Corporate Social Responsibility and Financial Performance of Listed Fast Moving Consumer Goods Firms in Nigeria

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Certification

This is to certify that Oluwatoyin Julianah Ayeni with matriculation number LCU/PG/001501 carried out this research work titled "Corporate Social Responsibility and Financial Performance of Listed Fast Moving Consumer Goods Firms in Nigeria" in the Department of Management & Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo state, Nigeria for the award of Master of Science Degree (M.Sc.) in Finance and that this work has not been previously submitted.

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Dedication

This thesis is dedicated to God Almighty without whom I could not have achieved this milestone. I give all glory to Him for the great and marvelous things He has done (and still doing) in my life and to my darling husband; Mr Kayode Ayeni and the kids.

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Abstract

Corporate Social Responsibility has greatly contributed to the success of various corporate institutions in the western world while the concept is widely recognized as being of significant strategic value to organizations. This study therefore seeks to address the corporate social responsibility and financial performance of listed fast moving consumer goods firms in Nigeria. The research adopted the ex-post facto research design. Secondary data were captured through the use of financial statement of listed fast moving consumer goods firms in Nigeria. Target population of the study was made up of listed fast moving consumer goods firms in Nigeria. A total of nine companies were randomly selected through purposive sampling technique and ten years financial of their financial statement were put under observation. The study revealed that the summary statistics of all the variables under study were described. Specifically, the mean values of the CEE, SEE, HSE and the ESE stood at ₦19, 450, 000, ₦751,000,000, ₦83,720,000 and ₦9,720,000 respectively, also that the company engages in CSR programmes because it wants to create an image of a good corporate citizen. The study concludes that CSR has a substantial and positive impact on all performance indicators used in the literature review which are: finance, organizational performance overtime, reputation, employee commitment and brand differentiation. It was therefore recommended that companies should identify their stakeholders' needs before taking CSR initiatives; also top management must understand the strategic financial benefits of CSR activities and include CSR initiates in their strategic plans.

Keywords: Corporate Social Responsibility, Financial Performance, Nigerian Listed Firms, Community Empowerment, Environmental Management

Word Count: 242

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List of Acronyms

Abbreviation	Meaning
ASEAN	Association Southeast Asian Nations
CBN	Central Bank of Nigeria
CDC	Community Development Cost
CEE	Community Empowerment Expenditure
CEO	Chief Executive Officer
CFP	Corporate Financial Performance
CFP	Corporate Financial Performance
CP	Community Performance
CSR	Corporate Social Responsibility
CSRD	Corporate Social Responsibility Disclosure
DSE	Dhaka Stock Exchange
ECMA	Environmental Cost Management Accounting
ECN	Economic Performance disclosure
EHSC	Employee Health and Safety Cost
EME	Environment Management System
ENV	Environmental Performance disclosure
EPS	Earnings Per Share
ER	Employee Relation
ESE	Education Support Expenditure
FAO	Food and Agriculture Organisation
FBN	First Bank of Nigeria
FMCG	Fast Moving Consumer Good
FRCN	Financial Reporting Council of Nigeria

GDP	Gross Domestic Product
HSE	Health and Safety Expenditure
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
LSE	London Stock Exchange
MRAT	Multiple Regression Analytical Technique
MS	Market Success
NAA	National Association of Accountant
NGO	Non-Government Organisation
OECD	Oganisation for Economic Co-operation and Development
OHSMS	Occupational Health and Safety Management
OLS	Ordinary Least Square
PAT	Profit after Tax
PF	Profitability Firm
ROA	Return on Asset
ROE	Return on Equity
ROI	Return on Investment
SEE	Societal and Environmental Expenditure
SOC	Social Performance disclosure
SRB	Social Responsible Behaviour
TBL	Triple Bottom Line
UBA	United Bank for Africa
UK	United Kingdom
UN	United Nations
USA	United State of America
WMC	Waste Management Cost

Chapter One

Introduction

1.1 Background to the Study

The survival of every business operation depends on the accomplishment of its goals and objectives. The two broad categories of business objectives expected to be accomplished include economic objectives and social objectives. While economic objectives are the targets to be accomplished in the marketing efforts of a business organization, social objectives are associated with the aims of the business organization towards satisfying the interest of its shareholders, employees, and the members of the public[1]. This study focused on the social objectives otherwise known as social responsibilities of business organization. Corporate social responsibility is defined as the obligation which a company has to satisfy the financial interest of its stockholders as well as to meet the needs of it host community society[2].

Business is essential for the development and well-being of every society. However, business enterprise does not just exist; it largely depends on a number of stakeholders, which include investors, employees, customers, interest groups and community at large. An extensive and critical debate about the responsibility, role and conduct of business, and their associated corporate social responsibilities in the community, is taking place among the academics and the practitioners' alike[3].

Today, the level of demand of business roles in the society goes beyond the direct impact on the business organizations however, corporations must contribute immensely to human, society and environment growth and development. For organizations, these activities are manifested through the concept of Corporate Social Responsibility (CSR) in an organization[4]. The European Commission defined corporate social responsibility in 2011 as "A concept whereby corporations integrate both social and environmental concerns and activities in their business operations and in their interaction with their stakeholders on a voluntary basis. However, from a corporate view, it is difficult to measure if these changes can have a positive impact on host community. Instead, these contributory practices are mainly measurable from a philanthropic view. Business organizations are not divorced from the rest of the society where they exist.

The practice of corporate social responsibility got quick evolution in 1979 but it appears longer before then. Prior before the advent of CSR, what we use to know is philanthropy. Therefore, concept of corporate social responsibility is a direct involvement in the affairs of the community. The continued acceptance of a company and its going concern depends to a large extent on its demonstration on awareness of the basic problems of the society and willingness as well as its capacity to contribute to these problems. A business organization should be a responsible and valuable member of the society in which it operates.

Corporate Social Responsibility (CSR) is a form of internal monitoring, control, management and external communication, which allows organizations of all sizes to meet the growing information needs of both internal and external stakeholders. In essence, it conveys information about an organization's economic, social, and environmental operations, the related impacts it has through its everyday operations; and the consequences of those impacts for the company and others. Stakeholders (investors, customers, suppliers, government, employees, trade associations and environmental groups) are expecting companies to produce reports that will demonstrate and present the true and fair financial value, drive innovation and promote learning. Long term business success depends not only on a healthy financial position and profitability, but also on vibrant social and environmental performance. CSR is a crucial step towards achieving a sustainable global economy and development[5]. It enhances corporate accountability, drives greater innovation, improves internal management, builds trust, creates transparency and decision-making processes, reduces compliance costs and gives competitive advantage.

Business is one the major components of the society, as such, it must subject itself to the fair requirements of the society, for, their relative interaction is vital and reciprocal (the business needs the society just as the society also needs the business)[6]. The focus of this research will therefore, be to Effect of Corporate Social Responsibility; a comparative analysis on financial and non- financial firms on the stock exchange.

1.2 Statement of the Problem

Evidence from a variety of empirical studies has shown that developed and developing economies demonstrate mixed results on the relationship between corporate social responsibility and performance. However, different organizations in an attempt to improve their financial performance engage in different CSR activities. Fast moving consumer goods companies have engaged in CSR activities in order to improve the livelihoods of the people within the areas in which they operate[4]. It is not clear however which form of CSR activities have the greatest impact on performance.

