Board Mechanism and Discretionary Disclosure on Employee Health and Safety of Listed Manufacturing Firms in Nigeria

Manafa, Chinyere Joan
Department Of Accountancy
Chukwuemeka Odumegwu Ojukwu University
Igbariam Campus

Emeka-Nwokeji, N. A. (Ph.D)
Department Of Accountancy
Chukwuemeka Odumegwu Ojukwu University
Igbariam Campus

DOI 10.56201/ijebm.v9.no4.2023.pg1.18

ABSTRACT

The study examined the effect of board mechanism on employee health and safety of listed manufacturing firms in Nigeria. Board meetings, board independence, board diversity and managerial ownership was used as proxy for mechanism. The dependent variable of this study which is discretionary disclosure of employee health and safety was measured based on firms that provided information on employee health and safety. The study adopted Ex-post facto research design. Secondary data were collected from annual report of manufacturing firms that constantly published theirs annual report. The Study covered ten (10) years period spanning from 2012-2021. The study adopted multiple regression in analyzing the data and testing the hypotheses using E-VIEW version 9.0. This study concludes that the board mechanism affect the disclosure of employee health and safety in the manufacturing firms. The study recommended that, Manufacturing firms should include employee health and safety in their meeting agenda each time they meet and discuss on how to improve on the provision on employee safety, they should engage less of independence directors as they have less impact on discretionary disclosure of employee health and safety in an organization, engage adequate required gender diversity in the board. Finally, they should encourage its directors to acquire more shares in firm.

Keywords: *Board Mechanism, Board Meeting, Board Diversity, Board Independence and Managerial Ownership, Employee Health and Safety.*

Introduction

Board Mechanism refers to mechanisms of interests´ alignment through which corporations are controlled and directed by their shareholders, other stakeholders (employees, creditors, investors, customers, suppliers etc.), as well as the public as a whole. The Board of directors plays an important roles in corporate governance practice and in promoting social responsibilities practices and improving information to companies' stakeholders (Rashid, 2021). The Board is the main internal governance mechanism in charge of supervising and controlling executive directors' decisions and resolving any conflict of interest between managers and other stakeholder's .Its responsibilities may include developing a long-term strategy, determining the compensation of corporate executives and evaluating the performance of managers, as well as improving internal control systems. (Atkins, Zakari & Elshahoubi, 2018). Without effective governance mechanism, the principal-agent problem may arise, enabling the managements (agents) to engage in 'opportunistic behavior, detrimental to enterprise's owners, stakeholders as well the economy as a whole.

Corporate disclosures have occupied corporate governance literature for a long time. In the early 2000s, there was renewed interest in disclosures especially after the corporate scandals of Enron, WorldCom, Lehman Brothers, and other companies came to the limelight (Bauwhede & Willekens, 2008). Also Monteeiro, Guzman, Garido-Ruso and Guzman (2021) asserted that academic research that focus on firm's employee related disclosure practices is needed to enhance understanding on social responsibility policies of firms. Both research and practice have suggested that well thought-out corporate communications are required to mitigate the information asymmetry, which is suggested to be the cause of agency problem and agency costs in corporations. It is believed that corporate transparency is a signal for the quality of management and management ability to induce growth and profitability (Enache & Hussainey, 2019).

Corporate reporting has been extensively studied from both a theoretical and empirical view points over the last decades, most research has been focused on environmental reporting and /or the overall set of corporate social reporting disclosure dimensions, whereas relatively few studies laid emphasis on employee-related disclosures, analyzing them in isolation, issues related to human resources management, such as work environment, employee health and safety (EHS), work-life balance or diversity and equal opportunities, have been understudied by academic literature, this lack of research attention can not only produce an imbalanced understanding of how firms are actually addressing the overall corporate social responsibility (CSR) agenda, since human resources management is key aspect of a company's CSR efforts, but also is surprising given the critical role played by employees in business success and the growing stakeholder interest in human resources management practices and human right. In this sense, employee health and safety disclosures in corporate reports provide stakeholders with an indication of value that firms place on their human and what they are doing to develop quality workforce and enhance employees' welfare.(Monteiro,2021).

According to Jonathan and Mbogo (2016), employee health and safety programs should be a priority for management because they safe lives, increase profitability, and reduce costs. These health and safety programs should stress employee involvement, continued monitoring, and an overall wellness component, work safety requires that safe working conditions should not create significant risk of people being rendered unfit to perform their work. Health and safety at work is therefore aimed at creating conditions, capabilities, and habits that enable the worker and his/her organization to carry out their work efficiently and in a way that avoids events which could cause them harm, it is clear that safe working conditions have an effect on the habits of workers, which in turn impacts on efficiency. This implies that employees working in a safe condition are likely to perform in a way that will not cause them harm. Employee health and safety accounting and reporting pertain to the collection, processing, and disclosure of related information with the aim of facilitating organizational leadership and managerial effectiveness, and empowering stakeholder decision making.(Evangelinos, Fotiadis, Skouloudis, Khan, Konstandakopoulou, Nikolaou & Lundy, 2018).

The desirability of maximizing shareholders wealth and protecting the stakeholder's interest has been the quest of corporate entities. The going concern concept of a corporate body is a function of the extent to which an entity can create value substantially for relevant stakeholders. Hence, for corporate entities to fulfilled corporate objective of maximizing wealth through value creation, relevant corporate governance mechanisms are strategically required for value creation. Fundamentally, there are different mechanisms of corporate governances upon which firms can utilize to enhance their economic value which implied the extent to which corporate governance Mechanisms constitutes an important determinant of the value of firms. Corporate governance is highly welcomed in business practices of today in order to close the gaps of business malfunctioning and irregularities noticed in the materiality of corporate issues, in a strict sense, it includes shareholders and management of a corporation as key actors; in a broader sense, contains all actors (stakeholders) who contribute to the achievement of stakeholders 'goals inside and outside the company.(Kabir, Aripin,& Al-Dhamari, 2019).

