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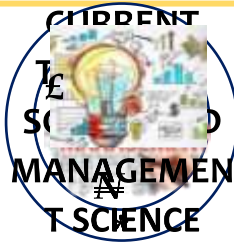

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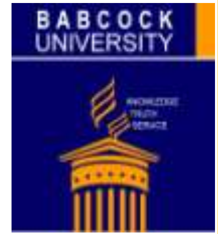

RESEARCH ARTICLE

CORPORATE GOVERNANCE MECHANISMS AND SOCIAL SUSTAINABILITY DISCLOSURE IN NON-FINANCIAL FIRMS LISTED IN NIGERIA

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ABSTRACT

There is an increasing demand from stakeholders for social sustainability disclosure. However, annual reports have not been providing adequate information to the public to construct independent opinion on interrelationship between firm's performance and humans. The study examined the effects of corporate governance mechanisms on social sustainability disclosure of non-financial firms listed in Nigeria.

The work used *ex-post facto* research design. The population was 109 non-financial firms listed in Nigeria as at 31st December 2020. 72 firms were selected using stratified and purposive sampling techniques. Secondary data were extracted from annual reports of the sampled firms for 9 years, 2012 to 2020. A checklist was developed to obtain information on social sustainability disclosure from the sampled firms' annual reports. Data were analyzed using descriptive and multiple regression analysis.

The study discovered that the overall effect of corporate governance mechanisms had a significant impact on social sustainability disclosure. The disconnected influences were diverse. Board Independence, Risk Committee, Nomination Committee, Remuneration Committee, and Sustainability Responsibility Committee have a positive and significant effect on SOD while Board Meetings have a positive but insignificant influence on SOD.

The study concluded that corporate governance mechanisms affected social sustainability disclosure of non-financial firms listed in Nigeria. The study recommended that management should ensure that there is adequate number of non-executive directors on board and institute necessary advisory committees to support the board in performing its responsibilities and drive enhanced social sustainability disclosure.

Keywords: Advisory committee, Agency theory, Corporate governance mechanisms, Social sustainability disclosure.

1. Introduction

The primary goal of a business entity has been to enhance shareholders' wealth; however, there is a paradigm shift that in addition to profit making, corporate entities are expected to improve human beings' lifestyle by strengthening people and their business operating environment (Ainy & Barokah, 2019; Hristov & Chirico, 2019; Martínez-Perales, Ortiz-Marcos, Juan-Ruiz, & Lázaro, 2018). Disclosure of social practices in firms' annual reports assists such firms to assess its social achievement, and it serves as a guide towards developing company sustainability procedures (Bundy, Shropshire, & Buchholtz, 2013; Lozano, 2015).

Social sustainability practices promote human rights and community enhancement which include supporting equality and indiscrimination, abolition of prohibited working procedures, and development of the working environment (Adib & Xianzhi, 2019). However, disclosure of social sustainability practices is not mandatory whereas such information is demanded by

an increased number of stakeholders as a result of various social conditions (Oncioiu, Petrescu, Bilcan, Petrescu, Popescu, & Anghel, 2020).

In addition, there is no accounting standard that enforces social sustainability disclosure and the extent of disclosure in emerging nations including Nigeria is low (Adegbie, Akintoye, & Taiwo, 2020; Isa, 2014). As well, there are variations in social practices being disclosed by firms due to lack of standard (Geerts, Dooms, & Stas, 2021). Hence, companies choose different style of disclosure leading to various versions of social sustainability disclosure (Emeka-Nwokeji & Osisioma, 2019).

Nevertheless, some international bodies such as the UN Global Compact, the Climate Disclosure Standards Board, and Global Reporting Initiative (GRI, 2006) make available direction and guide about reporting of non-monetary activities (Siew, Balatbat, & Carmichael, 2013). Global Reporting Initiative (GRI) sustainability guideline is embraced by large proportion of countries globally towards social sustainability disclosure (Adegbie, Akintoye & Taiwo, 2020; Ceulemans, Molderez, & Van, 2015).

