



## Effect Of Corporate Size On Corporate Sustainability Disclosure Of Healthcare Companies In Nigeria

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### ABSTRACT

The importance of sustainability reporting disclosure in investment decision process cannot be overemphasized. Corporate size has been originally viewed as affecting component in the investigation of degree of sustainability disclosure but this assertion is yet to be revalidated. On this premise, this study assessed the effect of corporate size on corporate sustainability disclosure of healthcare companies in Nigeria. The research adopted are combination of both qualitative and quantitative design. Data was collected from secondary source and hypothesis tested using regression analysis. Descriptive statistics result showed a moderate level of sustainability disclosure among health companies. The correlation output revealed a positive correlation between corporate size and CSD in healthcare sector of Nigeria. Furthermore, regression result showed that relationship between corporate size and CSD is statistically significant with p-value off 0.000 less than significance value of 0.05. the study concludes that larger companies are likely to disclose more on sustainability report. Therefore, it recommends smaller companies be encouraged to engage in sustainability reporting practice because of relevance it hold in the investment decision making process recently.

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## INTRODUCTION

Expanding concern and consideration over corporate sustainability in recent time especially integration of sustainability report inside the annual financial report has made companies to account and report on sustainability (ICAEW, 2023, IIRC 2025). This would ensure transparency, act responsibly and promote wellbeing of people and planet. Moreover, rational decision making is highly dependent on non-financial information too. A lot of studies have explored sustainability reporting recently and in sectors such manufacturing, oil and banking and other financial institutions, energy, consumables among others. Little attention has been given to healthcare sector particularly in developing countries despite the vital role it plays in the economy. In addition, many factors are said to influence reporting on sustainability notably financial performance, firm age, industry type and corporate size. Although studies have been conduct on firm size and sustainability across general sectors and in developed economies such as Olorunfemi et, al 2024, Indrianingsih and Augustina 2020, Zangina and Baba 2025, Alhares 2025, limited attention is given to how corporate size influences sustainability disclosure specific context of health care where regulatory pressure and institutional framework differ significantly with other sectors. Moreover, organization or company size has been ordinarily viewed as an affecting component in the investigation of the degree of sustainability reporting practice (Adams, Hill, & Roberts, 1998; Hackston & Milne, 1996). The paucity of studies in this sector as well as the urge to validate the above statement had called for this study, particularly with reference to Nigeria.

The main of this study is to assess the effect of corporate size on corporate sustainability disclosure of Healthcare companies in Nigeria. The study seeks to answer “if corporate size” has effect on sustainability disclosure of healthcare sector of Nigeria. And hypothesized that corporate size has no significant effect on sustainability disclosure of Healthcare companies of Nigeria.

Sustainability disclosure also known as sustainability report refers to the process by which a company report information about its environmental, social and governance practices performance and impact to stakeholders. Woschnack et al (2021) describes sustainability disclosure as corporation disclose their non-financial information by their own such as their social, ecological and ethical performance. Bosi et-al also (2022) defined sustainability as a new type of integrated reporting mechanism that addresses economic ecological and social performance.

According to Daub (2007), a sustainability report is a report that “must contain qualitative and quantitative information on the extent to which the company has managed to improve its economic, environmental and social effectiveness and efficiency in the reporting period and integrate these aspects in a sustainability management system. It has been characterized as responsibilities embraced by firms that cover the non-financial angles like environmental and social exposures to safeguard a sustainable future while meeting the privileges of stakeholders (Aman and Ismail, 2017). From the aforementioned definitions. It is clear that corporate sustainability is a kind of reporting that involves non- financial aspect of an organisation required inside the annual report for stakeholder’s rational decision such as fresh investments as well as to whether continue with the company or not.

Corporate size also called firm size is generally defined as measure of how large a company is often based on quantitative indicators such as total asset, total sales, number of employees etc.

In empirical research, corporate size is commonly measure as the natural log of total asset to reduce the skewness and normalize the data distribution (Akbas 2016, Hashim 2020, Zikri 2024).

The diagram below demonstrates the conceptual framework for the connection between firm size and corporate sustainability disclosure. It is used to predict the relationship empirically between firm size and CSD underpinned by resource based theory.