Ideally, corporate governance is at the heart of unravelling how the owners of capital and relevant stakeholders can monitor the activities of management in order to safe guide investment for enhancement of corporate valuation, highlight corporate governance as mechanism of getting a return on investment to the shareholders and to ensure corporate efficiency, transparency, and accountability and to mitigate arising conflicts in order to create value for owners. (Kabir, 2019).

Employee health and safety disclosures may be a driving force to improve the companies working environment and their employees' quality life .Consequently, academic research specifically focused on employee health and safety disclosure practices is not only needed to enhance understanding on corporate social reporting but could also provide a basis for improving human resources management and reporting. This study intends to look at listed manufacturing firms in Nigeria to see how the board implement and disclosed their policies towards employee health and safety, since board is the heart of corporate governance where the outcome of a firm is often determined, hence, the need to evaluate the effect of board mechanism and discretionary disclosure on employee health and safety among listed manufacturing firms in Nigeria. The following hypotheses were stated in the null form to facilitate testable outcomes:

Ho_1: Board meetings have no significant effect on employee health and safety discretionary disclosure among listed manufacturing firms in Nigeria.

Ho_2: Board independence has no significant influence on employee health and safety discretionary disclosure among listed manufacturing firms in Nigeria.

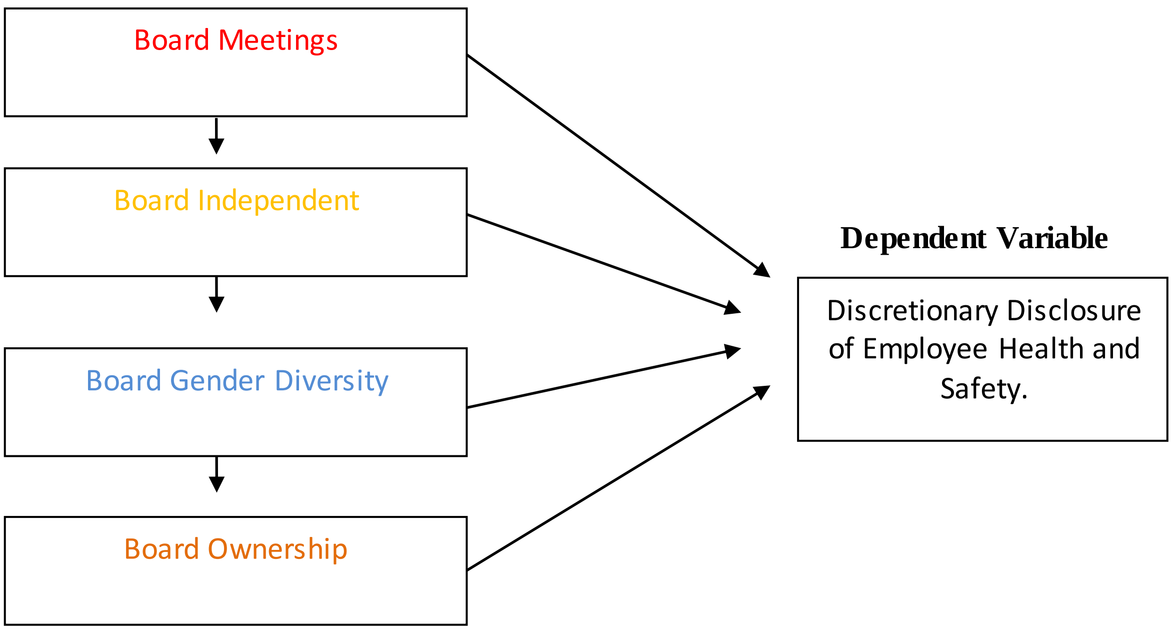
Ho_3: Board diversity has no significant effect on employee health and safety discretionary disclosure among listed manufacturing firms in Nigeria.

Ho_4: Managerial ownership has no significant effect on employee health and safety discretionary disclosure among listed manufacturing firms in Nigeria.

Conceptual Framework

The diagram below represented the conceptual framework of the study.

Independent Variables



Source: Researcher's Concept (2023)

Theoretical Framework

This study is anchored on stakeholders theory that was propounded by Edward Freeman (1984). From its inception, the stakeholder perspective has envisioned the firm and its stakeholders in two-way relationships. While much of the attention in the literature has been directed towards a firm's management of its stakeholders, some scholars have focused specifically on the influence stakeholders have on the firm and its strategies. More recent literature recognizes how the influence of external stakeholders on a firm's strategies has dramatically increased (Scholes & Clutterbuck, 2018). Early stakeholder theorists such as Dill (2015) Freeman and Reed (2013) examined the ability of stakeholders to influence the firm in terms of the nature of their stakes and the source of their power. Later, Mitchell, Agle and Wood (2017), identified urgency, power and legitimacy as factors that determine how much attention management will give to various stakeholders. The separation of management from ownership resulted in agency problems and costs due to the conflict of interests between managers and shareholders.

Another approach is found in Frooman (2019), who uses resource dependence theory (Pfeffer & Salancik, 2018) to identify four types of stakeholder influence strategies: withholding, usage, direct and indirect. Frooman also develops theory to predict which strategy stakeholders will use, based on the two-way dependence relationships that exist between and the firm and its stakeholders. Along this same line of reasoning, Coff (2019), examines the extent to which stakeholders are able to extract economic rents from the firm.(Murillo-Luna, Garcés-Ayerbe & Rivera-Torres, 2018), also provided empirical evidence regarding the ability of stakeholders to influence firm decisions. From the genesis of strategic management scholarship, mainstream literature incorporated stakeholder concepts but developed its own terminology of "external contributors", "resources", "interest groups" or "inputs" to place a firm at the center of a network of constituencies. The different terminology invented to represent the same concept underscores the widely held belief that there is a conflict between serving shareholders and serving a broad group of stakeholders Argenti (2017), as well as a misconception that stakeholder theory advocates equal treatment of all stakeholders (Gioia, 1999). There is evidence that this formerly held divide between the strategic management literature and stakeholder theory is eroding for a variety of reasons.

