Effect of Social Sustainability Disclosure on Firm Value of Listed Manufacturing Firms in Nigeria

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Abstract
This study examined the effect of social sustainability disclosure on the value of listed manufacturing firms in Nigeria from 2016 to 2025, with disclosure split into employee-related and community-related components. An ex-post facto research design was adopted. The population comprised the forty-eight manufacturing firms listed on the Nigerian Exchange Group (NGX) as at 31 December 2025. Fifteen firms with complete annual reports for the ten years were selected purposively, giving a balanced panel of 150 firm-year observations. Disclosure indices were built by content analysis of annual reports, and firm value was proxied by Tobin's Q. Data were analysed with descriptive statistics, correlation, the Breusch-Pagan and Hausman specification tests, and panel regression with standard errors clustered by firm. Employee-related disclosure ($\beta = 1.231$, $p = 0.009$) and community-related disclosure ($\beta = 0.913$, $p < 0.001$) each had a positive and significant effect on firm value, while firm size had no significant effect. The findings reveal that social sustainability disclosure related to employees has a positive and significant influence on firm value, while that related to community has also a positive and significant influence, with the former having slightly higher influence than the latter. Firm size, which was used as one of the control variables, was also found to have positive and significant influence on firm value. The findings indicate that social sustainability disclosure, particularly employee welfare and community development disclosures, is value-relevant and enhances investor perception and market valuation. The study concludes that employee-related and community-related social sustainability disclosures are value-relevant for listed manufacturing firms in Nigeria. It recommends that manufacturers should report the employee and community items in their annual reports every year with supporting figures, and that the Financial Reporting Council of Nigeria and the NGX should issue a minimum checklist of these items for listed manufacturers.

Keywords: *Community-related disclosure, Employee-related disclosure, Firm value, Manufacturing firms, Nigeria, Social sustainability disclosure, Tobin's Q.*

Introduction

Firm value is a measure of corporate performance that reflects more than financial results. It captures what investors expect about a firm's growth, risk and strategic position (Aiyesan, 2023). In emerging economies such as Nigeria, manufacturing firms operate under unstable macroeconomic and institutional conditions, so raising firm value is not straightforward. Investors and analysts now look beyond the financial statements to non-financial information, in particular how firms treat their employees and the communities around their plants (Taiwo

et al., 2021). Social sustainability disclosure is part of the wider move towards transparency in corporate reporting, in which firms report their social, environmental and economic impacts alongside their financial results (Elkington, 1997). The information lets stakeholders judge a firm's conduct beyond what the financial statements show, and it can reduce the information gap between managers and investors (Healy & Palepu, 2001). Frameworks such as the GRI Standards (Global Reporting Initiative [GRI], 2021) give firms a common structure, although use of them in developing countries remains uneven. Social sustainability disclosure covers what a firm report about its relationships with stakeholders, mainly employee welfare, health and safety, training and development, community development projects, local content participation and corporate philanthropy (Lawal et al., 2024). Manufacturers in Nigeria employ many workers and operate plants inside host communities, so these disclosures matter to stakeholders and investors. Employee disclosures show whether a firm treats its workforce as a source of value, and community disclosures show the firm's social licence to operate where its plants are sited (Ogah et al., 2024). Two regulatory developments sit at the edge of this study. The International Sustainability Standards Board (ISSB) issued IFRS S1 and IFRS S2 in June 2023 (ISSB, 2023), and the Financial Reporting Council of Nigeria (FRC) has published a roadmap for adopting them (FRC, 2022). Both arrived in the last years of the study window. Employee and community information appeared in Nigerian annual reports well before them, driven by voluntary corporate social responsibility disclosure and by corporate governance codes (Securities and Exchange Commission [SEC], 2003; FRC, 2018). For that reason, the disclosure index used here is built on the GRI Standards and not on the ISSB standards. The study covers 2016 to 2025. The decade opens with the 2016 recession and includes the 2018 Nigerian Code of Corporate Governance, the COVID-19 disruption of 2020, and the removal of the fuel subsidy and the exchange-rate reforms of 2023. Through these years manufacturers faced rising energy, logistics and foreign-exchange costs, and managers had to decide whether to keep reporting on employees and communities while cutting costs. The period therefore offers enough change in both disclosure and market value to test whether the market rewards social sustainability disclosure, and it reflects current reporting practice. Among the sampled firms, the average employee disclosure score rose from 0.52 in 2016 to 0.59 in 2025, and the average community score rose from 0.43 to 0.50, so there is real variation to explain. The evidence on whether this disclosure raises firm value is mixed. Lawal et al. (2024) and Olawale et al. (2025) report positive effects, Omotoso et al. (2024) report a negative effect on financial performance, and Aiyesan (2023) finds no significant effect for community expenditure. Three features of these studies may explain the differences. Most measure value with accounting ratios such as return on equity or earnings per share, which record past performance, whereas Tobin's Q reflects what the market expects (Tobin, 1969). Most combine employee and community items in one composite score, which hides any difference between the two. And several use mixed-sector or very small samples, so their results do not transfer cleanly to manufacturing. The problem this study addressed is that managers, investors and regulators do not know whether the market assigns value to employee-related and community-related disclosure by Nigerian manufacturers, or which of the two counts for more. Without that evidence, firms cannot judge whether the cost of fuller disclosure is justified, and regulators have little basis for deciding which items to require. Few Nigerian studies test each dimension separately against a market-based measure for manufacturing firms alone. This study does so for 2016 to 2025. The main objective of this study is to examine the effect of social sustainability disclosure on firm value of listed manufacturing firms in Nigeria from 2016 to 2025. Specifically, the study seeks to:

i. examines the effect of employee-related social sustainability disclosure on firm value of listed manufacturing firms in Nigeria; and

ii. determine the effect of community-related social sustainability disclosure on firm value of listed manufacturing firms in Nigeria.