With the new competent and competitive players, the Nigerian Organization system is now driven by advanced competition brought about by globalization, deregulation of financial services, and recent multitude of Multinational Company, Chief Executives, board of directors, and astronomical development in Information and Communication Technology (ICT), among others, to render services according to cost-benefit criteria and analysis. This has affected the customers' habits of the organization as well, while the increasing demands for clear and hard proves about the social and environmental performance of corporations in Nigeria by an increasingly well-informed numbers of stakeholders have made corporate social responsibility (CSR)[7].

Promoters of CSR have argued that corporations should integrate economic, social and environmental issues into their business strategies, their management functions and their activities, going beyond compliance and investing more on human, social and environmental capital in the society[8]. With regard to Nigeria, studies on CSR are relatively few, but it seems like most of these studies have focused mainly on multinational corporations and less neither on indigenous companies on the Nigeria Stock Exchange nor on the regional contexts in which the companies operate[9]. Moreover, the concept of CSR has been identified as an important ingredient for business success[10]. Since investment in CSR in terms of community empowerment expenditure, societal and environmental expenditure, societal and environmental expenditure, and education support expenditure can be correlated with a firm's survival, economic well-being, competitive advantage and customer loyalty there is need for the financial and non-financial firms to incorporate CSR into their core business strategy[11]. Thus, the question as to the current state of CSR practices in the Nigeria non-financial sector remains a major problem as individuals see it as a means through which companies enlarge their 'pocket' and not a medium of giving back to the society. Therefore, this study attempt to evaluate the effect of community empowerment expenditure, societal and environmental expenditure, societal and environmental expenditure, education support expenditureand return of assets of listed fast-moving consumer goods firms in Nigeria.

1.3 Objectives of the Study

The aim of this study is to evaluate the effect of corporate social responsibility on financial performance of listed fast-moving consumer goods firms in Nigeria. In order to achieve this aim, the following specific objectives are set to:

i. examine the effect of community empowerment expenditure on the return on assets of listed fast-moving consumer goods firms in Nigeria;
ii. ascertain the effect of societal and environmental expenditure on the return on assets of listed fast-moving consumer goods firms in Nigeria;
iii. determine the effect of health and safety expenditure on return on assets of listed fast-moving consumer goods firms in Nigeria; and
iv. evaluate the effect of education support expenditure on the return on assets of listed fast-moving consumer goods firms in Nigeria.

1.4 Research Questions

These research questions will serve as a guide to the researcher in the course of this study.

i. In what way does community empowerment expenditure have any effect on the return on assets of listed fast-moving consumer goods firms in Nigeria?
ii. How can societal and environmental expenditure have any significant effect on the return on assets of listed fast-moving consumer goods firms in Nigeria?
iii. In what way do health and safety expenditure have any effect on return on assets of listed fast-moving consumer goods firms in Nigeria?
iv. How does education support expenditure have any significant effect on the return on assets of listed fast-moving consumer goods firms in Nigeria?

1.5 Hypotheses

The following hypotheses are stated for test in line with the research questions:

H_{O1}: Community Empowerment Expenditure has no effect on return on assets of listed fast-moving consumer goods firms in Nigeria.

H_{O2}: Societal and Environmental Expenditure has no effect on the return on assets of listed fast-moving consumer goods firms in Nigeria.

H_{O3}: Health and Safety Expenditure has no effect on return on assets of listed fast-moving consumer goods firms in Nigeria.

H_{O4}: Education Support Expenditure has no effect on the return on assets of listed fast-moving consumer goods firms in Nigeria.

1.6 Significance of the Study

The study of social responsibility of a business organization is hoped to be of benefits not only to student's businessmen, government, customers, community, stockholders, academics, but the whole society. The study also hopes to highlight the problem associated with social responsibility and to make use of the analysis to improve the working situations thereby minimizing the problems social responsibility conflict in the organization and its environment as well.

The study will help the government and its agencies in identifying socially responsible organizations, which are contributing positively to the political and economic potential of the country. For instance, it can be useful for the imposition of fines and other punishments for socially negligent organizations. The study also adds to the existing body of literature by providing evidence to the variables identified earlier as it relates to a developing country like Nigeria, which will be of benefit to students of higher institutions who are in Nigeria and elsewhere and as well as researchers for further development and improvement on the subject matter. Finally, the study will inform all at large, the need for effective corporate social responsibility not only to the firm, but to the society at large.

1.7 Scope of the Study

This study is limited in scope to the listed fast-moving consumer goods firms in Nigeria and it encompasses the practice of corporate social responsibility and financial performance. However, the research will also be limited to the performance as a dependent construct with return on assets and financial performance as the dependent variable while corporate social responsibility as an independent construct with Community Empowerment Expenditure, Societal and Environmental Expenditure, Health and Safety Expenditure and Education Support Expenditure as the independent variable.

The researcher will consider strategies used towards corporate social responsibility and the way they are operated to influence the performance of the organization. The study will be carried out in Oyo state, Ibadan to be precise as nine listed manufacturing companies in fast moving consumer goods industry will be selected where information will be gathered for the purpose of the study from 2011 to 2021 financial year.

1.8 Limitation of the Study

The major limitation of the study is the lack of access to, adequate and sufficient data from annual reports of consumer goods firms. However, available data obtained from the selected firms' annual reports for period (2011 – 2020) were used to analyze the relationship between the dependent and the independent variables. The results were adjudged good enough to give a reasonable insight on the effect of CSR on financial performance of listed fast-moving consumer goods firms in Nigeria.

1.9 Operational Definition of Terms

Community: a geographical location in which an organization carry out its business activities or operations.

Community Development: is a process that increases choices. It creates an environment where people can exercise their full potential to lead productive, creative lives.

Community Empowerment Expenditure (CEE): This is the application of "community structures" to handle a society's challenges and empower its inhabitants. The main purpose of community empowerment is to improve the living conditions of individuals economically.

Corporate Social Responsibility: is as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

Corporate Social Responsibility (CSR): Corporate social responsibility is definedas the ability of a company to be socially responsible to the growth and development of the environment in which it operates.

Corporate Social Responsibility Reporting: This can be defined as the integration of reporting and accounting for social, environmental and economic issues caused by companies' everyday activities.

Development: Development is a process that increases choices. It means new options, diversification, thinking about apparent issues differently and anticipating change.

Education Support Expenditure (ESE): These are cost geared towards the improvement of educational standards in the society. Companies are increasingly recognizing the need to support the educational set-up prevalent in their society, to produce qualified and employable graduates and potential employees.

Financial performance: This is a general measure of a firm's overall financial health over a given period. For the purpose of this study, the financial measure used is Return on Asset (ROA).

Health and Safety Expenditure (HSE): This deals with all aspect of health and safety expenditures in workplace and the society, which focuses strongly on primary prevention of hazards.

Organization: a group of people gathered together in pursue of a specific goal through pools of resources so as to achieve a define goal.

Return on Assets: This measures the efficiency at which a company can utilize its owned assets to generate profits.

Societal and Environmental Expenditure (SEE): This is a shared care arrangement designed to meet contingencies and other conditions of insecurity due to either deprivations or contingencies.

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Chapter Two

Literature Review

This chapter is for the review of relevant literature and opinion of different author that have written to the concept of Corporate Social Responsibility in order to ascertain their various views about the philosophy of Corporate Social Responsibility and how this philosophy contribute to the performance of manufacturing industry. The review comprises of conceptual framework, theoretical framework and empirical framework. The conceptual framework looked at different concept of Corporate Social Responsibility and its variables such as business ethics and competitive strategy, while the concept of manufacturing performance shall comprise profitability and other financial performance metrics.