According to Petra (2010), the concept of social sustainability disclosure is not independent and has to be combined with the firm's corporate governance mechanisms including the overall firm's sustainability disclosure program to record a success. The mechanisms of corporate governance are the laid down guides and procedures formulated and instituted by firms' management to coordinate such companies' activities towards achievement of their goals (**Mahmood, Kouser, Ali, Ahmad, & Salman, 2018**).

Companies' annual reports have not been providing adequate information for the public to construct informed opinion about the ethical motive of the firms on social performances (Emeka-Nwokeji & Osisioma, 2019; Haskin, & Burke, 2016). Hence, financial reporting is inadequate and unreliable to form an independent opinion on the interrelationship between the firms' performance and its influence on humans (Stolowy & Paugam, 2018). The implications of not disclosing social sustainability practices are not limited to loss of reputation, loss of investment attraction from the public, and loss of financial aids from local and foreign institutions (Umar, Mustapha, & Yahaya, 2021).

Some previous empirical research works have investigated and concluded that corporate governance mechanisms have significant impacts on the activities of firms' management (AbuRaya, 2012; Fauver, Hung, Li, & Taboada, 2017; Liao, San, Tsang, & Yu, 2021). Therefore, implementation of dependable corporate governance mechanisms will enhance social sustainability disclosure (Tjahjadi, Soewarno, & Mustikaningtiyas, 2021).

Corporate governance is a notion with a fast rising in business environment and tracing its foundation on agency theory, the purpose of corporate governance was to maximize the worth of the company, by regulating both the interests of the investors and the management at the lowest cost (Siminica, Cristea, Sichigea, Noja, & Anghel, 2019). In this context, corporate governance addresses the conflict of interests between investors and management, and function as a mechanism used by the company to monitor, control, direct, and coordinate the resources of a company towards attaining the interests and objectives of the investors (Nour, Sharabati, & Hammad, 2020).

Many studies have been carried out on corporate governance and social sustainability disclosure. Nevertheless, there is dearth of use of advisory committees as proxies of corporate governance mechanisms to ascertain its effect on social sustainability disclosure. Alike, many of the past works focused on just a sector. Accordingly, the study filled the gaps by assessing the effect of corporate governance mechanisms on social sustainability disclosure of non-financial companies quoted in Nigeria.

Consequently, the purpose of the study is to assess the impacts of corporate governance mechanisms on social sustainability disclosure of non-financial firms listed in Nigeria. Also, there is an interest to establish the level of influence of board independence, board meetings, and advisory committees (risk, nomination, remuneration, and sustainability responsibility) on social sustainability disclosure of non-financial firms listed in Nigeria.

2. Literature Review

2.1 Social Sustainability Disclosure

Social sustainability disclosure contains information on the company's practices and its transactions with social matters, its interactions with the immediate community; employees associated matters, society involvements and the level of the company's interest in the society and other moral, social environmental matters (Al Amosh & Mansor, 2018). Social sustainability performances promote the reputation of the companies in the community where their business activities are carried out by disclosing their contributions and influences on the social position of the community (Adib & Xianzhi, 2019).

Social sustainability disclosure is a non-mandatory disclosure that concerns the reporting of organisation's information on its impacts on the immediate society where the business activities are being carried out, influence on the welfare of staff members, and the environment where business is located (Chikwendu, Okafor, & Jesuwunmi, 2019). Social

sustainability disclosure is referred as the company's duties extended to society regarding supports for education, assistance on health care, promotion of good environmental conditions, giving charity and donation to the needy, practicing of good ethical labour and many other engagements in projects that benefit the community (Singhal & Dev, 2016; Taliento, Favino, & Netti, 2019).