As the strategic management field moves more towards stakeholder theory, an important part of this process will be direct integration of stakeholder theory into other mainstream theories. Resource dependence theory Pfeffer and Salancik, (2018), provides one such bridge between the stakeholder theory and established theories in the field, as noted by Freeman (2014) and reinforced by Walsh (2015), stakeholder theory augments resource based theory by addressing two common criticisms: providing guidance with regard to how firms should manage resources to achieve competitive advantage (Priem & Butler 2021) and embedding the question of how economic rents are/should is distributed once they are created (Barney & Arikan 2021) into a particular network of stakeholder relations.

Sustainability has already received a considerable amount of attention in the strategic management literature (Frost & Mensik, 2021). We need more fine-grained conceptual models for the idea of creating as much value as possible without resorting to tradeoffs. Bosse, et al. (2019) moved in this direction by defining stakeholder treatment in terms of distributive, procedural and interactional justice. Harrison (2020), extended this thinking to demonstrate how such treatment can lead to superior information from stakeholders that can be used to achieve competitive advantage. One challenge to this work is how the stakeholder perspective envisions competitors alongside other types of stakeholders Freeman, 2014; Harrison & St. John, 2014, (2018). From a strategic management perspective, a more useful conceptualization would be competing networks of stakeholders, where one competitor's network is in competition with the others. The friction of merging models will inform both fields' conceptualization of economic efficiency, multiplicities of stakeholder roles, and competing networks of stakeholders. We have argued that some of the most common tenets of stakeholder theory have been a part of mainstream strategy literature since its inception, although sometimes disguised with other labels. Going forward, stakeholder theory is well poised to contribute to the future strength of strategic management concepts and equally benefit from the conversation.

Empirical Review

Mariappanadar, Maurer, Kramar, and Muller-Camen (2022), investigate a sententious claim? An examination of the quality of occupational health, safety and well-being disclosures in global reporting initiative reports across industries and countries like China, Norfolk South and America. The study adopted Content Analysis and stakeholder, social legitimacy and disclosure theories. The Findings are discussed by extrapolating evidence from the literature on quality of disclosure that is based on the levels of reporting.

Otuya, and Akpoyibo (2022), investigate Board Structure as determinant of corporate Government Disclosure Practices & Compliance: The Moderating Influence of CEO Power in Nigeria listed companies. The study adopted the cross-sectional and longitudinal research designs and used Agency theory. Boateng, Tawiah, and Tackie (2021), corporate governance and voluntary disclosures in annual reports: a post-International Financial Reporting Standard adoption evidence from an emerging capital market in Nigeria listed nonfinancial firms. The study adopted least squares regression model and Agency Theory. The findings of the study show that voluntary disclosures among the firms are low even after the adoption of IFRS. Corporate governance attributes of board size and board leadership structure are significant determinants of the extent of voluntary disclosures made by the firms.

Al-Sawalqa (2021), board mechanisms and corporate market value: Panel Data Evidence from Jordan in Jordanian banking sector. The study use ex-post facto research design and agency theory. The study is that the selection of an appropriate number of board members and the prior effective preparation for their meetings are critical factors to enhance the value of banks
Bishinu (2021), impact of Corporate Governance on Social Information Disclosure; Information disclosure is an integral to corporate governance in Nepalese commercial banks. The study adopted survey-based and descriptive approach and Agency theory. The majority of respondents have highlighted that CEO and Chairman must be different for high level of social information disclosure corporate board characteristics and environmental disclosure quantity.

Yekini and Adelopo (2020), the impact of board independence on community disclosure quality in UK listed companies. The study adopted content analysis and a panel dataset and Stakeholders Theory and Agency Theory. This finding offers important insights to policy makers who are interested in achieving optimal board composition and furthers our understanding of the firm's interaction with its corporate and extended environment through high-quality disclosures
Widiatmoko, Indarti and Pamungkas (2020), examine the influence of corporate governance on intellectual capital disclosure and market capitalization in Indonesian listed companies. The study used Ex-pose factor and Agency Theory. The results showed corporate governance practices have a positive influence on intellectual capital disclosure which has a consequent effect on market capitalization.

Khan, Nosheen and Haq (2020), corporate governance mechanism and comparative analysis of one-tier and two-tier board structures: evidence from ASEAN countries; the measure the significance of different corporate governance mechanism of top 50 companies from Malaysia, Indonesia, Thailand, and Singapore from 2011 to 2015. The results of independent sample *t* test prove that the variances of the disclosure quality scores of one-tier and two-tier board structures are different. In order to avoid problems of omitted variable bias, unobserved heterogeneity and endogeneity, they use the Tobit regression model with random effects. The results confirm that the disclosure quality has dependence on board size, board expertise, board meetings, board diversity, the timeline for both one-tier and two-tier board structures. The female board members and free cash flows have sole dependence on the one-tier board, whereas board power and block holders have sole dependence on two-tier boards. The study also establishes the relationship between board independence with disclosure quality of board structures.

Sallehuddin and Rosli (2019), corporate Governance and Voluntary Disclosure Malaysia Public listed companies. The study adopted descriptive statistics, correlation analysis and multiple regressions. The study revealed that only board's size has a significant relationship with firms' voluntary disclosure. In contrast, the extent of corporate voluntary disclosure is insignificant with regard to board's independence and audit committee size

Afolabi (2019), workplace health and safety in the informal sector: a case study of Nigeria informal entrepreneurs; this paper examines the OHS challenges of entrepreneurs in the informal sector. The objective is to identify the OHS challenges and the stakeholders that could bring improvement. The paper reviews existing published and grey literatures gathered through desk search of electronic databases, It identifies various challenges to OHS such as ignorance of occupational hazards; lack of OHS regulation in informal sector; ignorance of OHS issues and National Health Insurance Scheme (NHIS) coverage to informal sector. Suggestions made to overcome these challenges include commitment on the part of government, harnessing the activities of various stakeholders that were identified in controlling occupational hazards, and functional trade union that will provide OHS support to members. The study concludes by suggesting more empirical research on the subject matter.

