argument that the supply of information in financial reports beyond an optimal level adversely affects users processing ability and decision quality has been empirically documented in the literature. For example, [2] establish that information overload has adverse effect on decision quality. Reference [7] also show decision makers' prediction accuracy is affected by information overload.

This paper is anchor on the notion that users especially investors have information processing limitations therefore information overload will not contribute to enhance their decision making quality.

III. Methodology

This paper examines the impact of IFRS adoption on information overload in the Nigerian banking industry. Thirteen banks quoted on the Nigerian Stock Exchange as at 31st December, 2014 are covered. The banking industry is selected because apart from its being the earliest to implement IFRS, [1] ranking of compliance with IFRS in Nigeria base on insights of an IFRS specialist group on a 5-1 scale with 5 denoting highest and 1 lowest, ranked the industry as the highest. Reference [18] also reported that the Nigerian banking sector fully implemented IFRS by 2012, the government mandatory date. Financial reporting in the Nigerian banking industry apart from accounting standards is govern by statutes such as the Companies and Allied Matters Act (CAMA), Banks and Other Financial Institutions Act (BOFIA) and Central Bank of Nigeria (CBN) guidelines, therefore there is no common basis to study the industry with others at the same time. This very reason made [2] to exclude firms in the banking industry in their study sample. Because other banks in the industry implemented IFRS in 2010 whereas mandatory IFRS adoption became effective 1st January, 2012 which also means that annual reports are published based on IFRS requirements for 2012 and 2013, data was generated two years pre and post-IFRS implementation. We include a year after IFRS adoption to moderate for the tendency of explanation of the effect of change in accounting standards from Nigerian GAAP (SASs) to IFRS accounting solely for any changes in volume of financial reports. The approach adopted is consistent with [2] whereby the number of pages are counted (ie page size) than sentence size. For the purpose of the paper, the financial report is categorized into financial and non-financial segments. The financial segments consists of the income statement, statement of financial position, cash flow statement, and accounting policies while the non-financial segments include management discussion and analysis and others. The others segments include pictures, blank pages, corporate information, general overviews and shareholders information. Information on these segments is extensively retrieved from the banks websites and a few from hard copies of publishes reports. Actual counting of number of pages was undertaking and confirmed from the table of content section of the financial reports. Interview was conducted with two Master in Business Administration (MBA) in Accounting students in our University and two financial analysts to established the decision relevance of IFRS reporting. The descriptive statistics and paired sampled t-test statistics is adopted for data analysis.

IV. Results and Discussion

The results are presented in three parts. The first part is the descriptive statistics which reveals the trend of the data on the different segments of the financial reports in the pre and post-IFRS adoption periods. The second part is the results of the paired sampled t-test statistics which is basis for reaching conclusion regarding the formulated hypotheses. The third part discusses the findings from the interview to establish the decision relevance of IFRS reporting.

A. Descriptive Statistics

The paper adopted four descriptive measures including mean, minimum, maximum and standard deviation. Table I presents the descriptive statistics including the percentage change (increase/decrease) in the volume of financial reports segments after the adoption of IFRS.

TABLE I. DESCRIPTIVE STATISTICS ON FINANCIAL REPORT LENGTH PRE AND POST-IFRS ADOPTION

Segment		Total	Mean	Min	Max	Std.Dv.	%Δ*
Income Statement	Pre	26	1.00	1	1	0.000	
	Post	48	2.09	1	6	1.443	84.6
Statement of Financial Position	Pre	31	1.19	1	2	0.402	
	Post	34	1.48	1	3	0.593	9.7
Cash Flow Statement	Pre	30	1.15	1	2	0.368	
	Post	34	1.48	1	2	0.511	13.3
Accounting Policies	Pre	233	8.96	4	19	4.395	
	Post	455	18.96	7	49	9.765	95.3
Notes to the Accounts	Pre	1083	41.65	27	74	16.504	
	Post	1843	80.13	32	192	43.158	70.2
MD&A	Pre	1010	43.91	10	143	34.179	
	Post	1244	56.55	13	178	50.299	23.2
Others	Pre	1515	58.27	24	139	31.001	
	Post	1364	59.30	19	192	46.109	-10.0
Overall Length	Pre	3845	160.21	88	284	41.836	
	Post	5058	210.75	114	348	66.982	31.6

*Percentage change (%Δ) = Total financial report length of post-IFRS adoption less total financial report length of pre-IFRS adoption divided by total financial report length pre-IFRS adoption.