According to Global Reporting Initiatives (2020), the aspect of social sustainability relates to impacts of a corporate body's operational activities on social structure of its immediate operating environment. GRI further divides social sustainability disclosure into 19 topics-specific disclosures including employment, relationship between labour and directorate, employees' health, employees' training, unbiased opportunity, equal rights, right of union, unfair employment of children, unwilling labor, protective operations, aboriginal rights, human rights practices, local societies, evaluation of supplier social practices, community policy, customers' safety, branding, customer's confidentiality, and adherence to socio and economic practices.

2.2 Corporate Governance

Corporate governance is guided by principles such as rights and impartial care of investors, interest of all groups of individuals that have stake in company, task, and duty of the board of management, honesty, and moral conduct of board of management, and disclosure and transparency of board of management concerning their activities and performance (Owolabi & Babarinde, 2020). The importance of corporate governance was recognised early enough, and its scope was expanded to encompass achieving the various interests of all the groups of individuals that have stake in the company (Siminica, Cristea, Sichigea, Noja, & Anghel, 2019).

The advisory committees are critical committees to an organization; they manage a firm's corporate governance and its sustainability pursuits (Muntaha & Haryono, 2021). The commitment to have a separate committee on sustainability performance suggests the readiness of the firm to comply with the standards and principles that guide triple bottom line, economic, environmental, and social sustainability disclosure (Coffie, Aboagye-Otchere, & Musah, 2018).

2.3 Review of Extant Literature

Wang et al. (2021) considered the influence of independent female directors on company social roles and financial performance in non-financial Chinese companies. The outcomes

showed that number of independent females on board is positive and significantly influences company social roles disclosure in non-financial companies in China. Also, the research work of Gardazi, Hassan, and Johari (2020) discovered that board of directors that are independent, diversity of board, managing director duality, and size of board are positive and have significant impact on a company's social sustainability practices.

Additionally, Tran, Lam, and Luu (2020) on impact of corporate governance on company social responsibility disclosure in Vietnamese commercial banks discovered that size of the board, foreign members of board, and audit committee positively influence company social responsibility disclosure. Alike, the work of Al Fadli, Sands, Jones, Beattie, and Pensiero (2020) discovered that the impact of board independence on corporate social responsibility in Jordan revealed the same finding with the past research works. The study concluded that the independent of board is significant and favorably affected the rate of corporate social responsibility disclosure in Jordan.

Likewise, Vacca, Iazzi, Vrontis, and Fait (2020) investigated the moderating impact of women on board between tax aggressiveness and company social responsibility. The study found that the number of women in board enhances the positioning of firms to company social responsibility disclosure. So, managing director gender is positive and significantly related to company tax planning and company social responsibility disclosure in compliance with Global Reporting Initiative (GRI) guidelines.

Correspondingly, Gulzar, Cherian, Hwang, Jiang, and Sial (2019) concluded that the existence of women directors on the board is positive and significantly influence the company social responsibility involvements. Likewise, the research work of Zaid, Abuhijleh, and Pucheta-Martinez (2020) revealed that the government, institutional, and foreign investors are highly positive and significantly related to social sustainability reporting. As well, the study of Emmanuel, Uwuigbe, Teddy, Tolulope, and Eyitomi (2018) concluded that size of a board, foreign directors on board and numbers of women on board are positive and have significant impact on the level of company social reporting in manufacturing companies in Nigeria.

As well, Arayssi, Dah, and Jizi (2016) found that the existence of female on board positively affects the company's sustainability practices disclosures and company's performance. Akin to the findings of previous studies, Aslam, Makki, Mahmood, and Amin (2018) discovered in their study that independence of board, size of board, diversity in gender and managing director duality are positive and have significant influence on company social responsibility.

In concurrence with the past findings, the results of these studies revealed that board independence is positively linked with company social responsibility disclosure (Adib & Xianzhi, 2019; Cucari, Esposito De Falco, & Orlando, 2018; Mbekomize, Wally-Dima, & Nametsegang, 2019).