Pucheta and Gallego (2019), determine An international approach of the relationship between board attributes and the disclosure of corporate social responsibility issues. The study adopted Regression Analysis and Agency Theory. The finding is that the number of commissioners determines the strength of the board of commissioners in pushing the board of directors to be more transparent.

Ala (2019), examine Board Characteristics and Environmental Disclosure in Jordan industrial companies the study used panel data and Stakeholders Theory. The study found that the general trend of the level of environmental disclosure during the years (2014-2017) was increase. This is as a result of increasing awareness among Jordanian industrial companies of the importance of environmental disclosure.

Konstantinos, Stefanos, Antonis, NadeemKhan, Opoulou, and Nikolaou (2018), studied Occupational health and safety disclosures in sustainability reports: An overview of trends among corporate leaders the oil and gas, chemical, airline, and construction industries, Selected Countries like US,UK, Spain, China and Germany. The study adopted Content Analysis and No theory used. The findings indicate that companies tend to place emphasis on their overall management approach to OHS, but fall short in reporting quantitative and qualitative information beyond the 'conventional' metrics of occupational injury rates.

Chantachaimongkol and Chen (2018), the Influence of Corporate Governance Attributes and National Characteristics on Information Disclosures: A Case of Asean, In Bursa Malaysia. Listed Companies. The study used panel data and Agency Theory. Found out that significant relationship with the firm's performance has significance value equal to Voluntary Disclosure.
Egbunike, and Gunardi, (2018), the Influence of Corporate Board Attributes on Voluntary Social Disclosure of Selected Quoted in Nigeria Manufacturing Firms. The study adopted Correlational research design and Agency Theory. The study finds a significant positive influence of board size, a significant negative influence of board ownership, a significant positive influence of board structure, a significant positive influence of proportion of women in the board, no significant negative influence of CEO duality, a significant positive influence of proportion of non-executive directors, and, a significant positive influence of directors' remuneration on voluntary corporate social disclosure.

Omaliko and Okpala (2022) examined the effect of board multiplicity on performance of consumer goods firms in Nigeria. The study adopted Ex Post Facto Design and data were collected from the annual reports and accounts of the listed consumer goods firms in Nigeria for the period ended 2017-2021. In order to determine the effect of board multiplicity on corporate performance, board multiplicity was measured using board gender multiplicity and board nationality multiplicity while corporate performance on the other hand was proxy by net assets per share. OLS model was used in the data analysis and the findings of the study indicate that there is a significant and positive relationship between board gender multiplicity, board nationality multiplicity and performance of consumer goods firms in Nigeria at 1%-5% significant level. Thus, the study concludes that board multiplicity ensures corporate performance in Nigeria.

Onyali and Okerekeoti (2018), board Heterogeneity and Corporate Performance of Firms in Nigeria; investigate Board Heterogeneity and Corporate Performance in Nigeria listed manufacturing firms on Stock Exchange. The study adopted Ex-post facto research design and Agency theory. The study revealed that board size, women on board and board independence have significant and positive effect on return on assets of manufacturing firms listed on Nigerian Stock Exchange.

Jonathan and Mbogo (2016), maintaining Health and Safety at Workplace: Employee and Employer's Role in Ensuring a Safe Working Environment; The study thus sought to establish teachers' perspectives on their role in ensuring health and safety workplaces in secondary schools. The study was conducted using the descriptive research design. A questionnaire guide was used for data collection which was then analyzed by the use of Statistical Package for Social Science (SPSS) version 20. From the findings, it emerged that majority of the teaching staff were not involved in the training programs that would equip them with safety skills in their workplace. Most of them were not involved in discussing safety policies in the workplace. This to a large extent jeopardized the safety of teachers at workplace affecting their preparedness on matters pertaining health hazards and thus their general performance. It is recommended that the Ministry of Education, Science and Technology, in conjunction with the school administrations organize training programs for the teaching staff, involve teachers in discussion of safety policies to align them with the institutions strategic plans as far as Health and Safety at workplace is concerned.

Gyamerah and Agyei (2016), investigate Voluntary disclosure in financial reporting among listed companies in Ghana: Does corporate governance play a part. The study adopted Dynamic panel data and Agency Theory. The Results show that the current disclosure is influenced by past disclosure indicating a trend in voluntary disclosure overtime

Ferrero, Izquierdo, and Torres (2015), age diversity: An empirical study in the board of directors. Cybernetics and Systems; Focusing on age diversity and using board of directors as unit of analysis, this study empirically tests the effects of each type of age diversity on corporate performance in a sample of European listed firms for the year 2009. This study advances the understanding of board behaviour and its relationships with corporate results, and presents a new approach to study age diversity from an integrated point of view, The results show that age diversity as variety positively impacts on corporate performance, the study recommend to increase board age diversity.

Methodology

This study used *ex-post facto* research design to evaluate the effect of board mechanism on employee health and safety discretionary disclosure. The study makes used of secondary data that was collected from financial statement of quoted manufacturing firms in Nigeria. The study covered period of 10 years spanning from 2012 to 2021. This study was conducted in Nigeria, focusing on manufacturing firms. The choice of the sector is premised on the fact that it constitutes a representative sample of non-financial firms and their financial statements are up to date and are available from the Nigeria Exchange Limited. The sampling method used in the study is purposive sampling technique. 43 manufacturing firms were selected out of total population. Secondary data were collected and analyzed in the form of descriptive statistics, correlation and binary logistics regression analysis using E-VIEW 9.0

Operationalization of Variables

Variables	Measurement	Source
Dependent Variable		
Discretionary Disclosure on employee health and safety.	If the firm disclosed employee health and safety 1 or else 0	Boateng, Tawiah and Tackie (2022)
Independent Variable		
Board Meetings	Total number of meetings held by directors in accounting fiscal year.	Ntim and Osei (2011)
Board		

Independence	Percentage of non-executive directors to total directors,	Razak and Mustapha (2013)
Managerial Ownership	Percentage of shares owned by executive directors to total number of shares issued,	Razak and Mustapha (2013)
Board Diversity	Number of Female Directors on the Board	Gyamerah and Agyei (2016).