Source: Generated from Financial Reports of Banks using Microsoft Excel 2010.

Table I indicates that the total length of the income statement segment of the financial reports of the banks pre-IFRS adoption is 26 during the study period. The mean number of pages occupied by the income statement is 1, with maximum number of pages being 1 and the minimum also 1. This means that in the pre-IFRS adoption period, this segment of the financial reports is not more than a page across banks. However, the post-IFRS adoption total page is 48 with a minimum and maximum page of 1 and 6 respectively which averages 2.09 pages. The analysis with respect to the statement of financial position shows that the mean page is 1.19 and 1.48 in the pre and post-IFRS adoption periods respectively. The maximum number of page in the post-IFRS is 3 while that in the pre-IFRS adoption period is 2 with the minimum page in both periods being 1.

The pre-IFRS adoption total number of page of the cash flow statement is 30 and that of the post-IFRS is 34, with the mean page being 1.15 and 1.48 respectively. The maximum and minimum page for both periods is 2 and 1 respectively. The accounting policies segment reveals that the pre-IFRS adoption total page is 233, with maximum and minimum of 19 and 4 pages respectively; resulting to a mean of 8.96 pages. The post-IFRS adoption total page is 455, with maximum of 49, minimum of 7 and a mean of 18.96 pages. The note to the accounts segment total page is 1083 pre-IFRS adoption while the post-IFRS is 1843. The maximum page in the post-IFRS is 192 and the minimum is 32 whereas the maximum in the pre-IFRS period is 74 with the minimum being 27. The mean page for the pre-IFRS is 41.65 and that of post-IFRS is as high as 80.13 pages.

Recourse to the MD&A segment shows that the total page in the pre-IFRS is 1010, with maximum of 143 and minimum of 10 which averages 43.91 pages. On the other hand, the post-IFRS adoption total is 1244, with maximum of 178 and minimum of 13; averaging 56.55 pages. The analysis of the other segment of the financial reports indicates that the pre and post-IFRS total page is 1515 and 1364 respectively. The maximum and minimum page for the pre-IFRS period is 139 and 24 while that of the post-IFRS is 192 and 19 respectively. The mean page number for the pre-IFRS is 58.27 and that of post-IFRS is 59.30.

The overall length of the financial reports in the pre-IFRS adoption period is 3845 while that of the post-IFRS is 5058. The maximum and minimum page in the pre-IFRS is 284 and 88 resulting to a mean of 160.21 pages. The post-IFRS maximum page is 348, with a minimum of 114 ending in a mean of 210.75 pages. It is instructive to note that the standard deviation around the mean pages of the post-IFRS adoption period are consistently higher than the pre-IFRS in all the segments of the financial reports which indicates presence of wider dispersion in the number of pages of financial reports among banks in the post-IFRS period.

A consideration of the percentage change in number of pages of financial reports post-IFRS adoption indicates that except for the others segment which decrease by 10%, all the other segments increased. Specifically, the income statement increase by 84.6%, statement of financial position by 9.7%, cash flow statement by 13.3%, accounting policies by 95.3%, notes to the accounts by 70.2%, and MD& A by 23.2%. By and large, the IFRS adoption witness 31.6% increase in the number of pages in the financial reports of Nigerian banks. This analysis further shows that the accounting policies segment is most instrumental to the increase in financial reports length and is followed by the income statement, notes to the accounts, MD&A, cash flow statement with the statement of financial position ranking the least.

