The Effect of IFRS Adoption on Corporate Social Responsibility Disclosure: The Moderating Role of Multinational Activities

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This study examines the effects of IFRS adoption and Degree of Multinational Activities (DMA) on Corporate Social Responsibility Disclosure (CSRD) and whether DMA increases the IFRS adoption effect on CSRD. We used content analysis based on an adapted CSRD index score created by Hackston and Milne (1996) to examine the annual reports of 28 publicly traded corporations from 2003 to 2013. We estimate the quantity and quality of CSRD as a function of IFRS adoption and multinational activity, as well as the interactive effect of DMA and IFRS adoption, based on the purpose and hypotheses of our study. The key findings reveal that the implementation of the International Financial Reporting Standards (IFRS) positively affects the quantity and quality of corporate social responsibility disclosure. Interestingly, the degree of multinational activities (DMA) also increases the IFRS adoption effect on both quality and quantity of CSRD. For practitioners, this study reveals that IFRS adoption is associated with several effects on the CSR disclosures.

Keywords: IFRS adoption, corporate social responsibility disclosure, multinational activities, quality disclosure

INTRODUCTION

The globalization of financial markets has hastened the demand for more understandable and internationally recognized financial reporting standards (Opoku et al., 2016). It is generally believed that the IFRS are principles-based standards designed as a common global language for business affairs, so that company accounts are understandable and comparable across international boundaries. Over the years, various countries have had to switch from their local accounting standards, which was designed to fit into their cultural, religious, financial systems, economic development, and so forth, to the adoption of IFRS as there is the common notion in recent times that the advantages that accrue as a result of the harmonisation of international standards out-weigh the need to consider cultural, religious, and other differences. The adaption, adoption and harmonization of local accounting procedures with the IFRS is intended to improve financial statement uniformity, transparency, and comparability (Opoku et al., 2016). Ghana became the first country to adopt the International Financial Reporting Standards (IFRS) on January 1, 2007. The IFRS was mandated for banks and listed corporations on the Ghana Stock Exchange, but firms were granted a two-year transitional phase until 2009. However, the World Bank (2004) undertook a pilot study to assess Ghana's accounting and auditing standards as part of its attempts to improve openness among its members. The survey highlighted flaws in auditing and accounting reporting standards, such as outmoded concepts and international disclosure obligations.

The World Bank, the Big 4 accounting companies, and multinational corporations all put pressure on Ghanaian businesses to embrace IFRS (Appiah et al., 2016). As the world moves closer to adopting IFRS, there has been a surge in interest in CSRD, which is defined as evidence supplied on impact of a company's actions on consumers, employees, suppliers, and communities (Spence and Gray, 2007; McVea & Freeman, 2005). Corporate social responsibility has emerged boldly into the limelight in the 21st century, with many firms getting more involved in CSR activities. The European Commission (2001), defines corporate social responsibility (CSR) is a concept in which businesses voluntarily contribute to the improvement societal structure and a healthier environment by moving beyond conformity and engaging more in human capital, the ecology, and stakeholder interactions. Irrespective of the specific description, as the importance of a company's CSR efforts has grown, so has interest in how companies account for and report their CSR activities (Fortanier et al., 2011). The company contributions to society are then communicated or reported in the annual reports of the company.

The growing transition to IFRS and interest in integrated CSR reporting have an impact on the disclosure requirements that businesses must meet. In the 1990s, an increasing number of businesses began to voluntarily report on their environmental and social actions and impacts, including policies, progress, and outcomes. As a result, there are a wide range of reports, each with significant variances in length, approach, scope, and accountability depth (Kolk et al., 2002, Kolk, 2005 and 2010; KPMG, 2008). A full implementation of the International Financial Reporting Standards (IFRS) necessitates roughly 4000 disclosures (Leone, 2009). However, studies conducted show that IFRS does not indicate its standards for companies to include CSRD in their annual reports. The IAS 1 standard state that "many entities also present outside the financial statements, reports, and statements such as environmental reports and value-added statements, particularly in industries in which environmental factors are significant and where employees are regarded as an important user group. Reports and statements presented outside financial statements are outside the scope of IFRS".

