

CORPORATE SOCIAL RESPONSIBILITY REPORTING AND EMPLOYEE WELL-BEING IN LISTED MANUFACTURING FIRMS

Evidence from Nigeria, Ghana, and South Africa

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ABSTRACT

Background: Corporate social responsibility reporting has expanded significantly within the manufacturing sector across Sub-Saharan Africa, driven by growing stakeholder expectations, investor scrutiny, and regulatory momentum. Yet, the extent to which reported CSR practices translate into measurable improvements in employee well-being remains underexplored in African firm-level research.

Aim: This study examined whether the scope and quality of CSR reporting in listed manufacturing firms influences employee well-being outcomes, and whether firm-level governance quality moderates this relationship.

Methodology: Panel data from 84 listed manufacturing firms across Nigeria, Ghana, and South Africa for 2013 to 2024 were analysed using fixed effects regression and robust estimation. CSR reporting quality was measured through an adapted GRI-based disclosure index.

Findings: CSR reporting quality showed a significant negative relationship with staff turnover and workplace injury rates, and a positive relationship with training expenditure. Board independence significantly moderated the CSR-well-being relationship.

Contributions: The study bridges CSR reporting and human resource management literatures by documenting measurable links between disclosure quality and employee outcomes in African manufacturing contexts.

Keywords: CSR reporting, Employee well-being, Manufacturing firms, Board independence, Governance, Sub-Saharan Africa.

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1.0 INTRODUCTION

The expanding scope of corporate social responsibility discourse has increasingly positioned employee well-being as a central accountability domain within sustainability reporting frameworks. Listed manufacturing firms in Sub-Saharan Africa face heightened stakeholder scrutiny regarding occupational safety, fair compensation, and workforce development practices, particularly in the context of rising investor interest in environmental, social, and governance disclosures (Adomako et al., 2023). Despite this momentum, empirical evidence linking CSR disclosure quality to measurable employee welfare improvements remains thin and methodologically inconsistent, particularly across African emerging market contexts (Ikenna-Ononogbu et al., 2024).

Manufacturing firms in Nigeria, Ghana, and South Africa collectively represent a significant proportion of listed non-financial firms on the Nigerian Exchange Group, Ghana Stock Exchange, and Johannesburg Stock Exchange respectively. These firms operate within divergent regulatory environments for CSR reporting, with South Africa mandated by King IV to produce integrated reports incorporating social accountability disclosures, Nigeria operating under a largely voluntary disclosure regime, and Ghana occupying an intermediate position with growing but inconsistently enforced CSR expectations (Ofori & Hinson, 2022).

2.0 LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Conceptual Review

CSR reporting quality encompasses the comprehensiveness, transparency, and verifiability of disclosures on social, environmental, and governance matters. Employee well-being is conceptualised as a multidimensional construct encompassing physical safety, mental health, economic security, and professional development opportunities. Governance quality, proxied through board independence and audit committee effectiveness, represents the structural oversight capacity through which CSR commitments are monitored and enforced (Ntim & Soobaroyen, 2022).

Theoretical Review

Legitimacy theory proposes that firms disclose CSR practices to maintain social licence to operate by signalling alignment between corporate behaviour and community expectations. Stakeholder theory extends this, positing that employee-directed disclosures reflect accountability to a salient stakeholder group whose welfare directly affects operational continuity. Agency theory provides the governance moderation rationale, predicting that board independence reduces opportunistic symbolic CSR reporting and reinforces substantive employee welfare commitments (Ikenna-Ononogbu et al., 2024).

Empirical Review and Hypotheses

Adomako et al. (2023) documented that CSR investment quality in Ghanaian manufacturing significantly reduced employee turnover over three-year panels. Ofori and Hinson (2022) confirmed that board composition shapes the quality and credibility of social disclosures in West African listed firms. Ntim and Soobaroyen (2022) provided evidence from South African firms that board independence strengthens the employee-oriented outcomes of sustainability reporting. Owusu and Bekoe (2024) found that integrated reporting frameworks improve the measurability of employee well-being commitments in African contexts.

H1: CSR reporting quality significantly influences employee well-being in listed manufacturing firms. H2: Board independence significantly moderates the relationship between CSR reporting quality and employee well-being.

3.0 METHODOLOGY

Panel data from 84 listed manufacturing firms (Nigeria: 32, Ghana: 22, South Africa: 30) for 2013 to 2024, yielding 1,008 firm-year observations. CSR reporting quality was measured using an adapted GRI-based index scoring occupational health and safety reporting, employee development disclosures, diversity statements, and community investment narratives. Well-being proxies included staff turnover rates, training expenditure per employee, and workplace injury incidence drawn from firm disclosures and regulatory filings.

The model specification is: $WELLB_{it} = \beta_0 + \beta_1 CSRQ_{it} + \beta_2 BIND_{it} + \beta_3 (CSRQ \times BIND)_{it} + \beta_4 FSIZE_{it} + \beta_5 LEV_{it} + \beta_6 ROA_{it} + \epsilon_{it}$. Fixed effects regression controlled for unobserved firm heterogeneity. Robust regression was applied for sensitivity analysis. Country-level dummy variables captured regulatory heterogeneity effects.

4.0 DATA ANALYSIS AND DISCUSSION OF FINDINGS

Descriptive results confirm that South African firms exhibit the highest CSR reporting quality (mean index = 0.71), followed by Nigerian firms (0.53) and Ghanaian firms (0.48), consistent with King IV disclosure mandates. Staff turnover rates are inversely distributed, with higher rates observed in lower-quality disclosure firms. Fixed effects regression confirms H1: CSR reporting quality significantly reduces staff turnover ($\beta = -0.229$, $p < 0.01$) and workplace injuries ($\beta = -0.198$, $p < 0.05$), while positively influencing training expenditure ($\beta = 0.241$, $p < 0.01$), consistent with Adomako et al. (2023).

The moderation term (CSRQ x BIND) is positive and significant for training expenditure ($\beta = 0.163$, $p < 0.05$) and marginally significant for turnover reduction ($\beta = -0.118$, $p < 0.10$), partially supporting H2 and extending findings of Ntim and Soobaroyen (2022). Audit committee effectiveness showed weaker moderation effects, suggesting that board-level oversight rather than committee-level diligence primarily drives CSR reporting credibility in these markets. Robust regression results were consistent with fixed effects estimates, confirming result stability across estimation approaches.

5.0 CONCLUSION AND RECOMMENDATIONS

CSR reporting quality is positively and significantly associated with improved employee well-being outcomes in listed African manufacturing firms. Board independence enhances the effectiveness of reporting in promoting training investments and reducing injury rates. Policymakers should extend South African integrated reporting principles across regional markets. Firms should embed measurable employee well-being key performance indicators into sustainability frameworks, moving beyond narrative to quantified disclosures that enable accountability tracking over time.

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