The 31.6% increase in the volume of financial reports post-IFRS adoption corroborates [2] who reported a slightly lower 29% increase in New Zealand. Also, their findings that the notes to the accounts and accounting policies segments particularly contributed to the increase in financial reports volume post-IFRS is quite substantiated. Furthermore, it is obvious from the analysis as stated by [2] that the financial segment (income statement, statement of financial position, cash flow statement and accounting policies) particularly drives the change in the financial reports length post-IFRS than the non-financial segments (MD&A and others). That the accounting policies segment is revealed as the principal driver of the increase in financial reports in the post-IFRS period could be due to the explanation required of the effect of the transition from Nigerian GAAP to IFRS and the new accounting subject matters that were not previously reported on under the Nigerian GAAP but is now required in the IFRS regime.

Impliedly; there is the issue of whether in the continuing years of IFRS, the financial report length could be lesser compare to year of adoption. A further investigation into the matter is conducted by examining the financial report length a year after IFRS adoption in contrast to the year of adoption. The result is presented in table II.

TABLE II. DESCRIPTIVE STATISTICS ON EFFECT OF CONTINUING IFRS ADOPTION ON FINANCIAL REPORT LENGTH

Segment		Total	Mean	Min	Max	Std.Dv.	%Δ*
Income Statement	Adoption	21	1.62	1	4	0.87	19.05
	After	25	1.92	1	6	1.38	
Statement of Fin. Post.	Adoption	19	1.46	1	2	0.52	0.00
	After	19	1.46	1	3	0.66	
Cash Flow Statement	Adoption	17	1.31	1	2	0.48	11.76
	After	19	1.46	1	2	0.52	
Accounting Policies	Adoption	230	17.69	6	49	13.11	-6.09
	After	216	16.62	7	30	6.60	
Notes to the Accounts	Adoption	868	66.77	32	187	42.90	24.08
	After	1077	82.85	33	192	43.01	
MD&A	Adoption	682	52.46	13	178	47.58	16.28
	After	793	61.00	17	161	45.32	
Others	Adoption	812	62.46	28	187	43.93	- 28.69
	After	579	44.54	19	84	18.79	
Overall Length	Adoption	2579	198.38	114	316	64.77	7.17
	After	2764	212.62	146	348	67.37	

*Percentage change (%Δ) = Total financial report length of post-IFRS adoption less total financial report length of pre-IFRS adoption divided by total financial report length pre-IFRS adoption.

Source: Generated from Financial Reports of Banks using Microsoft Excel 2010.

Table II shows that four out of the seven segments of the financial reports considered witness increase in length after the year of IFRS adoption compare to year of adoption, two decreased while one is unchanged. The four segments that increase include the income statement (19.05%), cash flow statement (11.76%), notes to the accounts (24.08%), and MD&A (16.28%). The two segments that decreased are the accounting policies and others with 6.09% and 28.69% respectively. The statement of financial position segment witnessed no change. The statistics reveal that the notes to the accounts segment recorded the highest increase while the others segment of the financial report the highest decrease.

The result on the basis of the individual banks, which is not reported, indicates that eight of the banks witness increase in their financial report length while five record decrease. On the whole, the overall effect of continuing IFRS adoption as reported in table II indicates a 7.17% increase which is not too high. Though, this result signals probability of continuing adoption of IFRS in the long-run leading to much lesser volume of financial report length therefore information overload, since it is only the year immediately following IFRS adoption that is considered by the current study, further research is necessary to substantiate the position.

B. *Test of Hypotheses*

Table III presents the paired t-test results.

TABLE III. PAIRED SAMPLED T-TEST RESULTS

Segment		Mean	Std. Dv.	p-value (2-tailed)
Income Statement	Pre	1.00	0.000	
	Post	2.09	1.443	0.002
Statement of Financial Position	Pre	1.17	0.388	
	Post	1.48	0.593	0.016
Cash Flow Statement	Pre	1.17	0.388	
	Post	1.48	0.511	0.016
Accounting Policies	Pre	8.98	4.544	
	Post	18.96	9.765	0.000
Notes to the Accounts	Pre	40.87	16.310	
	Post	80.13	43.158	0.000
MD & A	Pre	42.70	34.638	
	Post	58.05	52.421	0.028
Others	Pre	60.35	30.479	
	Post	59.30	46.109	0.915
Overall Length	Pre	160.05	43.762	
	Post	214.50	68.536	0.000

Source: Generated from Financial Reports of Banks using SPSS 21.