The few studies that have been done on CRSD in Africa have largely centred on specialized industries including mining, oil and gas, and banking (see Akinpelu and Ogunbi, 2013; Coetze and Staden, 2011; Khan, Halabi, and Samy, 2009; Villiers and Staden, 2006). Others have concentrated their efforts on a select countries, notably South Africa, Nigeria and Egypt with mixed results as documented by Fifka (2013). These inconsistencies, described by Fifka (2013), are due to a lack of regulatory requirements, data scarcity, and a low incentive capacity of corporations in these economies to engage in CSRD. In Ghana, except for Coffie et al. (2018), previous studies on CSR (see Hinson et al., 2010; Ofori, Hinson & Ndziba, 2009; Rahaman, Lawrence and Roper, 2004; Rahaman, 2000) have tended to ignore the issues of IFRS and multinational activities effects on CSR disclosure. A study conducted by Amelio (2016) established a weak association between IAS/IFRS and CSR. Because the issues are outside the scope of the financial statements, Avwokeni (2016) argues that the IFRS excludes socially responsible disclosure in corporate financial reporting. Despite this argument, the findings show that social reports concerning job creation and labor standards, welfare, health & security, and the environment have increased under the IFRS system.

Although the IFRS does not provide regulation on CSRD, companies by way of compliance/adoption of the IFRS deem it necessary to add to this statement a separate statement to communicate their CSR activities to their stakeholders by way of legitimizing their existence within the communities they operate. Branco & Rodrigues (2008) also indicate that companies disclose social responsibility information mainly to present a socially responsible image to legitimize their behaviours to stakeholder groups and influence the external perception of their reputation. Though a voluntary activity in developing countries, according to Coffie et al. (2018), companies, by way of ensuring goodwill publish their CSRD activities in their annual reports. Sahana & MariGowda (2016) study suggests that as International Accounting Standards Boards (IASB) has shown a clear commitment to IFRS reporting, it's also past time for the IASB to consider issuing a standard that addresses accounting requirements for company spending on welfare activities, including environmental issues.

From the preceding lapses, this paper adds to the body of knowledge in the following ways. To begin with, previous research has primarily focused on the quantity of information disclosed. We have, however, added to the literature by integrating quality of disclosure in a novel setting of a developing country, where this research has never been done before. Second, previous research has concentrated on specific industries or areas. Furthermore, the few research conducted in Africa (South Africa, Egypt, and Nigeria) have yielded contradictory results. In our research, we address this constraint by looking at the problem across all industries. Third, whereas previous research has concentrated on company characteristics, we broaden the scope of the literature by incorporating multinational activities and the implementation of the International Financial Reporting Standards (IFRS). Finally, previous studies have ignored the moderating role of the multinational dimension of firm's activities resulting from IFRS adoption which in turn influence CSRD. It is expected that multinational companies are more likely to adopt IFRS (which requires more disclosures than local GAAP) than local firms (who may prefer to adopt local GAAP with fewer disclosure requirements). In this paper, we extend knowledge by examining how the operations of multinational activities serves as a transmission mechanism through which IFRS adoption affects CSR reports.

The rest of the paper is organised as follows: Section 2 reviews extant literature. Section 3 describes methodology employed in the study. Section 4 discusses the empirical results. Finally, section 5 concludes the paper.

REVIEW OF LITERATURE AND HYPOTHESIS DEVELOPMENT

Many firms willingly reveal social information to gain legitimacy, hence, this study is located within the legitimacy theory. Textually mediated discourses about voluntary corporate social disclosure (CSD) have a "aura of legitimacy," according to Nue et al (1998). As a result, it might be debated whether voluntary CSR disclosure in annual reports is a execution of accountability or an aspect of legitimate protocols.