Contradictory to the positive results discussed as regards the impacts of corporate governance on social sustainability disclosure, some previous research works revealed that corporate governance has negative impacts on social sustainability disclosure. The study of Khan, Khan, and Saeed (2019) showed that educational qualification of directors is negatively associated with company social practices disclosure. Likewise, the study of Sahore and Verma (2019) revealed that the relationship between board independent directors and voluntary disclosure is not significant. As well, Qoyum, Mutmainah, Setyono, and Qizam (2017) found that board of commissioners' independent is negatively related to company social responsibility reporting in Islamic banking.

Again, Muntaha and Haryono (2021) found that managing director duality, independence of board, the age of the board, corporate social responsibility training and committee of sustainability are negative and have no significant effect on corporate social responsibility practices and reporting. In addition to the earlier discuss, Abu Qa'dan and Suwaidan (2019) conducted an empirical study to determine the relationship between corporate governance and corporate social responsibility disclosure in Jordan and found that board independence, managing director's duality, board age, number of women in board, and board ownership are negatively related to the extent of corporate social responsibility reporting.

Also, Cucari, Esposito De Falco, and Orlando (2018) discovered that number of females on board is negatively related and board age is insignificant to company social sustainability disclosure.

Agency theory specifies that contradictory interest may arise between the principal and the agent though it is always not the case at the point of engaging agent to realize the owner's interest (Sheikh, Khan, Igbal, & Ahmed, 2012). Inequality in access to information is noted as one of the motivations for intentional decision of disclosing information in the standpoint of disclosure (Alotaibi, 2014; Healy & Palepu, 2001). However, agency theory fails to account for non-financial incentives for avoiding disclosure (Okcabol & Tinker, 1993). In addition to this, welfare loss arises due to transfer of control, precisely decision-making function from the owner to agent, and agency cost because of discrepancy between social

welfare maximum and aggregated utility in agency relationship (Nwachukwu, Ogundiwin, & Nwaobia, 2015).

Companies that are more involved in social performance are more profitable; consequently, they extend their appreciation to the community by involving more in social practices (Fahad & Rahman, 2020). Therefore, it is anticipated that a favorable relationship should exist between company's level of profitability and social sustainability disclosure. Besides, high profitability has the propensity to aggravate the agency issue between shareholders and management (Jensen, 1986). However, it could be moderated by social sustainability disclosure because more information would be made available for stakeholders for the purpose of transparency and accountability as well as for effective decision making by stakeholders (Javeed & Lefen, 2019; Jensen, 1986).

Agency theory proposes that a board that is very independent enhances corporate governance composition and assists to find way out for agency challenges as well as defending the concern of stakeholders and guarantee efficient board operations (Fahad & Rahman, 2020; Fama & Jensen, 1983). Past research works concluded that board independence supports the management in company social responsibilities (Habbash, 2016; Muttakin & Subramaniam, 2015). However, some past works did not (Giannarakis, Konteos, & Sariannidis, 2014; Said, Zainuddin, & Haron, 2009). Based on agency theory, board independent is believed to be a critical mechanism to lessen conflicts of agency and apply regulation to the behaviour of management, guaranteeing the protection of the benefits of shareholders (Fama & Jensen, 1983).

2.4 Theoretical Consideration

The theory adopted for this study is Agency theory. The theory was propounded by Jensen and Meckling (1976) and is seen as a link of contract, the primary contract is the principal-agent contract between stockholders / owners and management of company (Jensen & Murphy, 1990). The assumptions of the theory are human being is rational, self-interest, and opportunistic, a manipulative person who strives to achieve rewards and evade punishments, especially monetary ones (Eisenhardt, 1989; Donaldson & Davis, 1991; Nwachukwu, Ogundiwin, & Nwaobia, 2015).

The theory specifies that complications may develop in the principal-agent connection, on the premise that managers have better information about the organisation than the owners, information asymmetry (Adegbie, Akintoye, & Ashaolu, 2019; Elaigwu, Ayoib, & Salau, 2020; Ozili, 2021). Also, on the assumption of self-interest attribute, managers abuse this

loophole to wrongly enrich themselves (Emeka-Nwokeji & Osisioma, 2019; Ezhilarasi & Kabra, 2017).