2.1 Conceptual Review

2.1.1 Financial Performance

Financial Performance is a measure of how well a business organization is performing which can also serve as an indicator of the effectiveness, efficiency and competitiveness of a firm in the production process and marketing of goods and services. Organizational performance is a complete comparison of the actual results of an organization activities and operation with its intended results[1]. Organizational performance describes the extent to which a business organization is able to accomplish its stated goals and objectives which can be in the area of market share, profitability, customers' satisfaction, turnover, innovation, productivity etc. Market share refers the total percentage of the total business transaction of a particular industry which a company has. Turnover is the total actual sales value of a business venture. Innovation is the modification of a firm's existing product into a brand-new product.

Profitability refers to the ability and capacity of business organization to generate profit. Profitability which is one of the indicators of organizational performance has two types of ratios namely return on sales, and return on investments[2]. Return on sales refers to a firm's ability to convert sales into profits. While return on investments measures the overall ability of a business organization to generate wealth for the shareholders.

The two forms of potential financial return for the firms deriving from CSR: a positive incremental gain as a reward for positive behavior, that they call "opportunities" and a mitigation of consequences from negative behaviors of the firms or its "safety nets"[3]. Previous studies used two methods for establishing the CSR and corporate financial performance (CFP) relationship: The correlation between the level of investment in CSR and some measures of CFP; and The examination of some financial index of performance, such as stock price.

The first method of establishment doesn't appear applicable to our case, due to the fact that investments data about social responsibility are not easily available for Italian listed companies. For this reason, we decided to test the relationship between CSR and firm performance using stock prices. Generally, in order to measure firm's performance, the traditional focus of analysts is on the concepts of: Profitability; Liquidity; Solvency; Financial efficiency and Repayment capacity.

Firm's current profitability, their risk, growth (which is a proxy of the potential future earning streams), solvency, liquidity and financial ratios are the major factors that impinge upon the market valuation of a firm.

Profitability is the ability to create an excess of revenue over expenses in order to attract and hold investment capital[4]. Four useful measures of firm's profitability are: the rate of return on firm's assets (ROA), the rate of return on firm's equity (ROE), operating profit margin and net firm income. The ROA measures the return to all firm's assets and is often used as an overall index of profitability, and the higher the value, the more profitable the firm. ROA is therefore an indicator of managerial efficiency as it shows how the firm's management converted the institution's assets under its control into earnings[5].

The ROE measures the rate of return on the owners' equity employed in the firm ROE indicates how well the firm has used the resources of owners[6]. The operating profit margin measures the returns to capital per naira of gross firm revenue. It focuses on the per unit produced component of earned profit and the asset turnover ratio. The net income comes directly on the income statement and it is calculated by matching firm revenue with expenses incurred to create revenue, plus the gain or loss on the sale of firm capital assets[7].

Company earns profit to survive and grow over a long period of time[33]. Profits are essential, but all management decision should not be profit centered at the expense of the concerns for customers, employees, suppliers or social consequences. Profit is the difference between revenues and expenses over a period of time (usually one year). Profit is the ultimate 'output' of a company, and it will have no future if it fails to make sufficient profits. The profitability ratios are calculated to measure the operating efficiency of the company. Some the profitability ratios include the following:

A performance measure used to evaluate the efficiency of an investment or to compare efficiency of a number of different investments. Investment refers to pool of funds supplied by shareholders and lenders, to calculate ROI the benefit (return) of an investment is divided by the cost of the investment and the result is expressed as a percentage or as a ratio. The amount of net income returned as a percentage of shareholder equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. The ROI is net profit after taxes divided by shareholders' equity which is given by net worth.

2.1.1.1 Return on Assets

Return on Assets expresses the net income earned by a company as a percentage of the total assets available for use by that company. ROA suggests that companies with higher amounts of assets should be able to earn higher levels of income. ROA measures management's ability to earn a return on the firm's resources (assets). The income amount used in this computation is income before the deduction of interest expense, since interest is the return to creditors for the resources that they provide to the firm. The resulting adjusted income amount is thereby the income before any distribution to those who provided funds to the company. ROA is computed by dividing net income plus interest expense by the company's average investment in asset during the year.

2.1.2 Financial Performance of Fast-Moving Consumer Goods

Globally, improving Organizational profitability is considered an essential requirement for corporate strategic marketing, and consequently, organization tends to invest most of their efforts to improve their performance in terms of profitability. The greatness, speed and direction of environmental change in business is increasing at an unprecedented rate and for firms to survive, strategies have to be applied so as to answer to the forces that threaten to halt survival. Such variations are being brought about by globalization.

Fast moving consumer goods (FMCG) companies in most developed countries are the largest industry in the manufacturing sector but their performance has been unacceptable with records of sluggish drop in the profitability and market share (Food and Agriculture Organization of United Nations (FAO)[8]. These trends of sluggish performance stem from challenges of flawed competitive strategies and inappropriate implementation of market orientation. Subsequently, food and beverage multinational firms in the US have recorded slow performance resulting from open market to stiff competition and relaxed pace of customer and market orientation[9].

In Europe, companies in the fast-moving consumer goods sector employ almost 14 million people and the manufacturing firms in the United Kingdom (UK) have a well-earned global reputation for provenance, quality and innovation. Despite this positive record, the manufacturing firms in the UK still experienced unparalleled challenges of uncertain market environment and weak strategic orientation practice which has resulted in daunted performance among fast moving consumer goods firms[10]. In Australia, organizations constantly seek strategies to enhance their performance and appear profitable to investors, though some of them have failed to record an improved performance due to issues of poor conceptualization of business processes, poor strategy formulation and improper implementation of selected strategies[11].

In South Africa, fast moving consumer goods sector serves as one of the key economic industries generating substantial revenue for the country and providing employment opportunities to many people[12]. In spite of its economic significant contributions, South Africa's manufacturing companies face diverse problems relating to poor performance of these fast-moving consumer goods companies in South Africa which thus is attributed to poor adoption of strategic orientation strategies[13]. In Kenya, it is relatively strong when compared to countries that are in a similar phase of economic development. The country is one of the top exporters of manufactured goods in the Sub-Saharan Africa region[14]. This is as a result of the ambitious development targets set up by the Kenyan government so as to enhance economic growth in the fast-moving consumer goods sector. Despite the efforts of the Kenyan government to set up policies that seek to improve the consumer goods firms in the manufacturing sector, the sector which is the backbone of vision 2030 has stagnated. Further, the sector's contribution to GDP declined from 9.6 percent in 2011 to 9.2 per-cent in 2012, while the growth rate deteriorated from 3.4 per-cents in 2011 to 3.1 percent in 2012[15].

In Nigeria, fast moving consumer goods sector is a growing and dynamic subsector of the Nigerian manufacturing sector that is experiencing stiff and fierce competition. As emphasized that there has been a high rate of collapsed of manufacturing industry especially in FMCGs in Nigeria and continuous decline in profitability which are partially caused by poor implementation of market orientation, poor power and infrastructural facilities, inappropriate employment of strategic alignment, organization rigidity, poor business innovation and mismatch of organization environmental planning and forces with organization's information[16]. In an increasingly competitive landscape, fast moving consumer goods firms engage in strategic orientation are facing more and more challenges both in the global market and on the African continent.