Much of the demand for CSD, according to Lindblom (1984), can be attributed to the public's demand for evidence to inform a decision over whether or not an establishment is "suitable" or "right and proper," that is to assess corporate legitimacy. Furthermore, significant volume of the voluntary disclosure on CSR made by businesses can be seen as genuine, i.e., attempts to attain legitimacy. "Legitimacy is a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions," according to Suchman (1995). More so Ramdhony et al., (2005) shares that legitimacy theory implies that CSR disclosures are part of a legitimization process

Mathews (1993) defines legitimacy as "organisations seek to establish congruence between the social values associated with or implied by their activities and norms of acceptable behaviour in the larger social system in which they are part. In so far as these two value systems are congruent, we can speak of organisational legitimacy. When an actual or potential disparity exists between the two value systems, there will exist a threat to organisational legitimacy". According to O'Donovan (2002), the legitimacy theory is based on the premise that for corporations to succeed, they must act within the constraints and standards of what society considers to be socially responsible behavior.

Legitimacy theory has become one of the most cited theories within the social and environmental accounting literature, Tilling (2004). Popa et al. (2013) believe that legitimacy theory is a technique aiding organisations in developing and executing voluntary social and environmental disclosures so as to fulfil their social contract, allowing for the realisation of goals and subsistence in an unpredictable environment.

The organization must demonstrate its legitimacy through legal economic and social acts that do not jeopardize the society in which it operates or the environment. The signal must reach the target audience by reporting on CSR, Ramdhony, et al., (2015).

According to Zimmerman and Zeitz (2002), strategic activities can inure to legitimacy. These behaviors provide additional benefits, allowing for advancement and survival. Furthermore, legitimacy plays a crucial role in garnering support for the corporation’s operations. Regulative, cognitive and normative, legitimacy are defined in the literature. As documented by Aerts and Cormier (2006), legitimacy issues surrounding corporate environmental reporting is often normative legitimacy, which includes strong regulatory components. Formal rules, regulations, and laws serve as key reference points and give objective evaluation criteria. The better a company’s normative legitimacy, the more its behavior corresponds with key norms and values. Legitimacy hypothesis, as prescribed by Deegan and Unerman (2011), is based on the idea of a "social contract" between an organization and society resulting in firms attempting to legitimise their corporate conduct through CSR reporting engagement giving rise to societal support for continual existence.

The impact of IFRS adoption on many areas of financial disclosure has been studied in a large number of empirical research. Other studies have also investigated the impact of IFRS adoption on Corporate Social Responsibility Disclosure (CSRD). Smith et al. (2014), for example, investigates the influence of IFRS implementation on Corporate Social Disclosures in the framework of stakeholder theory. They used a disclosure instrument based on the United Nations Conference on Trade and Development report to assess the extent of CSD in annual reports. They discovered that depending on the institutional setting of the organization, the implementation of IFRS has varied impact on CSD in annual reports. Firms in conventionally shareholder-oriented economy, in particular, reacted to the growing demand in CSD after IFRS implementation than before. Firms based in traditionally stakeholder-oriented countries, on the other hand, seemed to transfer their concentration from CSD and toward stakeholder’s demands, i.e., more financial disclosures, ensuing in no substantial variation in CSD levels following the introduction of IFRS.

It can be argued that the orientation of a firm, in terms of whether it is shareholder-oriented or stakeholder-oriented, would determine the nature of CSR disclose in its annual reports. Despite these findings, it can still be argued that stakeholder-oriented firms would be more interested in going beyond just financial disclosures to disclose more about their CSR activities to legitimize their activities within the communities they operate in. This is because their concern would go beyond just considering the providers of capital (shareholders) to considering the wider range of interest groups they aim to satisfy (stakeholders). Amelio (2016) likewise attempted to show if the values derived from the computation of the metrics in the financial statement, are adequate to analyse the firm’s performance in terms of social responsibility and long-term value. A theoretical and qualitative approach was mostly used to achieve this purpose. According to the conclusions of the study, the IAS/IFRS-social responsibility association is still weak.