In the context of corporate governance, agency theory specifies that directors embrace company social and environmental practices more than shareholders because directors do not have left over dues from the company's retained earnings (Craswell & Taylor, 1992; Graves & Waddock, 1994). Hence, managers probably may develop keen interest in social and environmental practices because it is the principal's fund that is being spent (AbuRaya, 2012; Halme & Huse, 1997). Consequently, social sustainability disclosure is a task of corporate governance because management can publish credible social sustainability disclosure to improve company worth by lessening agency expenses, because disclosure is a part of the observing strategies implement to lessen agency overheads (Craswell & Taylor, 1992).

Agency theory is relevant to this study because it indicates how corporate governance mechanisms can aid companies to be fully transparent and disseminate available information to stakeholders. On this basis, the nexus was hypothesized thus:

H_0: Corporate governance mechanisms have no significant effect on social sustainability disclosure of non-financial firms listed in Nigeria.

3. Methodology

3.1 Study Design

The empirical study adopted *ex-post facto* research design. The population contains 109 non-financial firms listed in Nigeria on 31st December 2020 (NSE). The sample sizes of 72 non-financial firms were selected using stratified sampling technique and purposive sampling technique. The study adopted stratified sampling technique to divide the population into sectors to enable all the sectors to be equally featured. Also, purposive sampling technique was used to select all non-financial firms that have been continuously published their financial statements for 9-year, 2012 -2020.

A period of 9-year was chosen for this study due to origin of 17 sustainable development goals in Brazil during the Summit organized by United Nations. The empirical work used secondary data and they were sourced from the published annual reports of the sampled non-financial firms for 9-year, 2012 – 2020. The data were valid and reliable because they have been validated by professional external auditors, regulators and the financial statements were prepared in accordance with Nigeria Companies and Allied Matters Act (CAMA, 2020).

Model of the Study

This empirical study used descriptive and inferential statistics to conduct analysis of the data output. Adjusted R^2 was used to ascertain the extent of effect of the corporate governance mechanisms on changes in social sustainability disclosure of non-financial firms quoted in Nigeria. The inferential statistics examine the effect of corporate governance on social sustainability disclosure of non-financial companies quoted in Nigeria using Panel Random Effect or Fixed Effect model. The study conducted post estimation tests such as serial correlation test, heteroscedasticity test, and cross-sectional dependence test to ascertain the suitability of the model estimations.

The model explains the impact of corporate governance mechanisms on social sustainability disclosure as follows:

$$SOD_{it} = \beta_0+\beta_1 BOI_{it}+\beta_2 BOM_{it}+\beta_3 RIC_{it}+\beta_4 NOC_{it}+\beta_5 REC_{it}+\beta_6 SRC_{it}+\mu_{it}$$

SOD_{it} = Social Sustainability Disclosure

BOI_{it} = Board Independence

BOM_{it} = Board Meetings

RIC_{it} = Risk Committee

NOC_{it} = Nomination Committee

REC_{it} = Remuneration Committee

SRC_{it} = Sustainability Responsibility Committee

β_0 = Intercept

$\beta_1 - \beta_6$ = Coefficient of Slope parameters

μ_{it} = Error term

$_i$ = Selected companies

$_t$ = Time dimension

3.2 Measurement of Dependent and Independent Variables

3.2.1 Dependent Variable

Social sustainability disclosure is the dependent variable, and a checklist was developed using Global Reporting Initiative (GRI) due to its global acceptance and adoption (Geerts, Dooms, & Stas, 2021). The social sustainability disclosure checklist was represented by 12

social practices indicators as stated in the Appendix. The study allocated '1' to a social sustainability practice if it was stated in the company's financial statements and '0' if it was not stated (Ali, Ahmed, & Sattar, 2019; Iredele & Moloi, 2020)

Content analysis was conducted to determine the existence or otherwise of a social sustainability practice in the financial statements using the formulated social sustainability disclosure checklist (Gungor & Dincel, 2018; Gulzar, Cherian, Hwang, Jiang, & Sial, 2019). Consequently, a maximum result of 12 or minimum result of 0 was expected as the total results of social sustainability disclosure for a company in a year. Hence, the social sustainability disclosure index was the total results of social sustainability practices reported by a firm divided by the expected maximum total result of 12.