**Fig: 1**



The independent variable represents the factor that is observed in the study. In this context, it is firm size. While the dependent variables represent the outcome or response that is measured. in this case, it is CSD.

Source: Adapted from work of Baba et al, 2023.

### **Resource based theory**

The theory was founded by Barney in 1991 and it is based on the assumption that, companies possess unique, valuable and immobile resources that will enable them achieve and sustain competitive advantage over others. The idea is that the internal resources and capabilities derive its competitive advantages i.e. financial buoyant companies possess more resources to invest in sustainability initiatives and disclosure which in turn enhance their reputation and performance especially with the recent recognition in the decision making process of stakeholders. Larger companies are considered to have more valuable and unique resources which in turn enables them invest including sustainability

### **Legitimacy theory**

Legitimacy theory was found in 1975 by Dowling and Pfeffer. It posits that organisations disclose information and engage in responsible practices to gain, maintain and get societal approval ensuring that their action aligns with the values and expectation of the stakeholders and the society at large. The idea is that companies disclose non-financial information to maintain or regain legitimacy in the eyes of the stakeholder and the society. Large companies are more visible therefore can be subjected to public scrutiny more and greater pressure to act responsibly.

This study is underpinned by resource based theory because. It is often believed that performing companies practice sustainability disclosure more and this can be done with a cost implication. And these financially performing companies are mostly large companies.

### **Empirical studies**

Indrianingsih and Augustina 2020 assessed the effect of company size, financial performance and corporate governance on the disclosure of sustainability report. A sample of 17 for 5 years among non-financial companies taken purposively. Analysis of data collected was done using multiple regression. Findings reveal that liquidity and audit committee have positive effect while leverage has negative effect while profitability. Corporate size and board of directors and independence do not affect sustainability report disclosure. The study concludes that leverage and liquidity and audit committee play a role in sustainability report disclosure. However, the study did not provide justification for selecting non-financial companies and more so a scientific selection technique will give fair representation of the population of the study.

Olorunfemi et al 2024 evaluated the impact of firms' attributes on sustainability disclosure, a comparative analysis environmentally sensitive firms sampling 20 firms each from financial and non-financial sector selected using judgemental sampling technique. It was a secondary based research

and hypothesis was tested using regression and t test. Findings revealed that there is disparity in the impact of firm size on sustainability disclosure within environmentally sensitive industry. It was recommended that sustainability disclosure should be prioritized for sustainable practice among environmentally sensitive companies. Even though the sample size is adequate, a more scientific technique would have had an equal representation of companies in the environmentally sensitive industry.

Zangina and baba 2025 examined the moderating effect of profitability on the relationship between firm attribute and sustainability disclosure of consumer goods companies in Nigeria. The study employed hierarchical multiple regression to assess the effect on the secondary data obtained. Outcome of the study revealed insignificant and negative effect of firm attribute on sustainability disclosure. Findings also revealed that introduction of profitability greatly enhances the relationship between firm attribute and sustainability disclosure. It was recommended that profitability should be integrated for sustainability reporting among consumer company in Nigeria.

Alhares 2025 conducted a research whether financial performance can improve the quality of sustainability reporting, exploring the moderating effect of corporate governance guided y agency and stakeholders' theories. it sampled 88 firms between 2015-2024. Data obtained from secondary source and analysis was done using regression. Outcome revealed that financial performance alone was not significantly associated with sustainability reporting quality whereas board size and experience of directors positively influence SRQ. Firm size emerged the determinant with large firm exhibiting higher SRQ.

## METHODOLOGY

Research design adopted is the combination of both qualitative and quantitative designs. Qualitative design i.e. descriptive statistic was used because numerical data are to described in order to answer the research question, including mean, standard, minimum and maximum while quantitative i.e. inferential statistic was used because it allows for test of hypothesis. Regression analysis was used to test the hypothesis. The study sampled 7 healthcare companies listed on the Nigerian exchange group for period of 10 years from 2011-2020, selected based on criteria adapted in work of Garko 2014. Panel data was extracted from the annual report of the selected companies.

**The variables and its measurements are presented in the table below**

Variables	Apriori sign	Measurement	source
Corporate size	+/-	Natural log of total assets	Muigai and muriithi 2017
CSD	+/-	<u>OCSD</u> ECSD	Nwobu 2017

Source: Researcher's design 2025.