In Nigeria, Avwokeni (2016) explored compliance with United Nations’ corporate social disclosure mandate and if International Accounting Standards Board’s voluntary declaration detracts from compliance. The study discovered that during the IFRS regime, social disclosures on job creation and labour practices, welfare, health and safety, and the environment improved, implying that the IASB’s voluntary statement on corporate social disclosure has no effect on compliance. Positive organizational social disclosure is linked to a company’s size, not its audit identification, ownership, or financial structure. These findings back up anecdotal evidence from organizational theory that, in absence of regulations, agents (i.e., managers) would continue to meet the information needs of their principals (i.e., owners and other stakeholders).

More specifically, Nbellah et al. (2016) investigated how the implementation of IFRS has influenced the quality of financial disclosure and tax burden of enterprises in Ghana that use IAS 12 – Deferred Tax as a reference standard. The study examined the financial reports of 22 Ghana Stock Exchange-listed companies using the disclosure index approach in order to determine the disclosure quality levels of their financial reports prior to (2006/2007) and after (2007/2008) the adoption of the IFRS. They determined that, with the implementation of IFRS/IAS, the disclosure quality level of annual reports and accounts of listed companies in Ghana is high and improving, taking into account the reporting criteria of relevance, faithful representation, understand ability and comparability. They also discovered that, the introduction of IFRS with corporate income taxes, there is a positive association between the extent of disclosure quality and the level of disclosure of IAS 12. As a result, they advise listed firms to strive for improved reporting disclosure quality (especially IAS 12 disclosure) in their annual reports and accounts so that the tax authority can evaluate their corporate taxes appropriately and effectively.

It can be stated, based on previous research, that, although the IFRS does not mandate the disclosure of CSR activities of a firm in their annual reports, firms voluntarily report on these activities to legitimize their existence within the communities they operate. Although most firms voluntarily report on their CSR activities, it can be argued that, based on previous literature, the adoption of IFRS is seen to positively impact CSRD. An implication that the level of CSRD increases post-IFRS adoption period as compared to pre-IFRS adoption. Given these, the following hypothesis would be examined:

H1: *The implementation of the IFRS has a positive impact on quantity and quality of CSRD.*

H2: *The quality and quantity of CSRD are positively influenced by the level of DMA*

H3: *The combined influence of IFRS adoption and the DMA engagement on the quality and quantity of CSRD is positive*

COLLECTION OF DATA AND TECHNIQUES TO SAMPLING

Our analysis is based on the use of secondary data. This data is collected through content analyses of the annual reports of the companies listed on the Ghana Stock Exchange. Several theoretical avenues of investigation have benefited from this technique, which has been frequently adopted by scholars in their hunt for valid and accurate information from text. (Guthrie, Petty, Yongvanich, and Ricceri, 2004; Boesso and Kumar, 2007; Joyce, Andrea, and Rasoul, 2014).

This study considers all registered businesses on the Ghana Stock Exchange (GSE) from 2003 to 2006 for pre-IFRS adoption and from 2007 to 2013 for the Post-IFRS adoption. Ghana Stock Exchange publishes annual reports of listed companies which usually contain financial and non-financial data. The annual report is widely regarded as the most important tool for interacting with both financial and non-financial stakeholders (Neu, Warsame and Pedwell, 1998). The number of companies was then reduced to 28 on the Ghana Stock Exchange, all of which had been listed for at least five years prior to the adoption of IFRS in 2007. A company must have annual reports for the years under review, 2003-2013, in order to be included in the sample. This will serve as a benchmark for comparison.

Variable Specification

The quantity of CSRD (number of photos and sentences) and the quality of CSRD (number of phrases/ total score) are the study's dependent variables, whereas the independent factors are Social Responsibility Committee; Board size (i.e., number of directors on the board); Non-executive Directors (Percentage of non-executive directors); Type of activity (industry); Corporate size (i.e., Log of total assets); Foreign ownership and; Profitability (Return on Assets).

This study uses a CSRD index score devised by Hackston and Milne (1996), which has been used in other research (Deegan et al., 2002; Hassan 2014; Coffie et al., 2018). A measurement tool of 8 indicators comprising four core indicators; Degree of multinational activities, social responsibility committee, the board size, non-executive directors, and four control variables; type of industry, corporate size, ownership, profitability, and how these affect the quality and quantity of CSR disclosure is used, which allows for external verification.