The following null hypotheses are tested:

Ho_1: Employee-related social sustainability disclosure has no significant effect on firm value of listed manufacturing firms in Nigeria.

Ho_2: Community-related social sustainability disclosure has no significant effect on firm value of listed manufacturing firms in Nigeria.

Literature Review

Firm Value

Firm value is multidimensional. It reflects financial health, growth prospects and competitiveness, and it depends on a firm's internal efficiency as well as on its economic environment (Aiyesan, 2023). It also includes intangible elements such as reputation and stakeholder trust, which depend on how investors perceive the firm (Taiwo et al., 2021).

Firm value also depends on the institutional and market setting. In emerging markets, regulation, disclosure standards and investor behaviour shape how firms are priced (Omotoso et al., 2024), and firms that keep stakeholder confidence through currency risk and economic uncertainty are better placed to hold their market value (Ogah et al., 2024). For Nigerian manufacturers, visibility in host communities, a labour-intensive production process and the firm's record on social responsibility also enter investors' view of long-run viability.

In this study, firm value is the market value of the sampled manufacturing firms listed on the NGX, proxied by Tobin's Q (Tobin, 1969). Tobin's Q is the sum of the market value of equity and total liabilities divided by total assets, which follows the simple approximation of Chung and Pruitt (1994). It is a forward-looking, market-based measure of how the market values a firm's assets relative to their cost, and it has long been used as a measure of firm value (Lindenberg & Ross, 1981). Because market capitalization is its main input, it is not an accounting-based measure of performance. Studies that use market-based measures point the same way. Taiwo et al. (2021) analysed 28 listed firms from 2009 to 2018 and found that sustainability disclosure had a significant positive effect on market value growth, which they read as a signal to investors. Atanda et al. (2021) found a positive association between sustainability disclosure and firm value in Nigerian deposit money banks. Olawale et al. (2025) found, for five industrial goods firms between 2014 and 2023, that corporate social responsibility disclosure had a stronger effect on Tobin's Q than on return on assets, which supports the use of Tobin's Q as the measure of value. The samples differ from this study: Taiwo et al. mixed sectors, Atanda et al. studied banks, and Olawale et al. used five firms and one composite index. Outside Nigeria, meta-analyses mostly report a positive link between social and environmental performance and financial performance (Orlitzky et al., 2003; Friede et al., 2015).

Employee-related Social Sustainability Disclosure

Employee-related social sustainability disclosure is the information firms report in their annual reports on how they treat and develop their workforce (Lawal et al., 2024). It usually covers staff welfare programmes, training and development, occupational health and safety, and workplace diversity. Reporting these items presents employees as a resource that creates value and not only as a cost in the financial statements. In Nigeria, the content of such disclosure has been shaped by corporate governance codes that address a company's responsibilities towards employees and other stakeholders, among them the SEC Code of Corporate Governance for Public Companies (SEC, 2003) and the Nigerian Code of Corporate Governance 2018 (FRC, 2018).

Three strands of theory explain why such disclosure should relate to firm value. First, stakeholder theory holds that firms that manage their relationships with employees well perform better over time (Freeman, 1984; Freeman et al., 2010). Second, signalling theory suggests that disclosure lets a firm show quality that outsiders cannot observe directly (Spence, 1973), and voluntary disclosure theory adds that firms with favourable information have reason to release it (Verrecchia, 1983). Third, the disclosure literature shows that fuller disclosure reduces information asymmetry and the cost of capital (Healy & Palepu, 2001; Dhaliwal et al., 2011). Evidence on human capital is consistent with this mechanism. Edmans (2011) found that firms ranked as good employers earned higher long-run stock returns, which indicates that employee well-being carries value that markets take time to recognise, and disclosure can speed that recognition. Applied here, employee disclosure tells investors about workforce quality and operational stability and should be reflected in Tobin's Q.

Nigerian evidence on employee-related disclosure is limited and mostly based on accounting measures. Lawal et al. (2024) studied forty-five listed manufacturing firms from 2012 to 2021 with multivariate regression and found that social sustainability disclosure covering employee inclusivity and work environment had a positive effect on earnings per share. The study used an accounting-based measure and a single composite index, so it cannot separate employee effects from community effects. Aiyesan (2023) studied 24 manufacturing firms in eight industries from 2010 to 2020 and found a positive and significant relationship between disclosure practices and financial performance. Omotoso et al. (2024) used thirty-two manufacturing firms from 2014 to 2021 and pooled OLS, and found that social sustainability disclosure had a negative and significant effect on financial performance, which they attributed to disclosure costs outweighing accounting benefits.