3.2.2 Independent Variables

Corporate governance mechanisms were sourced from each firm's published financial statements. Board Independence is the number of non-executive directors divided by total number of directors (Ntim, Soobaroyen, & Broad, 2017; Mahmood, Kouser, Ali, Ahmad, & Salman, 2018; Gulzar, Haque, & Khan, 2020). Board meetings are the number of times meetings were held by the Board in a year (Nour, Sharabati, & Hammad, 2020; Gulzar, Haque, & Khan, 2020). A result of '1' was allocated to an advisory committee (Risk, Nomination, Remuneration, and Sustainability responsibility) if it exists in a firm and '0' if it is not in existence in a firm (Biswas, Mansi, & Pandey, 2018; Harymawan, Agustia, Nasih, Inayati, & Nowland, 2020; Shaheen, Ağa, Rjoub, & Abualrub, 2020; Zraiq & Fadzil, 2018.

3.3 Data Analytical Method

The impact of corporate governance mechanisms on social sustainability disclosure of non-financial firms listed in Nigeria was assessed using multiple regression analysis adopting Stata. Also, the p-values of F-statistic at 5% level of significance was used to evaluate aggregate effect of the independent variables on the dependent variable for statistical significance. If $p<0.05$ for the F-statistic, reject the null hypothesis which means the model is significant; if $p>0.05$, accept the null hypothesis and it means the model is insignificant. The study expected corporate governance mechanisms to have a positive effect on social sustainability disclosure of non-financial companies quoted in Nigeria.

4. Data Analysis and Results

4.1 Descriptive Analysis

Table 4.1 shows the output of descriptive analysis of the explanatory variables and the dependent variable.

Table 4.1 Descriptive Statistics

VARIABLE	MEAN	STANDARD DEV.	MIN	MAX
SOD	0.4614	0.1706	0.0833	1.0000
BOI	67.8725	14.2853	7.6923	94.4400
BOM	4.6528	1.2187	1.0000	10.0000
RIC	0.6281	0.4837	0.0000	1.0000
NOC	0.2824	0.4505	0.0000	1.0000
REC	0.5432	0.4985	0.0000	1.0000
SRC	0.0247	0.1553	0.0000	1.0000
OBSERVATION	648	648	648	648

Source: Researcher's Computation (Stata output, 2021)

RIC has the highest mean value of 0.6281 among the advisory committees. This means most of the selected non-financial firms recognize the importance of risk committee in driving effective corporate governance. However, with the minimum value of '0', it means some selected non-financial firms did not have risk committees as part of corporate governance mechanisms. SRC has the lowest mean value of 0.0247 among the advisory committees. This means the sustainability responsibility committee is not in existence in most of the selected non-financial firms used for the study.

SOD has a mean value of 0.4614 with standard deviation of 0.1706. The low value of standard deviation suggests that the selected non-financial firms listed in Nigeria are probably different in the low extent of social sustainability disclosure. Also, the variation between the maximum and minimum value of SOD is an indication of the low extent of social sustainability disclosure among the non-financial firms listed in Nigeria. It implies some of the sampled non-financial firms are not disclosing their social sustainability practices within the scope of the study.

4.2 Multicollinearity Test

Table 4.2 depicts the results of correlation matrix test. The outcomes show that there is no multicollinearity in the dataset of the study. Hence, the independent variables are satisfactory for the evaluation.