TABLE 1
VARIABLE DEFINITION AND MEASUREMENT

	Meaning	Measurement
CSRDQT	CSRD quantity	Number of photographs and sentences
CSRDQ	CSRD quality	Total score/Number of sentences
DMA	Degree of multinational activity	A company's global footprint
SRC	Social Responsibility Committee	Dummy, 1 if the board has a committee, 0 otherwise
BS	Board size	Number of board members
NED	Non-executive Directors	Non-executive directors as a percentage of the board of directors
TA	Type of activity (industry)	Dummy, 1 if the company is in the mining or manufacturing industries, 0 otherwise.
SS	Substantial Shareholders	Shares held by significant shareholders as a percentage of total shares (3 percent or more)
FS	Firm size	Log of total assets
OWN	Foreign ownership	If the company is foreign-owned, set it to 1; otherwise, set it to 0.
PRO	Profitability	Return on Assets
IFRS	International Financial Reporting Standards	If the company uses IFRS, it will be 1; otherwise, it will be 0.

Empirical Estimation Technique

A panel regression model is used to examine the hypothetical claims. The following models are empirically tested using panel regression analysis. To empirically examine the relationship between IFRS adoption, DMA on the quantity of CSRD, we estimate the following model:

$$CSRDQT_{it} = \alpha + \beta_1 IFRS_{it} + \beta_2 DMA_{it} + \beta_3 SRC_{it} + \beta_4 BS_{it} + \beta_5 NED_{it} + \beta_5 TA_{it} + \beta_7 SS_{it} + \beta_8 FS_{it} + \beta_9 OWN_{it} + \beta_{10} PRO_{it} + \mu_{it} \ldots \quad (1)$$

To empirically examine the relationship between IFRS adoption, Degree of multinational activity on quality of corporate social responsibility disclosure, we estimate the following model:

$$CSRDQ_{it} = \alpha + \beta_1 IFRS_{it} + \beta_2 DMA_{it} + \beta_3 SRC_{it} + \beta_4 BS_{it} + \beta_5 NED_{it} + \beta_5 TA_{it} + \beta_7 SS_{it} + \beta_8 FS_{it} + \beta_9 OWN_{it} + \beta_{10} PRO_{it} + \mu_{it} \ldots \quad (2)$$

To empirically examine the joint effect between IFRS adoption and DMA on the quantity of CSRD, we estimate the following model:

$$CSRDQT_{it} = \alpha + \beta_1 IFRS_{it} + \beta_2 DMA_{it} + \beta_3 (DMA_{it} * IFRS_{it}) + \beta_3 SRC_{it} + \beta_4 BS_{it} + \beta_5 NED_{it} + \beta_6 TA_{it} + \beta_7 SS_{it} + \beta_8 FS_{it} + \beta_9 OWN_{it} + \beta_{10} PRO_{it} + \mu_{it} \ldots \quad (3)$$

To empirically examine the joint effect of between IFRS adoption and Degree on multinational activity on quality of corporate social responsibility disclosure, we estimate the following model:

$$CSRDQ_{it} = \alpha + \beta_1 IFRS_{it} + \beta_2 DMA_{it} + \beta_3 (DMA_{it} * IFRS_{it}) + \beta_3 SRC_{it} + \beta_4 BS_{it} + \beta_5 NED_{it} + \beta_6 TA_{it} + \beta_7 SS_{it} + \beta_8 FS_{it} + \beta_9 OWN_{it} + \beta_{10} PRO_{it} + \mu_{it} \ldots \quad (4)$$

The Hausman test provide a p-value above 1%, because the fixed effects model is ineffective, we use a random effect panel regression model to analyse our data.