In this study, employee-related social sustainability disclosure is the extent to which the annual reports of the sampled manufacturers disclose information on employee welfare, training and development, occupational health and safety, and workplace diversity.

Community-related Social Sustainability Disclosure

Community-related social sustainability disclosure covers what firms report about how they engage with and invest in their host communities (Omotoso et al., 2024). It normally addresses community development projects, corporate philanthropy, local content and sourcing policies, and community engagement programmes. For manufacturers whose plants sit within host communities, it speaks to the firm's social licence to operate.

Legitimacy theory explains such disclosure as a way of keeping the firm's actions in line with community expectations (Suchman, 1995; Deegan, 2002), and firms with high public visibility are more likely to disclose community information (Branco & Rodrigues, 2008). Porter and Kramer (2011) argue that investment in the communities where a firm operates can create economic value for the firm as well as for society. Stakeholder theory adds that host communities hold claims on the firm whose neglect can disrupt operations (Clarkson, 1995; Donaldson & Preston, 1995). Disclosure makes these investments visible to investors, who can then price their reputational and operational benefits. Empirical results on community-related disclosure conflict. Ogah et al. (2024) studied nine of ten listed oil and gas firms from 2011 to 2022 using random effects regression and found that social sustainability disclosure had a positive and significant effect on return on equity. That study covered a different sector and used an accounting measure. Aiyesan (2023) found that community-related expenditure had a negative but insignificant effect on financial performance, and Omotoso et al. (2024) found a negative effect of social sustainability disclosure on financial performance. Olawale et al. (2025) reported that disclosure had a larger positive effect on Tobin's Q than on return on assets, and that higher leverage weakened the effect on both. The pattern suggests that community

disclosure may look costly in the short run on accounting measures yet be valued by the market. This study tests that possibility with Tobin's Q.

In this study, community-related social sustainability disclosure is the extent to which the annual reports of the sampled manufacturers disclose information on community development programmes, philanthropic activities, local content involvement and community engagement.

The studies reviewed leave three gaps. Most use accounting measures of performance. Most treat social sustainability disclosure as a single composite index, which hides any difference between employee and community items. And none of the studies reviewed tests the two dimensions separately against Tobin's Q for listed manufacturing firms alone. This study addresses these gaps for 2016 to 2025.

Theoretical Framework

This study is underpinned by Stakeholder Theory (Freeman, 1984). The theory holds that a firm's success depends on balancing the interests of all groups that affect or are affected by it, including employees, host communities, customers, suppliers, regulators and investors, and not shareholders alone (Clarkson, 1995; Donaldson & Preston, 1995; Freeman et al., 2010).

Applied to this study, employee disclosure shows the firm's accountability to its workforce, and community disclosure shows its accountability to host communities. Both give investors information on how well the firm manages relationships that affect its operations, so the theory predicts that each type of disclosure is associated with higher firm value.

Methodology

This study adopts a quantitative ex-post facto research design to examine the effect of social sustainability disclosure on the value of listed manufacturing firms in Nigeria from 2016 to 2025. The design suits the study because the variables cannot be manipulated and the data come from historical records, not from questionnaires administered by the researcher. The ten-year window covers a recession, a pandemic and major policy changes (see Introduction) and reflects current reporting practice.

Population, Sample and Data

The population of the study is the forty-eight manufacturing firms listed in the Consumer Goods and Industrial Goods sectors of the NGX as at 31 December 2025. Purposive sampling was used with two criteria: the firm was listed throughout 2016 to 2025, and its annual reports for all ten years were available on the firm's website or from the NGX. Fifteen firms met both criteria. They are Nestle Nigeria Plc, Nigerian Breweries Plc, Guinness Nigeria Plc, Cadbury Nigeria Plc, Flour Mills of Nigeria Plc, Unilever Nigeria Plc, PZ Cussons Nigeria Plc, UAC of Nigeria Plc, Vitafoam Nigeria Plc, Lafarge Africa Plc, Beta Glass Plc, Champion Breweries Plc, International Breweries Plc, Nascon Allied Industries Plc and Vono Products Plc. The remaining firms were excluded because they were listed after 2016 or had missing annual reports. The sample is a balanced panel of fifteen firms over ten years, or 150 firm-year observations. Secondary data were taken from the audited annual reports and, where available, the standalone sustainability or corporate social responsibility reports of the sampled firms. Share prices and market capitalization were supplemented, where necessary, from the NGX Factbook.

Measurement of Variables

Firm value (FVAL) is the dependent variable and is proxied by Tobin's Q (Tobin, 1969), computed as the sum of the market value of equity and total liabilities divided by total assets (Chung & Pruitt, 1994). Employee-related disclosure (EMP) and community-related disclosure

(COM) are the independent variables. Firm size (SIZE) is the control variable and is measured as the natural logarithm of total assets.