Due to increased globalization and rapid changes in business environments, organization's way of transacting business is increasingly becoming turbulent. Under such an environment, business units struggle to align their internal resources with their strategic focus so as to remain competitive and also to achieve a superior organizational performance[17]. This thus creates an avenue for the adoption of strategic orientation in charting the course of action for organizations. By continuously seeking out new opportunities and ensuring strategic alignment, a firm's strategic orientation posture should take into account its market, competitor strategies, networking and entrepreneurial capacity[18].

Nigeria's Fast-Moving Consumer Goods sector has faced a lot of challenges in the last four years. The decline in consumers' purchasing power due to the inaccessibility of the dollar in the economy and delayed policy response resulted in weak macroeconomic conditions, which led to weak labor market dynamics (high unemployment and underemployment), reduced disposable income and poor corporate performance according to National Bureau of Statistics report 2017[19].

2.1.3 Corporate Social Responsibility

The concept of Corporate Social Responsibility has been an object of controversy for decades. Friedman, states that the only social responsibility of a business is to properly utilize it resources, maximize the wealth of the shareholders, engage in the free-market system and operate in a legal manner.

CSR is defined as an emerging social action beyond company's interests. CSR was a company's strategy and actions with cost consequences[20]. Corporate Social Responsibility is also defined as the continuing commitment by business to contribute to economic development and behave ethically while improving the quality of life of the workforce and their families as well as of the community and society at large. Different definitions have been assigned to corporate giving[21].

Corporate giving is described as non-monetary as well as monetary[22]. Employee safety in the workplace is meant to provide employees with work conditions that reduce or eliminate work-related diseases and occupational injuries to enable a physical and psychological well-being. Employee safety is critical in achieving economic, environmental and social objectives. Corporate Social Responsibility has to do with an organization going out of his way to initiate actions that will impact positively on its host community, its environment and the people generally. It can be seen as a way of acknowledging the fact that some business fallouts have adverse effects on the citizens and society and making efforts to ensure that such negative impacts are corrected.

CSR implies the treatment of the stakeholders of a firm ethically or in a socially responsible manner; since stakeholders exist both within a firm and outside a firm, hence, behaving in a socially and responsible manner will increase the human development of stakeholders both within and outside the corporation. Corporate social responsibility is based on the idea that corporations are much more than just profit-seeking entities and that they must be responsible and accountable to the society and the environment in which they operate. Corporate Social Responsibility may be defined as the utmost care which corporation exhibits not only with respect to their primary business operations such as profits, but also with respect to social, environmental, health, education and other consequences.

This implies that the concept of Corporate Social Responsibility can simply be viewed as a comprehensive set of policies, practices and programmes that are integrated into business operations to address the legal, ethical, commercial and other expectations that society has on businesses as well as making decisions that fairly balance that claim of all key stakeholders. The various issue of corporate social responsibility (CSR) has been debated and examined since past decade. The definition of CSR has been changing in meaning and practice[22]. The classical view of CSR was narrowly limited to philanthropy and then shifted to the emphasis on business environment relations particularly referring to the contribution that a company or firm provided for solving social problems. In the early 20th century, social and environmental performance was tied up with market performance.

The pioneer of this view, however, encouraged management to take the initiative in raising both ethical standards and justice in society through the ethic of economizing, i.e., economize the use of limited resources under the name of efficient resource allocation and usage[23]. However, business creates wealth in society and improves standards of living. The present-day CSR (also called corporate responsibility, responsible business, corporate citizenship and corporate social opportunity) is a concept whereby business organizations consider the interest and need of society by taking responsibility for the impact of their activities on shareholders, customers, suppliers, employees, communities and other stakeholders as well as their environment in which they operate.

The concept of corporate social responsibility is a situation where by, companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis, following increasingly aware that responsible behavior leads to maintaining and sustaining business success[20]. Managing changes at company level in a socially responsible way which can be viewed in two distinct dimensions[21]viz:

Internal – socially responsible practices that mainly deal with companies' staffs and related to issues such as health and safety, investing in human capital and management changes, while environmentally responsible practices related mainly to how natural resources can be managed and its usage in the production process.

External – CSR goes beyond the company into the local community services but involves a wide range of stakeholders such as business partners, public authorities, suppliers, customers and NGOs that representing local communities which they operate as well as environment. A company should focus on areas such as economic, environmental and social when developing sustainability strategy.

In the business organization, CSR is concerned with employment, consultation, lifelong learning and participation of workers, equal opportunities and integration of people towards restructuring and industrial change in the society. Basically, the formation of strategic policies is influenced by the authority employment strategies, the initiatives to promote quality, the initiative on socially responsible restructuring and diversity of employees in the workplace and health and safety strategy. The social issues include the benefits offered in terms of training related to safety, health and environment, donations, education scheme, medical benefits and others[22]. A business organization is simply an entity whose basic purpose is to provide goods and services in whatever form that the society finds itself in operation[23]. It is an organ of the society empowered by the laws of the society which gives its existence[24]. As an organ of the society, performing social functions, it is legally and normally liable for carrying out a duty in any area of one's operations[25].

The responsibility of every business enterprise is an organ of performing societal functions and responsibilities to their host communities. Social responsibility as a crucial function a manager should perform to enhance the welfare of the communities in which they operate because social responsibility creates peaceful environment for the articulation of companies' strategic policy and operation[26]. Social responsibility as a term often used to indicate demands not necessarily directly related to the concerns of the firm's traditionally accepted financial beneficiaries, that is, shareholders, suppliers, creditors and employees[27]. Social responsibility is defined from the semantic concept of social responsiveness which incorporated the idea of a company responding to its multiple constituencies in such a way as to enhance the long-term achievement and mile stone of the business organization[28].

The concept of social responsibility as an organizational ethics is faster becoming a custom and an important concept that virtually every enterprise is being required to adopt as business practice[29]. The concept of CSR is better appreciated and understood when looked at various reports from Fast Moving Consumer Goods (FCMG) in Nigeria, stressed that, in the Western world, the case is not different as business enterprises are responsible to their areas of operations due to negative effect or impacts generated as a result of such business activities and developing countries like Nigeria, and the concept is gradually being established. However, it is the aim of this study to assess the level of social responsiveness in the light of recent hostilities and unlimited demands made known by the various communities in Nigeria[30].

Based on the above different definitions of Corporate Social Responsibilities [CSR], by various research and authorities, each considered valuable in their own right and designed to fit the specific organization performance. The majority of definitions integrate the three dimensions to the concept of CSR, that is, economic, environmental and social dimensions. CSR had also been commonly explained as "a demonstration of certain responsible behavior on the part of public and the private [government and business enterprise] sectors toward society and the environment which they operate". On the contrary, some authority is of the view that CSR is just a mere strategy that organization is using to gain more market share, avoid tax and competitive edge[31].

CSR also means ethical aspect, addressing the legal, commercial activities and other expectations society has for business organizations, and making decisions that fairly balance the claim of all the key stakeholders. In its simplest forms, it is: "how you do it" "what you do" and "when and what you say". In this sense, CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chain, and decision-making processes throughout the company and wherever the organization does businesses that are supported and rewarded by top level management. In lieu with above various view of concept of CSR, it is obvious that the concept of CSR is generally accepted as a situation where by companies integrate social and environmental concerns in their business activities, operations and in their interaction with their stakeholders on a voluntary basis, following the increasingly awareness that responsible behavior leads to sustainable business success[32].