The first hypothesis (Ho_1) states that "there is no significant difference in the volume of information disclosed by Nigerian banks in the pre and post-IFRS adoption periods". Table III shows that the mean pre-IFRS adoption overall page length is 160.05 with an associated standard deviation of 43.762. The mean post-IFRS adoption of 215.50 which is associated with a standard deviation of 68.536 is higher than the pre-IFRS mean of 160.05. The p-value of 0.000 which is less than the chosen 0.05 significance level is enough premises to conclude that there is a significant difference in the volume of information disclosed by Nigerian banks in the pre and post-IFRS adoption periods. In other words, IFRS adoption has led to information overload in the financial reports of Nigerian banks. This finding concurs with [2] and [8]. It is pertinent to point out that this scenario will definitely requires greater search strategies by users particularly the investor user group to be able to enhance their decision making quality. It is also important to stress that should Nigerian investors are not sophisticated in information search strategies, then, regulation on the length of financial reports in the post-IFRS era may be an imperative in order to ensure that IFRS does not decrease the decision quality of investors due to information overload.

The hypothesis two (Ho_2) states that "there is no significant difference in the length of the income statement, statement of financial position, cash flow statement, accounting policies, notes to the accounts, management discussion and analysis, and others segments of the financial reports of Nigerian banks pre and post-IFRS adoption". Table III shows that the income statement pre-IFRS mean is 1 and that of the post-IFRS 2.09 with associated standard deviations of 0.000 and 1.443 respectively. The p-value of 0.002 which is less than the 0.05 significance level is evident that a significant difference exists in the length of the income statement pre and post-IFRS adoption. Also, the statement of financial position pre-IFRS mean of 1.17 is lower than the post-IFRS mean of 1.48. The p-value of 0.016 indicates that a significant difference exists between the length of the statement of financial position in the pre and post-IFRS periods. A similar situation as found in the statement of financial position is obtained in the case of the cash flow statement; though the associated standard deviation in the post-IFRS adoption varies. In particular, the p-value of 0.016 is sufficient basis to conclude with respect to the cash flow statement that there is a significant difference in the length in the pre and post-IFRS adoption periods.

A consideration of the accounting policies segment indicates that the mean number of page post-IFRS adoption of 18.96 is higher than the pre-IFRS adoption of 8.96. With the computed p-value of 0.000, it implies that there is a significant difference between the length of the accounting policies segment of the financial reports of Nigerian banks in the pre and post-IFRS adoption periods. The notes to the accounts segment reveals that the post-IFRS adoption mean of 80.13 almost double the pre-IFRS mean of 40.87 and with the p-value of

0.000, it is clear that there is a significant difference in the length of this segment of financial reports of Nigerian banks in the two periods. The MD & A segment pre-IFRS mean of 42.70 is lower than the post-IFRS mean of 58.05. However, the standard deviation of the pre-IFRS adoption of 34.638 shows little dispersion compared to the post-IFRS of 52.421 which is extremely high. The p-value of 0.028 which is less than the 0.05 significance level shows that there is a significant difference in the length of the MD & A segment of the financial reports pre and post-IFRS adoption.

There is a sharp contrast in the other segments of the financial reports from what is obtained with the previously analysed segments. The pre-IFRS adoption mean of 60.35 does not only have a lower standard deviation (30.479 compared to 46.109) but is higher than the post-IFRS adoption mean of 59.30. The p-value of 0.915 is higher than the 0.05 significance level, therefore, it could be concluded that there is no significant difference in the length of the others segment of the financial reports of Nigerian banks pre and post-IFRS adoption.