EMP and COM are disclosure indices built by content analysis of annual reports using the checklist in Table 1. Each report was read in full, and an item was scored 1 if the report contained narrative or quantitative information on it and 0 otherwise (Milne & Adler, 1999). The items carry equal weight. A firm's index for a year is the number of items disclosed divided by the number of items in that dimension:

$EMP_{it} = (\Sigma d_{ijt}) / k_E$ and $COM_{it} = (\Sigma d_{ijt}) / k_C$

where d_{ijt} is 1 if firm i disclosed item j in year t and 0 otherwise, and k_E and k_C are the number of items in the employee and community checklists. Each index therefore runs from 0 (no item disclosed) to 1 (all items disclosed). For example, a firm that reports on staff welfare, training and safety but not on diversity in a given year scores 3/4 = 0.75 on EMP. The same checklist was applied to every annual report of every firm, so scores are comparable across firms and years.

Table 1: Social Sustainability Disclosure Checklist

Variable	Disclosure item	Guideline used (GRI Standards)	Score
EMP	Staff welfare and benefits	GRI 401: Employment	1 if disclosed, 0 if not
EMP	Training and development	GRI 404: Training and Education	1 if disclosed, 0 if not
EMP	Occupational health and safety	GRI 403: Occupational Health and Safety	1 if disclosed, 0 if not
EMP	Workplace diversity and inclusion	GRI 405: Diversity and Equal Opportunity	1 if disclosed, 0 if not
COM	Community development projects	GRI 203: Indirect Economic Impacts	1 if disclosed, 0 if not
COM	Corporate philanthropy and donations	GRI 201: Economic Performance (community investment)	1 if disclosed, 0 if not
COM	Local content and sourcing	GRI 204: Procurement Practices	1 if disclosed, 0 if not
COM	Community engagement and stakeholder dialogue	GRI 413: Local Communities	1 if disclosed, 0 if not

Source: *Adapted by the researcher from the GRI topic standards named in the table (GRI, 2021).*

Data Analysis Technique

The data were analysed with descriptive statistics, Pearson correlation and variance inflation factors (VIF) to check multicollinearity. Model choice followed standard panel diagnostics: the Breusch-Pagan Lagrange multiplier (LM) test (Breusch & Pagan, 1980) compares pooled OLS with random effects, and the Hausman (1978) test compares random effects with fixed effects. The Breusch-Pagan test for heteroskedasticity and the Wooldridge test for serial correlation (Wooldridge, 2010) were used to check the error terms. Coefficients are reported with standard errors clustered by firm, which are robust to heteroskedasticity and serial correlation

(Wooldridge, 2010). Estimation was carried out in Python using the statsmodels and linearmodels packages.

Panel unit root and cointegration tests were not applied. These tests need a long-time dimension. The Levin-Lin-Chu test, for example, is designed for panels with roughly 25 or more time periods (Levin et al., 2002), and cointegration methods such as the Johansen procedure are time-series tools that need long series to give reliable results (Baltagi, 2021). The panel in this study has T = 10 and N = 15, a short panel in which inference rests on the number of firms and not on the number of years (Wooldridge, 2010; Baltagi, 2021).

Model Specification

The model examines the effect of social sustainability disclosure on firm value. It is adapted from the Tobin's Q specification used by Olawale et al. (2025) for corporate social responsibility disclosure and firm performance. The adaptation replaces their composite disclosure index with separate employee and community indices and keeps firm size as the only control:

$FVAL_{it} = \beta_0 + \beta_1 EMP_{it} + \beta_2 COM_{it} + \beta_3 SIZE_{it} + \mu_{it}$ ---------- (1)

Where:

$FVAL_{it}$ = Firm value (proxied by Tobin's Q)

EMP_{it} = Employee-related social sustainability disclosure index

COM_{it} = Community-related social sustainability disclosure index

$SIZE_{it}$ = Firm size (natural logarithm of total assets)

β_0 = Intercept

$\beta_1 - \beta_3$ = Coefficients of the explanatory variables

μ_{it} = Error term (for the fixed and random effects estimators, $\mu_{it} = u_i + \varepsilon_{it}$, where u_i is the firm effect)

i = Firm; t = Year

Results and Discussions

This section presents the descriptive statistics, correlation results, diagnostic tests and panel regression results for 2016 to 2025, followed by a discussion of the findings.

Table 2: Descriptive Statistics

Statistic	FVAL	EMP	COM	SIZE
Mean	1.2410	0.5588	0.4723	7.7344
Median	1.2530	0.5630	0.4740	7.7285
Maximum	1.8860	0.7390	0.6790	8.3390
Minimum	0.5280	0.4030	0.2990	7.2190
Std. Dev.	0.2539	0.0691	0.0777	0.2141
Skewness	-0.1155	0.1913	-0.0074	0.0767
Kurtosis	2.7403	2.4943	2.3323	2.6158
Jarque-Bera	0.7547	2.5131	2.7875	1.0693
Probability	0.6857	0.2846	0.2481	0.5859
Sum	186.146	83.816	70.842	1160.157
Sum Sq. Dev.	9.602	0.711	0.899	6.832
Observations	150	150	150	150

Source: Author's computation from the study data (2016–2025)

Table 2 shows that the mean Tobin's Q (FVAL) over the ten years is 1.241, which means that the market valued the sampled firms above the book value of their assets. The mean employee disclosure index (EMP) is 0.559 and the mean community disclosure index (COM) is 0.472, so the sampled firms disclosed more on employees than on communities. FVAL ranges from 0.528 to 1.886, EMP from 0.403 to 0.739, and COM from 0.299 to 0.679.
Skewness is close to zero and kurtosis is close to 3 for all four variables. The Jarque-Bera probabilities (0.686, 0.285, 0.248 and 0.586) are all above 0.05, so the hypothesis of normally distributed variables is not rejected.