2.1.3.1 Evolution of Corporate Social Responsibility

The concept of corporate social responsibility went through a rapid development in 1979, although it has been there for a while before that. The historical development of the idea that is referred to in CSR as an opinion, together with the most important interpretations and theories that are pertinent to the CSR topic[13, 14]. He was the first author to identify the concept of social responsibility in companies. In his book about the functions of executives and boards of directors, he pointed out the significance of the external business environment and the influence it can have on the decision-making processes for which managers are responsible. In particular, Barnard was of the opinion that whomever in a position of leadership is obligated to take into account the fact that the success of an organisation is also dependent on the moral incentives that he is able to offer to that position. After then, the organizations are obligated to take responsibility for the community in which they are located, above and above the limitations set by the law[17]. Because every company might be deemed to be of public interest and to be of vital significance for investors and owners, businesses are required to cultivate relationships based on trust with the communities in which they operate[18]. On the other hand, the first significant contribution regarding corporate social disclosure is to be attributed to the person who gave a meaning of CSR related to the "businessman" rather than to the whole organisation. This can be found in the book "Corporate Social Responsibility: A Business Perspective" (here CSR was referred to as social responsibility rather than corporate social responsibility)[20, 21]. Even if this perspective still focuses on the obligations of managers rather than the responsibilities of a corporation as a whole, it is nevertheless essential since it acknowledges businesses as power entities that are able to affect the way societies function. In his contribution in the 1950s, which are recognized as the modern era of CSR[22].In this period CSR entered with full rights in the academic and managerial literature, a scholar provided the first definition of corporate social responsibility (CSR), stating that businesses have the obligation and responsibility "to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the goals, objectives, and values of society." This definition stated that corporations have the obligation and responsibility "to pursue those policies.A scholars' primary concern was the idea of corporate social responsibility (CSR), in contrast to the emphasis on the moral and ethical components of people's conduct inside firms. In the book titled "The Practice of Management" which was published in 1954, the authors included "public responsibility" as one of the eight major goals that a firm should strive to achieve[23]. When speaking about management, they made the following statement: "It needs to evaluate if the action is likely to promote the public good, to advance the core beliefs of our society, to contribute to the society's stability, strength, and harmony" [23]. As was mentioned earlier, the early scientific argument centred on the obligations and responsibilities of businessmen rather than those of the entire company; managers and board of directors were seen as the ones able to influence the external context, with duties that extend beyond the traditional ones (making profit, production function, distribution of goods and services). The term "corporate social responsibility" was not widely used until the latter half of the 1970s, although its origins date back to the early 1960s. In those years, there was a turning point in the argument concerning social responsibility; this was mostly due to the work of another scholar[22], who believes that the one and only obligation of managers and corporations is to maximise profits. This idea serves as the foundation of the Neo-Classical school of economic thought, of which is often regarded as the progenitor[22, 24]. The author says this with the utmost severity, "few movements would so thoroughly undermine the very foundations of our free community as the acceptance by corporate officials and directors of a social responsibility other than to make as much money for their shareholders as is possibly possible"[21]. The primacy of the economic sphere as the sole duty of corporations is firmly established, as the study explains: "there is one and only one social responsibility of business organisation – to use its resources and engage in operations designed to maximize its profits so long as it stays within the rules of the game, which is to say engages in open and free competition without deception or fraud"[25]. A study does not deny the existence of social problems; however, the study asserts that they should be dealt with by states and governments the study opines that if managers wish to pursue some social good, they should do so as individuals and not as executives, which means that they should not use shareholders' money for their own objective[13,25]. Other authors recognized broader responsibilities than the economic ones and those established by law gradually overtook a study's unyielding point of view. Another study recognises broader responsibilities than economic ones and those established by law.

"Social duties of businesspeople ought to be commensurate with their social power," is how a study refers to "Iron Law of Responsibility," in which the study emphasises the inextricable connection between the power of businesses and their obligations to their communities[25]. The study expressed the opinion that it is possible for a manager's authority to erode as a result of the manager's refusal to make choices in a socially acceptable manner. A study suggests the notion that actions made with social responsibility in mind might help contribute to the generation of economic benefits over the course of time. This concept seemed to imply an impossibility that couldn't be tolerated. On the other hand, another study places a strong emphasis on the function that a firm plays in relation to the environment in which it works. In addition to this, the study asserts that "social responsibility in the final analysis would imply a public posture toward society's economic and human resources and a willingness to ensure that those resources are efficiently utilised for broad social end and not simply for the narrowly circumscribed interest of private persons and firms"[26]. The study adds that "social responsibility in the final analysis would imply a public posture toward society's economic and human resources and a willingness to ensure that those resources are efficiently utilized. A similar study emphasises the need for organisations to take into account not only the responsibilities that are imposed by legislation and the economy, but also the responsibilities and obligations that extend beyond these responsibilities[25]. There are a few writers who, in an effort to narrow the scope of what might be considered to be of interest with regard to CSR, have made attempts to outline the practises that a business need to uphold in order to be considered socially responsible. For instance, examines the benefits and drawbacks of taking on social duties and asserts that corporate social responsibility (CSR) starts where the law leaves off[22].

The idea of CSR needs to describe four dimensions; only in this manner would it be able to have a comprehensive and accurate description as well as a distinct comprehension of the idea. The four dimensions are shown as a pyramid with four tiers. As was said before, the layers of the pyramid are as follows: the economic layer, the legal layer, the ethical layer, and the charitable layer (which is discretionary). In spite of this, the article that "all of these forms of duties and obligations have always existed to some level; nonetheless, it has only been in recent years that philanthropic and ethical tasks have assumed a substantial place"[28].

2.1.3.2 Issues on Corporate Social Responsibility Emerge

The following are the issues or challenges emerging in corporate social responsibility of various multi-national companies in Nigeria:

Changed Public Expectations of Business: One of the most potent arguments for social responsibility is that public expectation from business has changed, it is reasoned that the institution of business exists only because it satisfies the valuable needs of society and therefore, if business wishes to remain viable in the long run, it must respond to society's needs and give the society what it wants.

Better Environment for Business: Social responsibility creates a peaceful environment for business. This concept rationalizes that a better society produces environmental conditions more favorable for business operations and activities.

Public Image: Another argument favorable to CSR is that it improves the public image. Each business organization seeks an enhanced public image so that it may gain more customers base, better employees, more responsive money markets and other essential benefits. A firm which seeks better public image should support social goals.

Duty to Gratitude: Business units benefits from society. The commonly accepted principal base that one owes debts of gratitude and appreciation towards those who benefit us, the corporation has certain debts that it owes to the society which it operates. Hence, in this way we have few more arguments like business has the resources, prevention is better than cure, balance of responsibility with power, moral obligation, and let business try.

2.1.3.3 Arguments against Corporate Social Responsibility

A critical recognition of the origin and consequences of CSR has been manifested in various areas of the social sciences, including economics, political science and sociology, as well as various areas of corporate governance, psychology, marketing and finance. One of the earliest and most cited views of CSR is Friedman.