Summary Statistics and Correlation

TABLE 2
DESCRIPTIVE STATISTICS

Variable	Obs	Mean	Std. Dev.	Min	Max
CSRDQT	308	36.283	58.288	0	406
CSRDQ	308	.608	.255	0	1
IFRS	308	.636	.482	0	1
DMA	307	2.762	5.809	0	39
IFRS*DMA	307	1.827	5.125	0	39
FS	308	7.714	1.193	5.215	10.688
PRO	308	.076	.746	-4.22	10.595
TA	308	.461	.499	0	1
BS	308	8.282	2.408	3	18
NED	308	.81	.606	.25	5
SRC	306	.121	.494	0	7
SS	308	1.883	8.248	.35	60.29
OWN	308	.422	.495	0	1

Table 2 shows CSRD descriptive statistics for the time period under consideration. The amount of CSRD disclosed in annual reports (CSRDQT) indicates a minimum of 0. During the study period, it's probable that some companies didn't include any social data in company's annual reports. Despite the fact that 91 percent of the companies evaluated included some sort of CSRD, 9 percent did not include any social information in its annual report. When earlier study claims that few firms support CSRD, this number is quite high, especially in emerging economies (KPMG, 2008; Fifka, 2013).

The annual report contained between 0 and 406 phrases and images of CSRD disclosure, with a mean of 36.283. Hackston and Milne's (1996) recorded an average 23.4 in New Zealand. A survey in UK enterprises by Hassan (2014), on the other hand, found an average of 102 and a high of 691. The findings confirm that CSRD in emerging economies, notably in Africa, is low when compared to rich economies. It also emphasizes the notion that, in terms of CSRD, context is still important.

In terms of the quality of CSR disclosures incorporated in firm's reports the average disclosure quality score (on a scale of 0 to 1) is 0.608. This means that a large amount of social disclosures in Ghanaian annual reports cover explicit actions rather than a broad range of activities. The optimum score of 1 is the same as that of UK enterprises, however Ghana's average score of 0.43 is higher than that of UK firms (Hassn, 2014). On average, close to 63.6% of the firms have adopted IFRS; this shows that more than 50% of the firms conform to regulatory reporting.

TABLE 3
PAIRWISE CORRELATION

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(1) CSRDQT	1.000											
(2) CSRDQ	0.062	1.000										
(3) IFRS	0.094	0.089	1.000									
(4) DMA	0.704*	-0.034	0.026	1.000								
(5) FS	0.549*	0.386*	0.200*	0.296*	1.000							
(6) PRO	-0.023	-0.028	-0.003	-0.018	0.032	1.000						
(7) TA	0.074	0.076	-0.005	-0.122*	-0.135*	-0.057	1.000					
(8) BS	0.400*	0.225*	-0.052	0.462*	0.509*	0.021	-0.147*	1.000				
(9) NED	0.009	0.055	0.083	-0.022	0.036	0.000	-0.112*	-0.042	1.000			
(10) SS	-0.095*	-0.336*	0.111*	-0.045	-0.194*	-0.270*	-0.129*	-0.197*	-0.048	1.000		
(11) SRC	0.181*	0.062	0.076	0.026	0.157*	-0.026	0.238*	-0.083	-0.002	-0.035	1.000	
(12) OWN	0.493*	0.207*	-0.010	0.277*	0.455*	0.052	0.212*	0.271*	-0.123*	-0.123*	0.086	1.000

*** $p<0.01$, ** $p<0.05$, * $p<0.1$

The results in Table 3 display the correlation between the estimation variables. The pairwise correlation results show low values, below 0.8. Except for profit and significant shareholders, the quantity of disclosure is often positively connected to the predictor variables. The quantity of disclosure, as expected, has a strong positive link with DMA, FS, BS, and OWN. This means that a higher level of transnational activity may be possible, resulting in a higher level of disclosure quantity. The larger the company, the more information it must reveal about its social responsibility efforts in response to stakeholder requests. Additionally, the larger the board size, the higher the quantity of CSRD and firms owned by foreigners are more likely to provide a high quantity of CSR disclosure. In addition, the correlation between the disclosure quality and explanatory variables is generally positive for all the variables except for DMA, PRO, and SS. Higher levels of correlation exist between disclosure quality and FS. Thus, the larger the firm size, the higher the quality of CSR disclosure.

Tables 4 presents results on the relationship that exists between IFRS and CSRD. The relationship between the degree of multinational activity and CSRD is also presented in the table.