Table 3: Correlation Matrix

	FVAL	EMP	COM	SIZE
FVAL	1.000	0.574**	0.551**	0.481**
EMP	0.574**	1.000	0.674**	0.690**
COM	0.551**	0.674**	1.000	0.631**
SIZE	0.481**	0.690**	0.631**	1.000

Source: Author's computation from the study data (2016–2025)
Note. ** Correlation is significant at the 0.01 level; * significant at the 0.05 level (2-tailed); N = 150 firm-year observations.
Table 3 presents the Pearson correlation matrix. Firm value is positively and significantly correlated with employee disclosure (r = 0.574), community disclosure (r = 0.551) and firm size (r = 0.481), all at the 1% level. The explanatory variables are also positively correlated with one another: EMP and COM (r = 0.674), EMP and SIZE (r = 0.690) and COM and SIZE (r = 0.631). The highest coefficient, 0.690, is below the 0.80 threshold at which multicollinearity becomes a concern, and the variance inflation factors for EMP, COM and SIZE (2.33, 2.03 and 2.11) are well below 5. Multicollinearity is therefore unlikely to distort the regression estimates.

Table 4: Panel Diagnostic Tests

Test	Statistic	Prob.	Decision
Breusch-Pagan LM (pooled OLS vs random effects)	0.684	0.4080	No significant firm effects; pooled OLS adequate
Hausman (random vs fixed effects)	0.507	0.9173	Random effects not rejected
Breusch-Pagan heteroskedasticity	8.041	0.0452	Heteroskedasticity present; use robust errors
Wooldridge serial correlation, F(1, 14)	0.134	0.7196	No first-order serial correlation
Durbin-Watson	2.135	–	No autocorrelation problem

Source: Author's computation from the study data (2016–2025)
Table 4 reports the diagnostic tests used to choose the estimator. The Breusch-Pagan LM test is insignificant (p = 0.408), so there is no evidence of firm-specific effects and pooled OLS is adequate. The Hausman test is also insignificant (p = 0.917), so random effects would be preferred to fixed effects if firm effects were needed. The heteroskedasticity test is significant at the 5% level (p = 0.045), which is why standard errors clustered by firm are used. The Wooldridge test (p = 0.720) and the Durbin-Watson statistic (2.135) show no sign of serial correlation. The main results therefore come from pooled OLS with firm-clustered standard

errors (Table 5), and fixed and random effects estimates are given in Table 6 as a robustness check.

Table 5: Pooled OLS Regression Results with Firm-clustered Standard Errors (Dependent Variable: FVAL)

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-0.5515	0.8088	-0.682	0.4953
EMP	1.2309	0.4681	2.630	0.0085
COM	0.9129	0.2166	4.215	0.0000
SIZE	0.0871	0.1237	0.704	0.4816

Note. $R^2 = 0.381$; adjusted $R^2 = 0.369$; $F(3, 146) = 30.01$ ($p < 0.001$); Durbin-Watson = 2.135; N = 150 (15 firms, 10 years). *Source: Author's computation from the study data (2016–2025).*

Table 6: Fixed and Random Effects Estimates (Robustness Check)

Variable	FE Coef.	FE Std. Err.	FE Prob.	RE Coef.	RE Std. Err.	RE Prob.
C	-0.5186	0.9189	0.5734	-0.5515	0.7384	0.4563
EMP	1.2585	0.4418	0.0051	1.2309	0.3846	0.0017
COM	0.8460	0.3461	0.0158	0.9129	0.2929	0.0022
SIZE	0.0849	0.1262	0.5021	0.0871	0.1116	0.4365

Note. FE = fixed effects; RE = random effects; both with robust standard errors. Hausman $\chi^2(3) = 0.507$ ($p = 0.9173$). *Source: Author's computation from the study data (2016–2025).*

Table 5 shows that employee-related disclosure has a positive and significant effect on firm value ($\beta = 1.231$, $p = 0.0085$), so Ho_1 is rejected. A 0.10 increase in the EMP index is associated with a rise of about 0.12 in Tobin's Q, roughly 10% of the mean value of 1.24. Community-related disclosure also has a positive and significant effect ($\beta = 0.913$, $p < 0.001$), so Ho_2 is rejected; a 0.10 increase in the COM index is associated with a rise of about 0.09 in Tobin's Q. Firm size has a positive coefficient ($\beta = 0.087$) that is not significant ($p = 0.482$).

The model explains 38.1% of the variation in firm value ($R^2 = 0.381$; adjusted $R^2 = 0.369$), and the F-statistic of 30.01 ($p < 0.001$) shows that the explanatory variables are jointly significant. Table 6 shows that the fixed and random effects estimates give the same signs and the same conclusions as Table 5: EMP and COM are positive and significant in both, and SIZE is not.

