

MONITORING MECHANISM AND SOCIAL SUSTAINABILITY DISCLOSURE PRACTICES AMONG FIRMS IN NIGERIA: CROSS SECTIONAL ANALYSIS OF 2018 CORPORATE GOVERNANCE REFORM

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ABSTRACT

In recent times, interest in corporate governance in Nigeria has assumed the highest propositions. This is due to the high rate of corporate failures and the realization that institutionalizing high corporate governance mechanisms is a key driver of corporate accountability that will rebuild public trust and confidence in an economy. This led to the launching of new code of corporate governance by the Financial Reporting Council of Nigeria (FRC) in 2018, which is applied across all entities and sectors operating in Nigeria from the year 2020. This research is a cross sectional analysis aimed at providing empirical evidence on extent of social sustainability disclosure practice following the recommended monitoring mechanisms specified in the new code. *Ex post facto* research design was adopted and data were collected from cross section of sampled seventy-five firms resulting in 75 firm-specific observations. Descriptive and inferential statistics were used as tool of analysis. Results of the analysis revealed that the extent of social sustainability disclosure among sampled firms on the average is about 36%. This level is low relative to other emerging economies. Board shareholding and firm size has a significant positive effect on social sustainability disclosure practice, while board size, board independence, board gender diversity, board meeting and CEO nationality has no significant effect on social sustainability disclosure practice among firms in Nigeria. Consequently, the study recommends among other things that there is need for FRC and other regulators to develop detailed and specific social sustainability policies to supplement the already established recommended practice that merely encourage firms to establish policies and practices regarding its social responsibilities.

Keywords: Monitoring Mechanism, Sustainability, Social disclosure, Corporate Governance, CEO Nationality.

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