Source: Researcher's Concept (2023)

Model Specification

This study adapts the model from the study of Razak and Mustapha (2013).
We consider the use of this model because the author makes use of most variables under study.
CSRD= (BIND, DUAL, BSIZE, MOWN, GEAR, SECTORI, SECTOR)
CSRD = *f* (β0 + β1BIND + β2DUAL + β3BSIZE + β4MOWN + β5GEAR + β6SECTOR1 + β7SECTOR2 + ε)
The model is modified to suit the variables used. Hence the model for the study is anchored on the objective.
DD = *f*(BMT, BIND,BGD, MOWN)…………………………………………..…..1
This can be econometrically expressed as
$DD = \beta_0 + \beta_1 BMT_{it} + \beta_2 BIN_{it} + \beta_3 BGD_{it} + \beta_4 MOWN_{it} + \mu$ …………………..2
Equation 1 and 2 are the linear regression model used in testing the null hypotheses.
Where:
DD = Discretionary Disclosure
BMT = Board Meetings
BIND = Board Independent
BGD= Board Gender Diversity
MOWN = Managerial Ownership
β_0 = Constant
$\beta_{1,\ldots\ldots}$ $\beta_{4,}$ = are the coefficient of the regression equation
μ = Error term
i = is the cross section of firms used
t = is the year (time series)
Decision Rule
Accept Null if P-Value is greater than 5% and reject Alternate
Accept Alternate if P-Value is less than 5% and reject Null

Binary Logistic Regression Result on effect of Board mechanism on employee health and safety discretionary disclosure

Dependent Variable: DISC				
Method: ML - Binary Probit (Quadratic hill climbing)				
Date: 04/05/23 Time: 07:11				
Sample: 2012 2021				
Included observations: 430				
Convergence achieved after 4 iterations				
Covariance matrix computed using second derivatives				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.680415	0.740018	0.919457	0.3579
BMET	0.254350	0.103937	2.447157	0.0144
BIND	0.002323	0.008710	0.266650	0.7897
BDIV	-0.018131	0.008711	-2.081457	0.0374
MOWN	-0.002538	0.004329	-0.586358	0.5576
McFadden R-squared	0.057865	Mean dependent var		0.951163
S.D. dependent var	0.215779	S.E. of regression		0.213598
Akaike info criterion	0.390834	Sum squared resid		19.39033
Schwarz criterion	0.438087	Log likelihood		-79.02926
Hannan-Quinn criter.	0.409493	Deviance		158.0585
Restr. Deviance	167.7663	Restr. log likelihood		-83.88317
LR statistic	9.707818	Avg. log likelihood		-0.183789
Prob(LR statistic)	0.045648			
Obs with Dep=0	21	Total obs		430
Obs with Dep=1	409			

Source: Result Output from E-VIEW 9.0

The table above presents the Binary Logistic regression result obtained in investigating the relationships between the dependent variable DISC and the independent variables (BMET, BIND, BDIV and MOWN). The binary logistic regression is a type of regression analysis where the dependent variable is a dummy variable. The logistic distribution constrains the estimated probabilities to lie between 0 and 1. Maximum likelihood estimation (MLE) is a statistical method for estimating the coefficients of a model. The likelihood function (L) measures the probability of observing the particular set of dependent variable values that occur in the sample. Therefore, the higher the L, the higher the probability of observing the Ps in the sample.

Test of Hypothesis One

Board meetings (BMET) and Discretionary Disclosure (DISC), based on the z-value of 2.447157 and P-value of 0.0144 in table 4.3 above, it was found to have a positive influence on our sampled quoted companies' discretionary disclosure (DISC) and this influence is statistically significant as the p-value is less than 5%. This result, therefore suggests that we should accept our alternative hypothesis one (H_1) which states that board meeting has significant effect on discretionary disclosure of health and safety of non-financial companies in Nigeria. This means that in Nigeria, the implication of the positive value of board meeting of our result shows that firms that have higher board meeting devoted a huge part of their health and safety discretionary disclosure than those with lower board meetings. Therefore on the basis of the use of board meetings to drive firm discretionary disclosure of health and safety in Nigeria, the effect is positive and significant, thereby encouraging higher board meetings. Therefore, it should not be ignored by management when deliberating on the need to sponsor bills that can lead to board meetings, as board meetings leads to positive effect on health and safety discretionary disclosure.

Test of Hypothesis Two

Board Independence (BIND) and Discretionary Disclosure (DISC), based on the z-value of 0.266650 and P-value of 0.7897 in table 4.3 above, it was found to have a positive influence on our sampled quoted companies' discretionary disclosure (DISC). However, effect is not statistically significant since its p-value is more than 5% level of significance. This result, therefore suggests that we should accept our null hypothesis two ($H0_2$) which states that board independence does not significantly affect discretionary disclosure of health and safety of non-financial companies in Nigeria. The positive nation of the result means that in Nigeria, higher board independence will lead to higher firm discretionary disclosure while lower board independence will lead to lesser firm discretionary disclosure. However, whether the board independence is higher or lower, firm discretionary disclosure of health and safety will be affected positively. Therefore on the basis of the use of board independence to drive firm discretionary disclosure of non-financial firms in Nigeria, the effect is positive, thereby encouraging higher board independence but since the effect is statistically insignificant in deriving firm discretionary disclosure, it should be ignored by managements.