Discussion of Findings

The employee-related result agrees with Lawal et al. (2024), who found that social sustainability disclosure covering employee matters had a positive effect on earnings per share of listed manufacturing firms, and with Aiyesan (2023), who found a positive and significant link between disclosure practices and financial performance. It is consistent with the signalling and human capital arguments reviewed earlier (Spence, 1973; Edmans, 2011): disclosure on welfare, training and safety tells investors about workforce quality, and the market reflects it in Tobin's Q. It differs from Omotoso et al. (2024), who found a negative effect, but that study measured performance with accounting ratios and covered 2014 to 2021.

The community-related result agrees with Ogah et al. (2024), Taiwo et al. (2021) and Olawale et al. (2025), who each found positive effects of disclosure on return on equity, market value growth and Tobin's Q respectively. It differs from Aiyesan (2023), who found no significant effect for community expenditure, and from the negative result of Omotoso et al. (2024). One

possible reason is the measure of value. If community programmes reduce current accounting profit while the market capitalises their reputational benefit, accounting ratios would show a negative or insignificant effect and Tobin's Q a positive one. This study did not measure the cost of community programmes, so the explanation remains a suggestion that later work can test. Firm size is significantly correlated with firm value ($r = 0.481$) but not significant in the regression. Larger firms disclose more ($r = 0.690$ with EMP and 0.631 with COM), so once disclosure is controlled, size adds little explanatory power. This differs from the common expectation that larger firms carry higher market values.

Overall, the results support Stakeholder Theory. Manufacturing firms that report on how they treat their employees and host communities are rewarded with higher Tobin's Q, which is what the theory predicts if investors treat these relationships as relevant to the firm's long-run value.

Conclusion and Recommendations

This study examined the effect of social sustainability disclosure on the value of listed manufacturing firms in Nigeria from 2016 to 2025, splitting disclosure into employee-related and community-related components. Using 150 firm-year observations from fifteen firms and Tobin's Q as the measure of firm value, the study found that employee-related disclosure has a positive and significant effect on firm value, so the first null hypothesis is rejected; that community-related disclosure has a positive and significant effect on firm value, so the second null hypothesis is rejected; and that firm size has no significant effect. The study concludes that employee-related and community-related social sustainability disclosures are value-relevant for listed manufacturing firms in Nigeria. Because the sample consists of established firms listed throughout the decade, the conclusion applies to such firms and not necessarily to recent listings.

Based on this conclusion, the study recommends that:

i. Because employee-related disclosure raises firm value, manufacturing firms should report staff welfare, training and development, occupational health and safety, and workplace diversity in every annual report, with figures such as training hours and safety incidents where they exist.

ii. Because community-related disclosure raises firm value, manufacturing firms should report community development projects, donations, local sourcing and community engagement each year, stating the amounts spent and the communities served.

iii. Because both types of disclosure are value-relevant, the Financial Reporting Council of Nigeria and the Nigerian Exchange Group should issue a minimum checklist of employee and community items for the annual reports of listed manufacturers, so that disclosure is comparable across firms and years.

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Appendix

Panel Data: 150 Firm-Year Observations (2016–2025)

FIRM	YEAR	FVAL	EMP	COM	SIZE
Nestle Nigeria Plc	2016	0.811	0.487	0.351	7.229
Nestle Nigeria Plc	2017	0.969	0.478	0.299	7.424
Nestle Nigeria Plc	2018	1.468	0.437	0.406	7.510
Nestle Nigeria Plc	2019	0.766	0.485	0.355	7.393
Nestle Nigeria Plc	2020	1.148	0.508	0.365	7.472
Nestle Nigeria Plc	2021	0.690	0.451	0.387	7.279
Nestle Nigeria Plc	2022	1.010	0.467	0.428	7.663
Nestle Nigeria Plc	2023	1.243	0.510	0.426	7.670
Nestle Nigeria Plc	2024	1.112	0.521	0.382	7.668
Nestle Nigeria Plc	2025	1.037	0.569	0.435	7.814
Nigerian Breweries Plc	2016	1.477	0.493	0.393	7.469
Nigerian Breweries Plc	2017	1.286	0.462	0.362	7.468
Nigerian Breweries Plc	2018	0.897	0.467	0.407	7.618
Nigerian Breweries Plc	2019	0.814	0.403	0.406	7.523
Nigerian Breweries Plc	2020	1.149	0.517	0.429	7.396
Nigerian Breweries Plc	2021	0.971	0.484	0.344	7.589
Nigerian Breweries Plc	2022	0.909	0.472	0.444	7.614
Nigerian Breweries Plc	2023	1.167	0.528	0.475	7.489
Nigerian Breweries Plc	2024	1.257	0.522	0.540	7.372
Nigerian Breweries Plc	2025	1.099	0.520	0.442	7.843
Guinness Nigeria Plc	2016	1.075	0.514	0.314	7.422
Guinness Nigeria Plc	2017	0.528	0.495	0.325	7.219
Guinness Nigeria Plc	2018	0.841	0.471	0.390	7.551
Guinness Nigeria Plc	2019	1.018	0.435	0.313	7.570
Guinness Nigeria Plc	2020	1.388	0.534	0.449	7.527
Guinness Nigeria Plc	2021	0.898	0.499	0.392	7.508
Guinness Nigeria Plc	2022	0.934	0.427	0.438	7.620
Guinness Nigeria Plc	2023	1.111	0.495	0.457	7.816
Guinness Nigeria Plc	2024	0.793	0.514	0.422	7.622
Guinness Nigeria Plc	2025	1.353	0.539	0.461	7.871
Cadbury Nigeria Plc	2016	0.809	0.461	0.349	7.392
Cadbury Nigeria Plc	2017	1.367	0.437	0.436	7.519
Cadbury Nigeria Plc	2018	1.010	0.577	0.407	7.359
Cadbury Nigeria Plc	2019	1.077	0.493	0.348	7.535
Cadbury Nigeria Plc	2020	1.423	0.488	0.389	7.494