TABLE 4
QUANTITY/QUALITY REGRESSION – IFRS CSRD AND DMA

	CSRDQT	CSRDQ
IFRS	6.0973***	0.1554**
	(1.9925)	(0.0637)
DMA	13.0303***	-0.0383***
	(0.8791)	(0.0065)
FS	3.8551**	0.0065
	(1.8729)	(0.0173)
PRO	-0.9890	-0.0323
	(1.1992)	(0.0382)
TA	-14.3568*	0.0170
	(7.3783)	(0.0319)
BS	2.0444**	0.0136*
	(0.9641)	(0.0075)
NED	0.2986	-0.0089
	(1.7741)	(0.0216)
SS	-0.0397	0.0207
	(0.1664)	(0.0904)
SRC	-0.8191	0.0080
	(2.0725)	(0.0282)
OWN	3.3994	-0.0083
	(15.1349)	(0.0324)
Constant	-35.2035***	-0.6123***
	(15.6491)	(0.1368)
N	305.0000	272.0000
R^2	0.947	0.2100
F test		
Wald Chi-Square (Prob>chi2)	4747.487***	66.57***

**** p<.01, ** p<.05, * p<.1*

The IFRS has a significant relation with both the number and quality of CSRD, as seen in Tables 4 and 5. This means multinational corporations are under pressure to reveal more information in order to comply with legal regulations and society's expectations regarding their corporate social responsibility. The findings support our first hypothesis, which proposes a quantitative and qualitative association between IFRS adoption and CSRD.

Another interesting result is the positive and significant relationship between CSRD and board size indicating that the size of the board influences the disclosure policy of the firm. This shows that a range of stakeholders making up larger board size will demand higher levels of both quality and quantity of CSRD by influencing the social and environmental affairs of the firm (Coffie et al., 2018; Halme and Huse, 1997). The positive relationship between board size and CSRD is also consistent with the legitimacy theory, which suggests that as the number of director's increases, there is a higher demand on the firm to comply with the pressures of society on environmental issues and disclose their corporate social responsibility activities to legitimize their existence (Coffie et al. 2018).

A significant relationship exists between CSRD and the DMA. However, this relationship is positive with regards to disclosure quantity (Coffie et al., 2018) and negative for the quality of disclosure. The significant positive relationship between DMA and quantity of CSRD supports our second hypothesis. The result suggests that multinationals in developing economy such as Ghana are under pressure to provide more information on the nature of their CSR obligation to society and compliance to regulatory measures but do not give cognizance to the quality of information delivery as discovered in similar studies in developing economies. The result is supported by Coffie et al. (2008), Stanny and Ely (2008), and Webb et al. (2008) who found similar relationship.

To the control variables, a significant negative relationship exists between TA and quantity of CSR disclosure. Manufacturing and mining businesses in Ghana are much less likely than other companies to share additional information about their CSR policies. Thus, we can argue that there is less pressure on manufacturing and mining groups in Ghana to disclose their CSR activities than their counterparts in developed countries. Our results are inconsistent with that of Coffie et al. (2018) who found positive but weak relationship.

Table 5 present the relationship between IFRS adoption and CSRD through the moderating role of multinational activities of firms. Table 5 shows this relationship with respect to the quantity and quality of disclosure.

TABLE 5
MODERATING ROLE OF DMA

	CSRDQT	CSRDQ
IFRS	2.7151	0.1197*
	(2.0803)	(0.0645)
DMA	9.6474***	-0.0508***
	(1.1536)	(0.0080)
IFRS*DMA	1.5941***	0.0127**
	(0.3669)	(0.0050)
FS	3.3121*	0.0044
	(1.8177)	(0.0171)
PRO	-0.9140	-0.0328
	(1.1612)	(0.0378)
TA	-14.2890**	0.0162
	(7.1439)	(0.0316)
BS	2.3685**	0.0133*
	(0.9365)	(0.0075)
NED	0.9587	-0.0064
	(1.7244)	(0.0214)
SS	0.0120	0.0211
	(0.1616)	(0.0894)