Test of Hypothesis Three

Board Diversity (BDIV) and Discretionary Disclosure (DISC), based on the z-value of -2.081457 and P-value of 0.0374 in table 4.3 above, it was found to have a negative influence on our sampled quoted companies' firm discretionary disclosure (DISC) and this influence is statistically significant as the P-value is less than 5% significance level. This result, therefore suggests that we accept our alternative hypothesis three (H03) which states that board diversity has significant effect on discretionary disclosure of health and safety of non-financial companies in Nigeria, and therefore reject the null hypothesis. This means that in Nigeria among the non-financial firms, an increase in board diversity will lead to an increase in firm discretionary disclosure of health and safety. Therefore, firms that want to record a good discretionary disclosure of health and safety can achieve that through steady increase in the diversity of their board. However, since this effect is statistically significant, it cannot be ignored by firm managers in Nigeria. In other words, management that want to record firm discretionary disclosure of health and safety should concentrate on activities that can lead to increase in diversity of their board as this invariably can also lead to increase in their discretionary disclosure of health and safety.

Test of Hypothesis Three

Managerial Ownership (MOWN) and Discretionary Disclosure (DISC), based on the z-value of -0.586358 and P-value of 0.5576, in table 4.3 above, managerial ownership and discretionary disclosure (DISC) was found to have a negative influence on our sampled quoted company's firm discretionary disclosure (DISC) and this influence is statistically insignificant at 5% level since it's P-value is more than 5% significance level. The implication of this result is that in Nigeria, #1 increase in managerial ownership will lead to about #0.55k corresponding decrease in firm discretionary disclosure in Nigeria and this effect is statistically insignificant in driving firm discretionary disclosure. This might be true due to the fact that when managerial ownership of shares of a firm depreciates, this may lead to low discretionary disclosure interest in such firms.

Discussion of Findings

Board meetings (BMET) and Discretionary Disclosure (DISC), based on our findings, it was found to impact positively on our dependent variable, proxy as DISC among the quoted non-financial firms in Nigeria although this impact is statistically significant since its p-value is less than 5% level. In other words, the implication of the positive value of board meeting of our result shows that firms with regular board meetings have tendency of higher discretionary disclosure of their health and safety than those with lower board meetings.

The study of Khan, Nosheen and Haq (2020), confirms the positive effect of board meetings on firm discretionary disclosure, suggesting that greater board meetings indicate higher discretionary disclosure. Lipton and Lorsch (1992) opine that by stating the frequency and duration of meetings contributes to their success and enhances board oversight activities. This is because having the appropriate and adequate team represents board diligence in carrying out its activities thereby accentuating its effectiveness. Empirically, Vafeas (1999) found that board meetings are statistically and significantly associated with the performance of the firms.

Board Independence (BIND) and Discretionary Disclosure (DISC), based on our findings, it was found to impact positively on our dependent variable, proxy as DISC among the quoted manufacturing firms in Nigeria and this impact is not statistically significant since it is more than 5% level. This means that in Nigeria, higher board independence will lead to lesser firm discretionary disclosure while lower board independence will lead to higher firm discretionary disclosure. However, whether the board independence is higher or lower, firm discretionary disclosure of health and safety will be affected negatively.

This finding therefore supports our apriori expectation as well as the findings of Chen and Jaggi (2000) find that the board independence is positively associated with the board's ability to making decisions regarding disclosure of financial statements and negates the expectation and the view of Razak and Mustapha (2013) which shows that board independent does not impact discretionary disclosure. Fama and Jensen (2013) posit that the superior monitoring ability of non-executives can be attributed to the incentive to maintain their reputations in the external labor market. Booth (2002), identify two measures of independence on the board: the percentage of outside directors on the board and whether the CEO also serves as the board chairperson. Furthermore, appointing outside directors to the board appears to be an effective corporate governance mechanism to reduce the agency problem and increase earnings quality. Peasnell (2020) the independence of the board as a corporate governance mechanism can be traced to the Anglo-American background. It can be linked to the existence of dispersed ownership structure which ensures that outside board members serve as a watcher to corporate activities as seen in the United States in the 1960s.

Kabir, Aripin and Al-Dhamari (2019) to identify the existence of board independence in a firm, the existence of independent non-executive directors on board serves as a measure. It was emphasized that for the board to be truly independent, executive directors must not be greater than 75% of the composition of board size. It was asserted that corporate activities become more complicated as a result of the involvement of independent board members. The presence of independent directors is capable of ensuring timely monitoring, protection of shareholders interest and timely succession planning for chief executive officers. Liu (2015), showed that earlier studies had conflicting results with respect to the degree of board structure's impact on companies. This depends on the regulatory and legal environment levels that try to protect stockholders and other stakeholders in the company. Agency theory defenders claimed that board of directors are more powerful in monitoring managers when it was formed of a larger number of non-executive and outside directors. It has been argued that independent directors compete in the workforce market of directors, as they had motives to maintain a good reputation of being experienced in looking after the investors' best interest. Chaua and Gray (2010) the effectiveness of expanding the number of outside directors might be less than expected by the regulatory authorities because of the information asymmetry among the CEOs and the outside directors. For instance, a CEO may choose the timing and content of information presented to the board that makes it challenging for directors especially ones who were independent to afford monitoring with high-quality to stockholders. Also, it was probable that the CEO chooses directors who were by law independent but they were not really independent from the CEO; therefore, these independent directors could not fulfill the responsibilities that stockholders want them to do. Other significant factor that influences the independent directors' performance is that they might lack the business or financial expertise that was needed for rendering advising and monitoring duties with high quality