He argued that maximizing shareholder's returns is the only responsibility of managers, and that any action that promotes social security outside the interests of stakeholders can be viewed as emanating from an agency problem. These are managers who use company resources to achieve social goals; they do so only to develop a personalized image promotion program. Introducing the basics of corporate social performance, Carol, challenged Friedman's theory of corporate social responsibility at an early stage. This structure relates to the philosophy of social response; social topics include social responsibility. This structure has allowed researchers to explore the relationship between social responsibility and firm's financial results.

A similar alternative was developed which claims that corporate social responsibility is a valid leadership role. This statement is based on the idea that businesses have many related components that need to be considered. You cannot grow and survive without the support of stakeholders, including employees, customers, suppliers and community groups. This view was expanded by some scholars who introduced stewardship theory. According to this theory, managers have a moral need to do “what is right thing”, regardless of how the decision affects the financial performance of the company. It will be difficult to follow this rule internationally, because there can be no consequences for “what is right”.

Profit Maximization: The first distinct forceful argument of disfavoring social responsibility is that business has maximized profit as its main objective. In fact, the business organization is most socially responsible when it attends to its interests and leaves other activities and operations to other institutions.

Society pays the Cost: Another argument is that the costs of social responsibility will be passed on to the society and it is the society which must bear them. Can the society afford these additional costs?

Lack of Accountability: Another point of view is that the businessman has no direct accountability to the people; therefore, it is unwise to give businessmen responsibility for areas where they are not accountable. Accountability should always be in line with responsibility.

Social Overhead Cost: Social responsibility cost is mostly considered to be a social cost, which will not immediately benefit the business organization. Why spending money on an object which the benefits will be realized only in the future? It is the heavy social overhead cost which is one of the main reasons for the miserable and inadequate performance of some of our government undertakings.

2.1.3.4 Accounting for Corporate Social Responsibility

Accounting for corporate social responsibility has developed in accordance with the dynamic model of the socio-economic environment of accounting practice. The whole concept of corporate social responsibility is designed to test and measure all social actors or provide relevant information about their contribution to policies, programmes and business goals.Over 71% of the members of National Association of Accountant (USA) in 1974 agreed that a system of accounting for corporate social responsibility performance was needed. Besides, 90% of the respondents identified a need for both descriptive and numerical (non-monetary and monetary) measurement approach of performance.

Corporate social responsibility accounting can be seen as an extension of accounting services aimed at identifying and measuring the periodic net social contribution of an individual firm. This includes not only the cost and benefits internalized to the firm but also those arising from externalities affecting various social segments[33]. Therefore, accounting for corporate social responsibility deals with disclosure of corporate social responsibility in the financial statement of an entity. Disclosure is the manner in which financial and non-financial accounting information is presented in the financial statement.

Disclosures in the financial statement are required to assist in the proper functioning of the country's capital market and at the same time to force firms to present their true profit figures upon which will be based. Despite the acceptance of the accounting for social responsibility in Nigeria, standards for calculating and reporting on the cost of CSR programs have not yet been published. Thus, even if business adopt social responsibility policies as required by agencies such as FEPA, they still face the challenge of reporting their performance in this area, this raises concerns about corporate transparency and raises the question of whether companies should compile reports that take into account the effects of social responsibility as adopted in many developed countries where the rules apply. In Nigeria, according to the researcher, information about corporate social responsibility still remains undisclosed some stakeholders' offers incentives measures to motivate disclosure rather than regulation[34]. But without regulation, disclosure can take several forms and it will be very difficult to identify problems or incomplete statements.

However, it was pointed out that many scholars suggested three major approaches for reporting corporate social responsibility: descriptive; cost of outlay and cost-benefit approaches, none has been accepted as a standard by accounting regulators[37]. He added that the following areas are the possible areas that corporate social responsibility information can be located in the financial report, chairman's report, director's notes, note to the accountants, statement of accounting policy and core financial statement but the study failed to qualify the values of such disclosure, whether it is reasonable enough to justify the damages an organization inflicted on its environment.

2.1.3.5 Approaches to Social Responsibility

As previously suggested, there are three main approaches to accounting for social responsibility being[38]:

Descriptive Approach: This approach requires a list of all social events, which can be included in short sections in the annual reports of shareholders or in a separate publication on corporate social responsibility. The disadvantage of this approach is not the qualifications for a proper assessment of the company's response to social responsibility.

Cost Outlay Approach: This approach includes business costs for each completed action and quantification. The advantage of this approach is that results achieved in relation to social activities can be compared in the coming years. However, this approach does not reflect the benefits achieved and therefore does not correspond to the matching concept.

Cost-benefit Approach: This approach matches expenditure incurred on each social activity with the benefits associated with it. In this approach, it is difficult to quantify some elements of benefit as they are qualitative.

2.1.3.6 Carroll's Pyramid of Corporate Social Responsibility

Social Responsibility One of the most used and quoted model is Carroll's (1991) Pyramid of corporate social responsibility. It indicates that CSR constitutes of four kinds of social responsibilities; economic, legal, ethical and philanthropic. Carroll considers CSR to be framed in such a way that the entire ranges of business responsibilities are embraced. Carroll suggests that CSR consists of four social responsibilities; philanthropic, ethical, legal and economic.

The Economic Responsibility: The core responsibility of any business is the economic responsibility that means maximization of wealth, profit and development of the economic growth. Firms are economic entities created to provide goods and services to the public. Profit maximization is the main motivation for entrepreneurship. Managers, as agents of the company owners, should maximize shareholders' wealth. Carroll's economic component focuses on the need for a business organization to: perform in a manner consistent with maximizing earnings per share; strive to be profitable as possible; maintain a strong competitive advantage; maintain high operating efficiency; and that a successful firm be defined as one that is consistently profitable.

The Legal Responsibility: Whilst a business organization is permitted to operate according to its economic responsibility; companies must abide by laws and regulations. Legal responsibilities embody basic concepts of fair trade as proclaimed by federal, state and local governments. Carroll's legal component emphasizes the need for a firm to: perform in a manner consistent with expectations of government and law; be a law-abiding corporate citizen; provide goods and services that meet minimum requirements as required by the law; and identify successful companies as one fulfilling their legal obligations.

Ethical Responsibility: Economic and legal responsibility includes justice and ethical standards of justice; ethical responsibilities include actions and practices that are acceptable or unacceptable by the society, though not codified into law. Ethical responsibilities refer to strategic managers' values about right and wrong business conduct. Ethics or values are dynamic and precede the establishment of law. In essence, ethics are the driving force behind the creation of laws or regulations. Ethical responsibility includes values and norms that arise in business. Sometimes, such values and norms require higher performance standards than the law requires. Ethical elements indicate that the company must work to meet social expectations and ethics: recognize and respect new or evolving moral norms adopted by society; and prevent ethical violations in order to achieve corporate goals.

Philanthropic Responsibility: Philanthropy entails corporate actions, towards promoting human welfare or goodwill, in response to society's expectations that businesses should be good corporate citizens. Philanthropic responsibilities are voluntarily assumed by business; such as public relations, good citizenship, and contribution to education or community. The main difference between philanthropic and ethical responsibilities is that ethical components are expected in an ethical or moral sense, but philanthropic components are not. Philanthropy is voluntary or discretionary on the part of a business. Carroll's philanthropic component emphasizes the need for a firm to: perform in a manner consistent with philanthropic and charitable expectations of society, and voluntarily assist projects that enhance a community's quality of life. In response to social and stakeholder concern, many firms in Nigeria are adopting policies directed at the ethical responsibilities of business.