The model can be specified below

$$CSD = \beta_0 + \beta_1 \text{sizeit}$$

Where

CSD- Corporate Sustainability Disclosure  
CSIZE- Corporate Size

## RESULT AND DISCUSSION

**Table 1: Descriptive Statistics**

VARIABLES	OBS.	MEAN	STD. DEV.	MINIMUM	MAXIMUM
TCSD	70	0.44958	0.2119	0.1800	0.9339
CSIZE	70	22.2344	1.2676	19.2808	24.1678

**Source: Research Output, 2025**

Table 1 depicts the descriptive statistics of the data obtained, with observation of 70. On the average the variable has a value of 0.4450 but there was a considerable variation among the variable around the mean of 0.21. most data points fall within a moderate range around the mean ranging as low as 0.1800 and as high as 0.933, suggesting that there is a wide spread across the sample.

Converted from natural log to actual money value, firms in the sample have total asset worth roughly N4.57 billion on the average. The smallest firm holds about N238million in asset while the largest has around N30.7billion. the spread i.e. standard deviation suggest that firm size differ roughly 3.5 times the average showing moderate in variation scale across the sample. In conclusion companies in this sector are generally large and financially sound, indicating mature and competitive industry.

**Table 2: Correlation of the Dependent and independent variables**

VARIABLES	TCSD	CSIZE	VIF
TCSD	1.0000		
CSIZE	0.0752	1.0000	1.54

**Source: Research Output, 2025**

**Table 2** show that all the values on the diagonal are 1.000 indicating that each variable is perfectly correlated with itself. The relationship between corporate size and CSD with coefficient of 0.05 is positive. However, it is weak. This implies that an increase in corporate size will improve corporate sustainability of healthcare sector in Nigeria. This also mean that there is a linear relationship i.e. change in corporate size is proportional to the change in CSD.

**Table 3: OLS Regression Results**

Variables	Coefficient	t	p>/t/
Constant	0.1694082	0.30	0.762
CSIZE	0.0040742	0.25	0.802
Mean VIF			1.36
R <sup>2</sup>			0.5725
Prob > F			0.0000

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01 mean significance at 10%, 5% and 1% level respectively

**Source: Regression Output, 2025**

**Table 3** shows the regression output of the relationship between firm size and corporate sustainability disclosure.

From table 3, it can be observed that the constant  $\beta_0$  is 0.1691. this mean that when firm size is zero (0) in natural log terms the baseline level of corporate sustainability disclosure is 0.1691. it represents the intercept. On the other hand, for every 1unit increase in firm size (in asset) sustainability disclosure increases by 0.0041 unit. This indicate a positive relationship. Larger firms tend to disclose slightly more sustainability information. A VIF value below 5 mean no multicollinearity issue. i.e. firm size does nor highly correlate with other predictors in the model. About 57.25% of the variation in corporate sustainability disclosure is explained b firm size while the remaining is explained other variables not captured in the model. This suggest a moderate to string explanatory power. And since p-value 0.000 is less than 0.05, the relationship between firm size and corporate sustainability disclosure is statistically significant i.e. firm size has significant effect on corporate sustainability disclosure even on healthcare sector of Nigeria.

This outcome of the study is in line with the work of Alhares and Olorunfemi 2024 and 2025 which revealed positive influence of firm size on sustainability disclosure of companies even though with disparity in the levels of disclosure whereas the outcome is in contrast with the work of Indrianingsih and Augustina 2020 and Zangina & Baba 2025 which revealed firm size do not affect sustainability report disclosure. The impact of firm size can vary across industries as it relates to different sustainability pressures and regulations as well as instability in the economies which affect even large companies from disclosure due to resource constraints.

## CONCLUSION AND RECOMMENDATION

The study reaffirmed that company size is a great determinant and component in assessing of the degree of sustainability reporting practice in the healthcare sector of Nigeria, supporting theories and resource based theories. This implies that larger companies are likely to disclose more on sustainability reports.

The study therefore recommends encouraging smaller firms to engage in sustainability disclosure through cost effective incentives such as continuous training because of its relevance in decision making process recently. And to consider the introduction of moderating variable to understand whether firm size influences changes under different condition.

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