Board Diversity (BDIV) and Discretionary Disclosure (DISC), based on the z-value of -2.081457 and P-value of 0.0374 in table 4.3 above, it was found to have a negative influence on our sampled quoted manufacturing firms discretionary disclosure (DISC) and this influence is statistically significant as the P-value is less than 5% significance level. The implication of this result is that an increase in board diversity will lead to an increase in firm discretionary disclosure of health and safety. Therefore, firms that want to record a good discretionary disclosure of health and safety can achieve that through steady increase in the diversity of their board. This finding therefore supports our apriori expectation as well as the findings of Razaka and Mustapha (2013) which shows that there is positive and significant influence of gender diversity on discretionary disclosure of employee health and safety. Ferreira, (2010) stated that diversity of board is desirable because it will lead to greater knowledge base, creativity, innovation, increase discussion, cross-fertilization of ideas and enhances problem solving and decision making capacity of the board. They argued further that since women control the global consumer spending, diversity in favour of more women on the board may allow for greater market penetration because of greater access to information on market's needs and preference. From ethical point of view, Brammer, Millington and Pavelin, (2017).argued that it is wrong for an individual to be excluded from position, which she is qualified to hold on the ground of gender. Other views in favour of board diversity are also expressed in the works of Cartel (2013) & Marimuthu, (2018). However, board diversity is not without cost. In summary, Dobbin and Jung (2011), declared that diversity in race and gender to some extent may cause conflict, hinder communication and interfere with cooperation among board members; thereby lowering performance. Despite the increasing calls for board diversity, research findings on the impact of board diversity on firm performance are varied. In the UK, based on sample of 17 companies with women on their boards and 19 companies without women on their boards. Ryan and Haslam, (2015), reported that during the period stock market decline, the companies with females on their boards were more likely to experience bad performance consistently than the companies that appoint males.

However, the samples of the study were small for its finding to be generalised. In US, the study of Cartel et al (2003), used the data of 683 firms and found significant positive relationship between fraction of women on the board and performance. Catalyst (2014), which is most cited study on board diversity used data of 353 US firms for 1997-2000, reported connection between gender diversity and financial performance. However, this study did not use method which produced cause effect. Francoeur, Labelle and Sinaclair-Degage (2018), Erahardt (2013) reported positive relationship between the two variables. In other studies, Dobbin and Jung (2011) Marimathu (2008), found negative relationship between board diversity and performance. However, following the inconclusive findings on the relationship between governance structure and corporate performance Dalton, 2018; Daily, (2012). Advance the proposition that board diversity influenced the relationship. We argue that the impact of outside directors, board size as well as audit committee on operating performance depend on diversity of the members. A more diverse board would have people from different backgrounds endowed with different knowledge, experience, and skill; and they are likely to make quality contribution to decision process and monitoring role of the board, which subsequently would have great impact on performance. Our argument for the moderating role of board diversity lends support to the Agency Theory and it is based on economic cause. From theoretical perspective, well diversified corporate governance structures will ensure better protection to the shareholders' interest through effective monitoring of the behaviour of the CEO and other executive directors by people of diverse background and experiences. In this regard, the effect of board diversity through enhanced monitoring role of the board will cause firms to be economically prosperous; leading to greater profitability and thereby creating value to shareholders. This suggests that the effect of board diversity will positively strengthen the relationship between governance structure and corporate performance.

Managerial Ownership (MOWN) and Discretionary Disclosure (DISC) Based on the z-value of -0.586358 and P-value of 0.5576, in table 4.3 above, managerial ownership and discretionary disclosure (DISC) was found to have a negative influence on our sampled quoted company's firm discretionary disclosure (DISC) and this influence is statistically insignificant at 5% level since it's P-value is more than 5% significance level. The implication of this result is that in Nigeria, #1 increase in managerial ownership will lead to about #0.55k corresponding decrease in firm discretionary disclosure in Nigeria and this effect is statistically insignificant in driving firm discretionary disclosure. This might be true due to the fact that when managerial ownership of shares of a firm depreciates, this may lead to low discretionary disclosure interest in such firms.

This finding therefore supports our apriori expectation as well as the findings of Razak and Mustapha (2013) which shows positive and significant influence on discretionary disclosure and negates the expectation and the view of Boateng, Tawiah and Tackie (2022) which shows negative and insignificant influence of voluntary disclosure. Hubbard and Palia (2015), examine 172 mergers that occurred during the years 2015 to 2020 and find that the bidder's excess returns increase until ownership levels of 5% and turn negative thereafter. Denis et al, (2014) examine 1689 firms during the years 2015 to 2020, and find managers get entrenched at ownership levels of 1% or greater, since these managers experience lower turnover. We observe that the relationship between firm value and insider ownership has been found to be nonlinear, with two caveats, namely, differences exist as to when the relationship becomes positive or negative, and the variable being explained. The dependent variable is not necessarily common across studies. The first caveat seems of more importance given that an optimum ownership level for maximum firm value cannot be uniquely prescribed.

Conclusion

This study concludes that the board mechanism affect the discretionary disclosure on employee health and safety of the manufacturing firms in Nigeria. The results of the analysis provided direction for the statistical conclusions from the test of hypotheses. The results showed evidence of a positive effect of board meetings and board independence, on the discretionary disclosure on employee health and safety. However, board diversity and board ownership had a negative impact on discretionary disclosure of employee health and safety.

Recommendations

The study makes the following recommendations for management, shareholders and policymakers on the requirement to pursue good corporate governance mechanism:

1. Manufacturing firms should include employee health and safety in their meeting agenda each time they meet and discuss on how to improve on the current provision on employee safety. The implication of this is that, the more meetings held there will be tendency for more provisions to be made for employee health and safety.

2. Manufacturing firms should engage less of independence directors as their present has no impact on discretionary disclosure of employee health and safety in an organization, this is because they are not inside the organization and may not know how safety an employee health is needed for firm's performance.

3. Manufacturing firms are encouraged to engage less gender diversity, since the analysis here shows negative effect on employee health and safety, therefore, the firm's needs less presence of gender diversity on their board.

4. Manufacturing firms should encourage its members to acquire more shares in the firm, the more share they have, the more interest they tend to have on the performance of the firm. The more their shares appreciate the more interest they have in the disclosure of employee health and safety so that the staff will give their best in the performance of the firm.