Table 4.2 Pearson Correlation Matrix Test

	BOI	BOM	RIC	NOC	REC	SRC
BOI	1.000					
BOM	0.091	1.000				
RIC	0.110	0.299	1.000			
NOC	0.039	0.148	0.291	1.000		
REC	-0.025	0.176	0.506	0.224	1.000	
SRC	0.080	0.135	0.122	0.232	0.146	1.000

Source: Researcher's Computation (Stata output, 2021)

4.3 Regression Analysis

Table 4.3 reveals the outcomes of the influence of corporate governance mechanisms on social sustainability disclosure of non-financial firms quoted in Nigeria.

Table 4.3 Regression Results for the Hypothesis

Regression using Fixed Effect Estimation				
Variable	Coeff	Std. Err	T-Stat	Prob
Constant	0.2045	0.0109	18.84	0.000
BOI	0.0026	0.0003	9.01	0.000
BOM	0.0002	0.0025	0.08	0.939
RIC	0.0411	0.0051	8.03	0.000
NOC	0.0501	0.0101	4.98	0.001
REC	0.0573	0.0173	3.32	0.011
SRC	0.2178	0.0347	6.28	0.000
Adj R^2	0.2261			
F-Stat/ Wald Stat (Prob)	$F_{(6, 641)} = 7426.14(0.00)$			
Hausman Test	$chi^2_{(4)} = 12.99\ (0.0431)$			
Testparm Test/LM Test	$F_{(8, 562)} = 14.08\ (0.000)$			
Heteroskedasticity Test	$chi^2_{(72)} = 36480.89\ (0.000)$			
Cross Sectional Independence	3.015 (0.0026)			
Autocorrelation Test	$F_{(1, 71)} = 150.612\ (0.000)$			

Dependent Variable: SOD
Source: Stata output, 2021 / Researcher's Computation
Note: All the analysis was tested at 5% significance level

$$SOD_{it} = \beta_0 + \beta_1 BOI_{it} + \beta_2 BOM_{it} + \beta_3 RIC_{it} + \beta_4 NOC_{it} + \beta_5 REC_{it} + \beta_6 SRC_{it} + \mu_{it}$$

4.3.1 Interpretation

$$SOD_{it} = 0.2045 + 0.0026BOI_{it} + 0.0002BOM_{it} + 0.0411RIC_{it} + 0.0501NOC_{it} + 0.0573REC_{it} + 0.2178SRC_{it} + \mu_{it}$$

Table 4.3 depicts that all the independent variables BOI, BOM, RIC, NOC, REC and SRC have positive relationships with SOD as shown by the positive signs of their coefficients ($\beta_1 = 0.0026$), ($\beta_2 = 0.0002$), ($\beta_3 = 0.0411$), ($\beta_4 = 0.0501$), ($\beta_5 = 0.0573$) and ($\beta_6 = 0.2178$) respectively.

From the probabilities of the T-test results at the 5% chosen level of significance for this study, Table 4.3 depicted that BOI, RIC, NOC, REC, and SRC have significant individual relationships with SOD, as revealed in the probability values (*p = 0.000*), (*p = 0.000*), (*p = 0.001*), (*p = 0.011*) and (*p = 0.000*) respectively. This means that BOI, RIC, NOC, REC, and SRC are significant factors influencing variations in SOD of the sampled non-financial firms listed in Nigeria.

However, BOM is not an element that significantly influences the variations in SOD of the sampled non-financial companies in Nigeria because of its probability T-statistics (*p = 0.939)*. The outcomes imply that BOM is not an influenced factor to the variations in SOD and should have been exempted in the regression. Nevertheless, the theoretical reasoning of a variable should be the utmost consideration to ascertain its relevance.

The Adjusted R^2 reveals that 0.2261 (22.61%) variations in the Social Sustainability Disclosure of the sampled non-financial companies in Nigeria was by virtue of the interconnection of the corporate governance mechanisms in the model, and the residual 77.39 percent were from other determinants not considered in the model.

4.3.2 Decision

On the premise of the probability, F-stat (6, 641) = 7426.14 is significant at $p < 0.05$. Consequently, the empirical study rejects the null hypothesis, accepts the alternate hypothesis, and decided that corporate governance mechanisms significantly influence the social sustainability disclosure of non-financial firms listed in Nigeria.