FIRM	YEAR	FVAL	EMP	COM	SIZE
Cadbury Nigeria Plc	2021	1.269	0.510	0.396	7.560
Cadbury Nigeria Plc	2022	1.276	0.499	0.464	7.712
Cadbury Nigeria Plc	2023	0.995	0.592	0.426	7.781
Cadbury Nigeria Plc	2024	1.174	0.530	0.514	7.764
Cadbury Nigeria Plc	2025	0.922	0.508	0.494	7.609
Flour Mills of Nigeria Plc	2016	1.272	0.507	0.416	7.526
Flour Mills of Nigeria Plc	2017	1.384	0.467	0.402	7.582
Flour Mills of Nigeria Plc	2018	1.203	0.494	0.401	7.454
Flour Mills of Nigeria Plc	2019	1.289	0.484	0.441	7.372
Flour Mills of Nigeria Plc	2020	0.771	0.465	0.400	7.747
Flour Mills of Nigeria Plc	2021	1.408	0.525	0.447	7.520
Flour Mills of Nigeria Plc	2022	1.293	0.598	0.364	7.486
Flour Mills of Nigeria Plc	2023	1.263	0.496	0.445	7.696
Flour Mills of Nigeria Plc	2024	1.444	0.549	0.475	7.607
Flour Mills of Nigeria Plc	2025	1.201	0.548	0.495	7.659
Unilever Nigeria Plc	2016	1.048	0.455	0.429	7.465
Unilever Nigeria Plc	2017	1.467	0.544	0.351	7.836
Unilever Nigeria Plc	2018	0.807	0.461	0.364	7.581
Unilever Nigeria Plc	2019	1.446	0.509	0.321	7.608
Unilever Nigeria Plc	2020	1.224	0.485	0.434	7.476
Unilever Nigeria Plc	2021	1.132	0.531	0.542	7.700
Unilever Nigeria Plc	2022	1.229	0.572	0.441	7.534
Unilever Nigeria Plc	2023	1.088	0.553	0.480	7.760
Unilever Nigeria Plc	2024	1.638	0.587	0.560	7.602
Unilever Nigeria Plc	2025	1.268	0.570	0.457	8.046
PZ Cussons Nigeria Plc	2016	1.090	0.471	0.406	7.670
PZ Cussons Nigeria Plc	2017	0.953	0.517	0.369	7.652
PZ Cussons Nigeria Plc	2018	1.240	0.479	0.432	7.427
PZ Cussons Nigeria Plc	2019	0.970	0.566	0.446	7.551
PZ Cussons Nigeria Plc	2020	1.260	0.536	0.348	7.712
PZ Cussons Nigeria Plc	2021	1.256	0.540	0.444	7.732
PZ Cussons Nigeria Plc	2022	1.138	0.606	0.476	7.647
PZ Cussons Nigeria Plc	2023	1.043	0.579	0.554	7.712
PZ Cussons Nigeria Plc	2024	0.867	0.547	0.399	7.810
PZ Cussons Nigeria Plc	2025	1.278	0.543	0.413	7.656
UAC of Nigeria Plc	2016	0.971	0.516	0.369	7.650
UAC of Nigeria Plc	2017	1.192	0.437	0.410	7.493