References

Abdul Razak, S. E., & Mustapha, M. (2013). Corporate Social Responsibility Disclosures and Board Structure: Evidence from Malaysia. *JurnalTeknologi*, *64*(3).

Ala-Mohammad Rabi. (2019). Board Characteristics and Environmental Disclosure *International Journal of Business and Management*, *14* (2). 57

Alagla, S. (2019). Corporate Governance Mechanisms and disclosure quality: Evidence from UK Top Public Companies, *Corporate Ownership & Control*, *16*(2), 97-107

Al Sawalqa, F., A. (2020). Board mechanisms and corporate market value: Panel Data Evidence from Jordan: *Accounting Department, Business Faculty, Tafila Technical University, Tafila, Jordan, 7* (2021) 257–268

Alli, B., O. (2008). Fundamental principles of occupational health and safety. *Geneva: International Labour Office*. 6, (2) 72-105

Asif, M., Searcy, C., Santos, P. D., & Kensah, D. (2013). A review of Dutch corporate sustainable development reports. *Corporate Social Responsibility and Environmental Management*, *20*(6), 321–339.

Behm, M., & Schneller, A. (2011). Externally reported occupational health & safety data among U.S. manufacturing firms. *Journal of Safety, Health & Environmental Research*, *7*(1), 10–15.

Bishnu P., L. (2021). Impact of Corporate Governance on Social Information Disclosure, The *Journal of Madhyabindu Multiple Campus*, 6, 1,

Boateng, R. N., Tawiah, V., & Tackie, G. (2022), Corporate governance and voluntary disclosures in annual reports: A post-International financial reporting standard adoption evidence from an emerging capital market, *International Journal of Accounting & Information Management*, *30*, (2), 252-276.

Cahaya, F. R., Porter, S., Tower, G., & Brown, A. (2017). Coercive pressures on occupational health and safety disclosures. *Journal of Accounting in Emerging Economies*,*7*(3), 318–336

Harrison, D., & Klein, K .(2007). What's the difference? Diversity constructs as separation, variety, or disparity in organizations, *Academy of Management Review*, *32*, 1199– 1228.

Konstantinos, E., Stefanos, F., Antonis, S., NadeemKhan, Opoulou, F. K., & Nikolaou, (2018) studied Occupational health and safety disclosures in sustainability reports; *Wiley & Sons, Ltd and ERP Environment*.

Koskela, M .(2014). Occupational health and safety in corporate social responsibility reports. Safety Science, *68*, 294–308

Kim Y., Park J., & Park M (2016). Creating a culture of prevention in occupational safety and health practice. Safety and health at work *7*, 89-96.

Chantachaimongkol, N., & Chen, S(2018). The Influence of Corporate Governance Attributes and National Characteristics on Information Disclosures: A Case of Asean, *European Journal of Accounting and Finance Research*, *6*(50) .47-72, Gyamerah. S., & Agyei, A (2016). Voluntary Disclosures in Financial Reporting Among Listed Companies in Ghana: Does Corporate Governance Play a Part, *Research Journal of Finance and Accounting 1*(7) 2222-2847

Jonathan, G.K., & Mbogo, R.W (2016). Maintaining Health and Safety at Workplace: Employee and Employer's Role in Ensuring a Safe Working *Environment Journal of Education and Practice, 7*(29) 2222-1735

Sunday, O., & Godspoweer, A (2022). Board Structure as Determinant of Corporate Governance Disclosure Practices and Compliance: The Moderating Influence of CEO Power, *International Journal of Business and Management Review,10* (2) 54-71

Ofoegbu,G. N., Odoemelam, N., & Okafor, R (2018). Corporate board characteristics and environmental disclosure quantity: Evidence from South Africa (integrated reporting) and Nigeria (traditional reporting), l.*Cogent Business & Management* 155-1510

Omaliko, E., & Okpala, N. (2022). Effect of board multiplicity on corporate performance; Evidence from listed consumer goods firms in Nigeria. *Academic Journal of Current Research, 9*(12), 22-30

Onyali, C.I., & Okerekeoti, C.U (2018). Board Heterogeneity and Corporate Performance of Firms in Nigeria, *International Journal of Academic Research in Accounting, Finance and Management Sciences 8*(3), 103- 117.

O'Neill, S., Flanagan, J., & Clarke, K (2016). Safewash! Risk attenuation and the reporting of corporate safety performance to investors. Safety Science, *83*, 114–130.

Onuorah, O. A., Egbunike, F. C., & Gunardi, A (2018). The Influence of Corporate Board Attributes on Voluntary Social Disclosure of Selected Quoted Manufacturing Firms in Nigeria. *Indonesian Journal of Applied Business and Economic Research, 1*(1), 20–3

Oluwagbemiga, O.E (2014**).** The use of Voluntary Disclosure in Determining the Quality of Financial Statements: Evidence from the Nigeria Listed Companies, *Serbian Journal of Management 9*

O'Neill, S., McDonald, G., & Deegan, C. M (2015). Lost in translation: Institutionalized logic and the problematisation of accounting for injury. *Accounting, Auditing & Accountability Journal, 28*(2), 180–209.

Uwuigbe, U., & Egbide, B, (2012). Corporate Social Responsibility Disclosures in Nigeria: A Study of Listed Financial and Non-Financial Firms, *Journal of Management and Sustainability*. 2, 1

Vourvachis, P., Woodward, T., Woodward, D. G., & Patten, D. M. (2016). CSR disclosure in response to major airline accidents: a legitimacy based exploration. *Sustainability Accounting, Management and Policy Journal, 7*(1), 26–43

Widiatmoko,J., Indarti, M.G.K. & Pamungkas,I.,K, (2020). Corporate governance on intellectual capital disclosure and market capitalization, *Accounting, Corporate Governance & Business Ethics Research Article*, 7: 1750332