4.3.3 Discussion of Findings

The regression results revealed that the combined effect of corporate governance mechanisms used in this study have significant influences on social sustainability disclosure of non-financial firms listed in Nigeria.

However, the respective effects of the predictor variables were intermingled based on the separate tests conducted. It was noted that all the predictor variables apart from board meetings are positive and have significant impacts on social sustainability disclosure. The board meeting is positive without significant impact on social sustainability disclosure of non-financial firms quoted in Nigeria.

The outcomes of the study concur with the *a priori* prospect that all the predictor variables would have positive impacts on social sustainability disclosure of non-financial companies quoted in Nigeria.

The results are in accordance with the outcomes of some past research works (Adib & Xianzhi, 2019; Al Fadli, Sands, Jones, Beattie, & Pensiero, 2020; Gardazi, Hassan, & Johari, 2020; Mbekomize, Wally-Dima, & Nametsegang, 2019; Tran, Lam, & Luu, 2020; Vacca, Iazzi, Vrontis, & Fait, 2020; Wang et al., 2021).

Nevertheless, the outcomes did not conform to the findings of some past empirical works (Abu Qa'dan & Suwaidan, 2019; Cucari, Esposito De Falco, & Orlando, 2018; Khan, Khan, & Saeed, 2019; Muntaha & Haryono, 2021; Sahore & Verma, 2019).

5. Conclusion and Recommendations

The empirical work examined the impact of corporate governance mechanisms on social sustainability disclosure of non-financial companies quoted in Nigeria. Formed on the results of the empirical study, it was concluded that corporate governance mechanisms affected social sustainability disclosure of non-financial firms listed in Nigeria.

Hence, the study recommends that the management of non-financial firms listed in Nigeria to incorporate effective corporate governance mechanisms in their firms to improve social sustainability disclosure. There should be strict adherence to the rules in the Nigerian Code of Corporate Governance (2018) to run the activities of the firms. Management should ensure that there is adequate number of non-executive directors on board and institute necessary advisory committees to support the board of directors in performing their responsibilities. Also, the regulators in conjunction with the accounting profession should develop a framework on social sustainability disclosure and define a section in the financial statements where social sustainability practices are to be disclosed for easy assessment by the respective stakeholders.

The limitation of the study is inadequate data of all the non-financial firms listed in Nigeria. Hence, seventy-two non-financial firms that have been consistently publishing their financial statements throughout the scope of the study were selected as a sample size. Nevertheless, the restriction does not affect the quality of the work as the sample size was sufficient to make an inference on the population of the study.

It was suggested for future study that the impact of other components of corporate governance should be examined on other social sustainability practices that were not considered in this study. Also, the future study should be extended to the present year of carrying out the study to reflect the current situation.

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Appendix

Social Sustainability Disclosure Checklist

Social Sustainability disclosure (Maximum score is 12). NB: If social sustainability practices was disclosed, assign '1' and if not, assign '0'.				
S/n	**Item**	**Code**	**1**	**0**
1.	Is there local community engagement disclosure?	SOLC		
2.	Does the firm report diversity and equal opportunity?	SODE		
3.	Does the firm report employees, hires and turnover in the period?	SOEM		
4.	Does the firm report occupational health and safety?	SOHS		
5.	Does the firm report customer satisfaction and complaints?	SOCC		
6.	Does the firm report compliance with society laws and regulations?	SOLR		
7.	Does the firm report training and education?	SOTE		
8.	Does the firm report child labour policy?	SOCL		
9.	Does the firm report force or compulsory labour policy?	SOFL		
10.	Does the firm report any violations involving indigenous rights?	SOIR		
11.	Does the firm report human rights grievance mechanisms and the total number of grievances reported via the mechanisms and resolved?	SOHR		
12.	Does the firm report customer health and safety?	SOCS		

Source: Researcher's compilation, 2021