In summary, except for the others segment of the financial reports, there is a significant difference in the length of the income statement, statement of financial position, cash flow statement, accounting policies, notes to the accounts, and MD & A segments of the financial reports of Nigerian banks in the pre and post-IFRS adoption periods. In other words, there is significant increase in the length of all the segments of the financial reports analysed with the exception of the others segment which rather witness a decrease. The decrease in the length of the others segments which consists of general overviews, pictures, blank pages, graphs, corporate information, and shareholders information could be explained on Nigerian banks consciousness of the potential of IFRS increasing the volume of financial reports and therefore deliberate efforts to minimise disclosure of what is not mandatorily required by accounting standards or statutes.

V. IFRS AND DECISION RELEVANCE

The underlining quality of accounting information is the ability to enhance the decision making process of users of the information (5). Because IFRS is argued to be associated with high quality financial reporting, which in turn has implication on users decision making, we conducted interview on two MBA Accounting students and two financial analysts to investigate if IFRS reporting is more decision relevant. These were given copies of annual reports and accounts in the year of IFRS adoption and year before for a day to study. Questions were then posed to them regarding the length and to identify whether or not IFRS reporting was more decision relevant.

Generally, both the MBA students and financial analysts acknowledged increase in volume of the annual reports and accounts in the year of IFRS adoption. However, the MBA students stressed the issue of increase in volume more than the financial analysts.

With respect to decision relevance, the MBA students could hardly identify IFRS reporting as possessing more decision relevance compare to pre-IFRS reports. On the other hand, the financial analysts had no difficulty in identifying IFRS reporting as assisting better predictability about the reporting entity and generally as having higher decision relevance. The higher decision relevance of IFRS reporting was attributed to the use of fair value as against historical cost accounting in preparing annual reports, earlier loss recognition and less earnings volatility.

The difficulty of the MBA students to specifically point out how IFRS reporting enhance their decision making compare to the financial analysts further provides support that users information processing capability is of importance in IFRS reporting regime.

VI. CONCLUSION AND RECOMMENDATIONS

The users of financial information need reliable and relevant information for their various decision making purposes. There is no doubting the fact that the quality of accounting standards significantly determines the quality of information that is available to users for decision making. The introduction of IFRS and its wide adoption and implementation is a right step in providing reliable and relevant financial information to users especially investors for prudent investment decision making. However, IFRS implementation has far reaching implications not only on companies required to adopt it in financial reports preparation but also users of the financial reports.

This paper shows information overload as one of the consequences of IFRS adoption in the Nigerian banking industry. The adoption of IFRS has driven about 31.6% increase in the volume of financial reports. In fact, virtually all the segments of the financial reports have witness significant increase in the post-IFRS adoption period. Interestingly, we found IFRS reporting to be more decision relevant. Investors and all other user groups are therefore face with the challenge of information overload in the IFRS reporting regime. This increase in volume of financial reports has further implication on the decision making quality of investors in the area of information search strategies. It is therefore not only important that users, investors in particular, evolve strategies for coping in the new financial reporting regime but also necessary to put in place measures that will keep financial reports within manageable volume for investors and other users.

To this end, this paper recommends that investors seeking to explore investment opportunities in the post-IFRS period should patronize financial analysts who are trained professionals to guide their investment decisions. Also, the regulatory authorities especially the Central Bank of Nigeria (CBN) should make efforts to discourage company directors whose responsibility it is to prepare financial reports from disclosing unnecessary information through regulation on the maximum number of pages in the annual reports and accounts.

This paper is not without limitations. In particular, the issue of IFRS adoption causing information overload is examined only in the banking industry. This provides a useful insight but is not sufficient basis for generalization in the Nigerian context. To validate the result of this paper, subsequent research should examine the subject matter in other industries or sectors. In addition, in the presence of information overload, investor's sophistication in terms of information search strategies should be of concern. Further research could examine the level of sophistication of investors in the Nigerian environment in terms of information search strategy as a basis for evolving more appropriate policy measures by the relevant authorities to ensure decision making quality does not decrease under the IFRS reporting regime.

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