SRC	-0.6034	0.0124
	(2.0073)	(0.0280)
OWN	2.5974	-0.0036
	(14.6553)	(0.0320)
Constant	-30.6574*	-0.5667***
	(15.1881)	(0.1363)
N	305.0000	272.0000
R^2	0.950	0.230
F test	5082.962***	74.750***
Wald Chi-Square		
(Prob>chi2)		

**** p<.01, ** p<.05, * p<.1*

The results show a positive relationship exists between the interactive variable and CSRD. This positive relationship is statistically significant and in conformity to our third hypotheses. The positive relation implies that the adoption of IFRS by multinational companies compels companies to publish more CSR information, considering both the quantity and quality of information. Therefore, we argue that multinational firms are aware that they can only operate beyond local boundaries if they conform to regulatory requirements on CSR disclosures and furnish stakeholders with relevant and reliable information on their social responsibility disclosures.

In conformity to previous results obtained in this study (table 4) and literature, the size of the board has a significant positive relationship with both the quantity and quality of CSR information disclosure. Thus, large board size influences the quality and quantity of CSR disclosure as the stakeholders on the board will pressure the firms to perform and disclose information on CSR activities (Coffie et al., 2018; Hulme and Huse, 2018).The quality of CSR disclosure is positively related with the adoption of IFRS.. This relationship is significant at the standard level and consistent with our first hypothesis. Therefore, we argue that the disclosure requirements and framework of IFRS influence the nature of CSR disclosures made by listed firms in developing economies.

More so, DMA has a significant negative impact on quality of CSR disclosure. Implying there is less pressure on multinational companies to disclose quality CSR information to users in developing economies. This outcome is inconsistent with the outcomes in other studies (Coffie et al., 2018; Stanny & Ely, 2008; Webb et al., 2008).

For the control variables, FS has a significant positive relationship with the quantity of CSR disclosure. The significant relationship is affirming the outcome of previous research (i.e., Coffie et al., 2018; Patten, 2002). The political and regulatory pressure from external interest groups drives large firms to disclose more information on CSR activities to legitimise their corporate image in the eye of society. TA has a significant negative relationship with the quality of CSR disclosure. This implies that manufacturing and mining firms give less focus to the quality of CSR disclosure. Thus, there is less pressure on manufacturing or mining firms to provide quality CSR information.

CONCLUSION

This study seeks to examine the effects of IFRS adoption on CSRD in Ghana. Much emphasis is laid on the quality and the quantity of CSRD in annual reports published by twenty eight companies listed on the Ghana Stock Exchange (GSE).

The key findings of this study reveal that a positive relationship exists between the effect of DMA and IFRS adoption on quality and quantity of CSRD. Thus, as degree of multinational activity increases, the effect of IFRS adoption on CSRD also increases. This confirms our third hypothesis. Additionally, the adoption of IFRS has a positive effect on corporate social responsibility disclosure quality and quantity. This suggests that the adoption of IFRS in Ghana has influenced the quality and quantity of disclosure on corporate social responsibility, as shown in previous studies. In addition, the DMA points to the fact that the more a firm operates in multiple countries, the higher the likelihood of the quantity of disclosure even though the relationship with the quality of disclosure is not necessarily positive.

Also, board size (BS) shows positive associations with the quality and quantity of disclosure, implying large board size tends to influence firms' level and quality of disclosure.

Furthermore, evidence suggests that larger boards with a broader spectrum of stakeholders have a greater impact on environmental and social issues, putting a greater demand for CSRD. These organizations not only share a lot of CSR data, but they also paid emphasis on the quality of it. Finally, our findings suggest that the nature of an organization has an impact on how corporate social responsibility issues are disclosed.

Future research can focus on the effect of corporate governance on corporate social responsibility disclosure (CSRD) from the above findings. This could be conducted by considering multiple countries since corporate governance practices vary from country to country. More so, further studies should consider the relationship between profitability and disclosure to justify the negative relationship or otherwise. This could be done by dividing the data into profitable firms and non-profitable firms.

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