2.1.3.7 The Role of Government in Corporate Social Responsibility Disclosure

Large multinational corporations, individual investors, or non-governmental organizations often have corporate social responsibility. However, developing country governments, especially Nigeria, have an important role to play in developing reporting systems. Governments, must decide how best to support their socially responsible business environment. CSR report in particular.

Mandating Role: Government may legally impose disclosure requirements on a company through company law, stock listing regulations, pensions fund regulations, or direct disclosure laws. The law may establish appropriate standards for company reporting, reporting format and frequency of reporting. Government can also set other laws – such as tax law, labour standards, environmental regulations, etc. that establish measurement and reporting requirements. Government can then control the report by evaluating the report and comparing it with the physical control of the facility monitor this reporting, both by evaluating reporting data and comparing it to physical inspections. Government agencies can work to ensure the quality of reported data by requiring external, third-party verification procedures, quality assurance standards and regulations for auditors of CSR reports. Government agencies can then oversee these verification and assurance procedures and hold auditors accountable. In addition, government can also mandate sanctions for non-disclosure or false disclosures of CSR data to create incentives for full and accurate reporting.

Facilitating: Government can also work to facilitate CSR reporting through the development of voluntary agency working with trade associations or multi-stakeholder organization to design voluntary programs. The government could then play a facilitating role in assisting in the collection, collation and dissemination of CSR information. These agencies could then support internal and external users of CSR. Government can also support and motivate increased dialogue with the business community to ensure CSR reporting is in line with government priorities and policies. Government might go further to tie reporting and performance to tax incentives, export promotion assistance, export quotes, buyer-supplier matching, or direct production subsides.

Endorsing: Government can also endorse disclosure through positive efforts to increase awareness of CSR issues by commending, supporting and honoring companies that are transparent. Their agencies can as well support award programmes, disseminate information on "leading" businesses and otherwise lend credibility and legitimacy to company efforts. It is quite clear that government can also help to better inform the public, and particularly consumers, about the performance of corporations Government statements and reports can help transparent businesses distinguish themselves in the market place.

2.2 Theoretical Framework

Corporate social responsibility is a multifaceted concept with diverse meanings, implementations and implications. The concept of CSR has been approached by researchers across the globe with differing notions which has contributed to the literature on the relationship of business and society. The literature has grown significantly and today contains a great proliferation of theories some of which are discussed below.

2.2.1 The Neo-Classical Theory of Corporate Social Responsibility

The neoclassical growth theory was initially presented by Robert Solow and Trevor Swan in 1956. According to the hypothesis, the three components of labour, capital, and technology lead to economic growth. This is a conventional view of the role of a business entity, it posits that a corporation is a highly individualized economic entity which is created primarily to make profits and legitimatized by the laws governing incorporated businesses. This is an approach that underscores the notion that a business is only responsible to its shareholders by maximizing their wealth. This theory asserts that the only responsibility of business is to utilize its resources and engage in those activities which will increase its profits working within the norms laid down by the society. The theory believes that managers as agents of the shareholders are required to conduct business in ways which are consistent with their interest and it would be considered unethical on part of managers to spend shareholder's money on socially responsible activities. Therefore, social concerns should be left to the care of the government.

2.2.2 Stakeholder's Theory

The "Freeman's Stakeholder Theory," which was developed in 1984 but supported and further evaluated by Galand and Cadez, can be used to support the paragraph below because it emphasises that managers must act in the interests of all stakeholders and not just pursue shareholder wealth maximisation objectives. This is due to the fact that stakeholders are people who have an interest in the business, and interfering with their satisfactions can severely and badly affect the company's image, weakening its competitive edge and lowering financial performance. So, if businesses engage in CSR, it might promote shareholder involvement that has a favourable effect on financial performance. For instance, a happy workforce will support high production, a happy customer base will drive product evangelism and word-of-mouth advertising, and suppliers may offer discounts, improving total financial success.

The philosophy of businesses engaging in CSR activities demonstrates how the company is concerned with and prioritises the goals of groups other than shareholders and is ready to take a wider and longer view than their own short-term earnings, which is important for stakeholder engagement and confidence. This obviously demonstrates the sincerity of the desire to consider society's improvement, notwithstanding any CSR expenses that may arise positively affects stakeholders' perceptions of an organization's aims and culture since people find it impossible to think of anything unethical when businesses practise social responsibility. Particularly, customers who start off supporting businesses by consistently buying their products tend to gain more trust and loyalty since they are confident in the organization's ethical ideals that improve its image and reputation. Companies are able to benefit from CSR over time by charging higher prices and selling more of their goods and services, which helps to indirectly offset high CSR expenditures. In this manner, advantages outweigh expenses, enabling businesses to see an above-average inclination in their profits—clearly demonstrating a favourable association between CSR and financial success.

The implementation of CSR alters corporate culture and operations, requiring that the majority of the organization's responsibilities be focused on adhering to its ethical code of conduct. This has benefits for both professional and personal growth. In order to successfully engage in CSR activities, every employee must have the opportunity to receive CSR training and development. This increases their efficiency and effectiveness because they are more likely to acquire new skills and methods of task execution that can be used across the organization. As the essence of CSR may include work areas that workers are enthusiastic about, motivating them to demonstrate greater interest and loyalty towards adapting the CSR culture of the firm, employees may become better at their jobs. This inspires people to work hard and productively, which may lead to increased financial performance and corporate growth.

2.2.3 Agency Theory

Jensen and Meckling created the concept of agency in 1976. They proposed a hypothesis explaining how conflicts of interest between a company's owners (shareholders), management, and significant debt financiers form the foundation of the organization's governance. Large corporate organizations, such as public limited corporations, have the opportunity to raise significant amounts of cash in this context of financial management by issuing shares that are purchased by a large number of shareholders. However, this results in shareholders, who are the company's owners and have the capacity to manage ownership and confront risks and returns on their shares, being unable to take part in managing, running, and directing the business's strategic and operational decisions. As a result, shareholders choose directors and managers to carry out these duties on their behalf, separating ownership from control. This division depicts the existence of an agency connection, also known as a principal-agent relationship or agency relationship, which is an essential contractual link between shareholders and managers.

An agency relationship can be defined as the situation in which one party, known as the "principal" (shareholder), appoints or hires another party, known as the "agent" (manager), to act in accordance with their interests under a contractual agreement. The agency relationship finds its roots in the growing gap between "shareholders' ownership" and "managers' control responsibilities." This relationship between the principal and agent is an example of "agency." Managers are expected to prioritise shareholder interests as their primary goals under the terms of the agency agreement. This isn't always the case, though, since managers frequently take advantage of opportunities that benefit their own interests at the expense of shareholders. Due to the divergent goals—shareholder wealth maximisation for shareholders and personal wealth maximisation for managers—this clearly illustrates a "conflict of interests." As a result, the foundations of the "agency problem" are these incongruent, divergent aims, which paint managers in the business as "wealth seekers" and "risk averse" in contrast to principals who are "profit seekers" and "risk neutral." In this situation, "Agency Theory" emerges, develops, and intervenes.