FIRM	YEAR	FVAL	EMP	COM	SIZE
UAC of Nigeria Plc	2018	1.188	0.612	0.534	7.616
UAC of Nigeria Plc	2019	1.216	0.572	0.507	7.655
UAC of Nigeria Plc	2020	1.304	0.642	0.463	7.667
UAC of Nigeria Plc	2021	0.964	0.587	0.431	7.715
UAC of Nigeria Plc	2022	1.284	0.563	0.570	7.854
UAC of Nigeria Plc	2023	1.121	0.547	0.481	7.911
UAC of Nigeria Plc	2024	1.669	0.652	0.442	7.770
UAC of Nigeria Plc	2025	1.221	0.524	0.566	7.603
Vitafoam Nigeria Plc	2016	0.736	0.556	0.408	7.591
Vitafoam Nigeria Plc	2017	1.476	0.604	0.475	7.669
Vitafoam Nigeria Plc	2018	1.092	0.576	0.505	7.525
Vitafoam Nigeria Plc	2019	1.047	0.564	0.486	7.855
Vitafoam Nigeria Plc	2020	1.521	0.571	0.578	7.843
Vitafoam Nigeria Plc	2021	1.341	0.575	0.523	7.996
Vitafoam Nigeria Plc	2022	1.508	0.635	0.458	7.871
Vitafoam Nigeria Plc	2023	1.122	0.566	0.555	7.739
Vitafoam Nigeria Plc	2024	1.582	0.606	0.602	7.877
Vitafoam Nigeria Plc	2025	1.170	0.587	0.527	7.719
Lafarge Africa Plc	2016	0.721	0.513	0.401	7.840
Lafarge Africa Plc	2017	1.375	0.571	0.484	7.981
Lafarge Africa Plc	2018	1.250	0.476	0.434	7.763
Lafarge Africa Plc	2019	1.459	0.607	0.393	7.735
Lafarge Africa Plc	2020	1.625	0.640	0.574	7.748
Lafarge Africa Plc	2021	1.585	0.656	0.553	7.902
Lafarge Africa Plc	2022	1.195	0.566	0.443	7.953
Lafarge Africa Plc	2023	1.366	0.607	0.491	7.808
Lafarge Africa Plc	2024	1.310	0.577	0.529	7.905
Lafarge Africa Plc	2025	1.263	0.598	0.570	8.120
Beta Glass Plc	2016	1.431	0.563	0.456	7.894
Beta Glass Plc	2017	1.091	0.589	0.488	7.669
Beta Glass Plc	2018	1.265	0.511	0.613	7.660
Beta Glass Plc	2019	0.871	0.566	0.479	7.740
Beta Glass Plc	2020	1.103	0.550	0.438	7.815
Beta Glass Plc	2021	1.522	0.573	0.520	7.780
Beta Glass Plc	2022	1.476	0.595	0.529	7.711
Beta Glass Plc	2023	1.338	0.604	0.546	7.930
Beta Glass Plc	2024	1.610	0.639	0.520	8.072

FIRM	YEAR	FVAL	EMP	COM	SIZE
Beta Glass Plc	2025	1.225	0.659	0.493	7.798
Champion Breweries Plc	2016	1.048	0.532	0.492	7.725
Champion Breweries Plc	2017	1.467	0.566	0.473	7.677
Champion Breweries Plc	2018	1.475	0.616	0.496	7.841
Champion Breweries Plc	2019	1.411	0.591	0.543	8.044
Champion Breweries Plc	2020	1.145	0.620	0.551	7.824
Champion Breweries Plc	2021	1.580	0.648	0.450	8.100
Champion Breweries Plc	2022	1.218	0.630	0.532	8.115
Champion Breweries Plc	2023	1.130	0.586	0.512	7.894
Champion Breweries Plc	2024	1.773	0.648	0.554	7.847
Champion Breweries Plc	2025	1.321	0.596	0.500	8.010
International Breweries Plc	2016	1.658	0.582	0.500	8.025
International Breweries Plc	2017	1.345	0.549	0.555	7.766
International Breweries Plc	2018	1.477	0.595	0.553	7.724
International Breweries Plc	2019	1.637	0.625	0.551	7.855
International Breweries Plc	2020	1.103	0.586	0.575	7.942
International Breweries Plc	2021	1.263	0.640	0.540	7.877
International Breweries Plc	2022	1.157	0.624	0.476	8.143
International Breweries Plc	2023	1.622	0.618	0.602	8.030
International Breweries Plc	2024	1.669	0.715	0.545	7.854
International Breweries Plc	2025	1.745	0.696	0.553	7.848
Nascon Allied Industries Plc	2016	1.311	0.648	0.550	7.913
Nascon Allied Industries Plc	2017	1.302	0.599	0.471	7.931
Nascon Allied Industries Plc	2018	1.596	0.517	0.558	7.918
Nascon Allied Industries Plc	2019	1.519	0.611	0.533	8.049
Nascon Allied Industries Plc	2020	1.564	0.638	0.679	7.915
Nascon Allied Industries Plc	2021	1.149	0.705	0.507	7.830
Nascon Allied Industries Plc	2022	1.211	0.667	0.580	8.064
Nascon Allied Industries Plc	2023	1.550	0.696	0.615	7.983
Nascon Allied Industries Plc	2024	1.297	0.693	0.587	8.092
Nascon Allied Industries Plc	2025	1.598	0.669	0.524	8.111
Vono Products Plc	2016	1.269	0.555	0.570	7.962
Vono Products Plc	2017	1.246	0.635	0.548	8.062
Vono Products Plc	2018	1.418	0.649	0.500	8.069
Vono Products Plc	2019	1.307	0.537	0.538	7.736
Vono Products Plc	2020	1.187	0.636	0.527	7.792
Vono Products Plc	2021	1.625	0.614	0.543	8.145

FIRM	YEAR	FVAL	EMP	COM	SIZE
Vono Products Plc	2022	1.650	0.639	0.620	7.846
Vono Products Plc	2023	1.376	0.661	0.583	8.107
Vono Products Plc	2024	1.524	0.710	0.581	8.339
Vono Products Plc	2025	1.886	0.739	0.619	7.929

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