Corporate social responsibility can be used to alter the conditions under which the agent is required to act and to reinstate the interests of the principal. The principal must get around the lack of knowledge regarding the agent's performance of the assignment by hiring the agent to represent the principal's interests. Agents need incentives to motivate them to behave in the principal's best interests. By taking into account the interests that drive an agent's behaviour, agency theory may be utilised to create these incentives effectively. Rules that discourage moral hazard must be in place, and incentives for bad behaviour must be eliminated. Businesses may improve their internal company policies by better understanding the factors that cause issues. The measure of "agency loss" has become widely employed to assess whether an agent operates in the best interests of their principal. According to a strict definition, agency loss is the discrepancy between the principal's ideal outcomes and the results of the agent's actions. Agency loss is zero, for instance, when an agent consistently acts in the principal's best interests. However, the agency loss increases the more an agent deviates from the principal's best interests.

2.3 Review of Empirical Studies

This section reviews previous works done on the relationship between CSR and financial performance by authors from diverse backgrounds and viewpoints.

In a study conducted by some scholars titled Corporate Social Responsibility and Corporate Financial Performance: The Nigerian Experience which aimed to show empirically the impact of corporate social responsibility on firm's financial performance for the period 2005-2010. The study adopted a pool panel survey research design method in ascertaining twenty-nine (29) sample firms and subsequently analyzed their various annual reports through panel data regression analysis using (CSR donations, leverage, size and tang) and earning per share as independent and dependent proxies respectively. The study confirmed that performance of EPS is higher than CSR therefore concluding that CSR has little but positive impact on the firm's EPS. The study therefore recommends that corporate organizations should be involved in social responsibility which will increase earnings but at a reasonable percentage of their revenues[35].

In a similar study titled Corporate Social Responsibility and Financial Performance in the Nigerian Construction Industry, the relationship between corporate social responsibility and financial performance of listed companies in the construction industry between 2003 and 2012 was ascertained[36]. The study employed expo-factor and survey design as the basis for selection of samples, annual reports and accounts of sample companies were analyzed using multiple regression model, a five-part Likert scale questionnaire was also administered and analyzed using the chi- square test to determine the relationship between philanthropic activities and non-philanthropic activities on return on capital employed of firms in the construction industry. The study showed that CSR is positively impactful on financial performance albeit through non philanthropic activities. The study concluded that discharge of philanthropic responsibilities by Nigerian construction companies can increase the firm's profitability to a lesser degree, non-philanthropic components have potential on enhancing firm's profitability therefore the firm should focus more on the non- philanthropic aspects of corporate social responsibility.

Similarly, in a study titled The Impact of Corporate Social Responsibility Reporting on Profitability of Nigerian Manufacturing Firmswhich investigated the impact of corporate social responsibility on profitability of Nigerian manufacturing firms for the period 2004 to 2013. The study adopted an expo factor research design, random and purposive sampling technique to select twenty- seven (27) companies listed on the stock exchange. Annual reports of sample companies were analyzed using ratio computations extracted from the reports, simple regression model was employed to predict the relationship between the dependent variable (net profit margin) and the independent variable (CSR)[37]. The study concluded that corporate social responsibility has positive and significant impact on net profit of manufacturing firms in Nigeria and recommends that manufacturing organizations should always make provisions for social development of the society in order to boost their reputation, thereby increasing their returns.

The standard setting bodies should set up Corporate Social Responsibility framework for all companies so as to improve the level of CSR disclosure of companies.

In a similar study titled Corporate Social Responsibility and Profitability of Nigerian Banks: Implications for Service Delivery, the relationship between corporate social responsibility (CSR) and profitability of Nigerian banks between 2005 and 2014 was investigated[38]. The study adopted an exploratory research design in choosing its five (5) sample firms. The study extracted data from the annual reports relating to CSR costs and PAT for the period under review, the analysis was carried out using ordinary least square (OLS) model of regression. The study concluded that a positive and significant relationship exists between CSR and Profitability which implies that banks can improve their profitability and social development through improved CSR practices. The study recommends that that bank should view CSR as a means of achieving some corporate objectives such that CSR practices are properly integrated into their operations; they should not limit their CSR practices to corporate philanthropy alone; regulatory bodies should be empowered to maintain international standards; they should develop proper framework for implementation of CSR activities so as to execute programmes that have direct bearing on the needs of the people.

Also, in a study titled Corporate Social Responsibility and Company Performance, the impact of corporate social responsibility on performance of firms in the United Kingdom was examined[39]. The study adopted a descriptive statistic used to describe the data set of 500 UK firms, regression statistics were done to establish the extent of relationship between two or more variables and correlation analysis were done to establish the nature and degree of relationship between (corporate social responsibility, market to book value and company size) and return on capital employed. The results showed significant positive relationship between corporate social responsibility, market to book value and return on capital employed and return on capital employed. The study however found no significant relationship between CSR and size. The study recommends that for an increased financial performance, UK firms after an industry examination should intensify more efforts in carrying out their corporate social responsibilities which can serve as a source of competitive advantage.

Also, in a study titled the Effect of Corporate Social Responsibility on the Financial Performance of Selected Oil and Gas Firms in Nigeria investigated the effect of corporate social responsibility on the financial performance of selected oil and gas firms in Nigeria between 2002 and 2016[40]. Data were collected from the audited financial statements of the selected firms for a period of five (5) years. Using net profit margin, return on equity and return on assets as proxies for financial performance, correlation and regression analysis were conducted. It revealed that CSR has a positive and significant impact on the net profit margin, return on equity and return on assets of oil and gas firms under study. The study concluded that firms that are socially responsible continue to flourish, partly as a result of CSR activities yielding its return. Finally, the study therefore recommends that government as part of their responsibility should put in place policies that will create a good business environment for firms operating in oil and gas sector of the economy for them to increase their investment in corporate social responsibility.

A similar study titled Corporate Social Responsibility and Firm Performance: Evidence from an Emerging Market investigated the relationship between firm performance and corporate social responsibility of firms listed on Borsa Istanbul between 2009 and 2011[41]. The study employed judgmental sampling in ascertaining 341 sample firms out of 1023 firms' observations and adopted panel regression and content analysis of annual reports/websites to determine the relationship between return on asset (ROA) and CSR of sample firms. The study discovered a negative relationship between CSR and financial performance, meaning that firms which disclose more information about CSR initiatives in their annual reports have a lower return on assets and subsequently moved to recommend that firms reduce the level of their disclosure on social responsibility activities.

Also, in a study titled Corporate Social Responsibilities and Firm Performance: A Comparative Study of Banking and Non-Banking Sector in Nigeria ascertained the relationship between CSR and performance between 2005 and 2014[42]. The study adopted convenient sampling in selecting 10 samples firms from both the banking non- bank sectors of Nigeria. The study analyzed annual reports of sample firms using correlation and regression models to ascertain the effect of CSR expenditure on return on asset and equity. The study discovered that a positive relationship exists between the two variables and then recommends that statutory bodies should mandate banks to go beyond donation and look at other areas of CSR. It further recommended that managements of the two sectors should take advantage of CSR in order to enhance their corporate performance.

In a similar study titled The Relationship between Corporate Social Responsibility and Corporate Financial Performance: Evidence from a Developing Country which examined the relationship between CSR and CFP in of listed firms on the Dhaka Stock Exchange (DSE) for a period 2008-2012. The study analyzed the annual reports of 131 sample firms using regression model to determine the effect of governance, workplace/human resources, products/services, environment and community on return on asset and equity. The study concluded that there is evidence of a positive relationship between CSR and firm's financial performance in Bangladesh. It further argued organizations practice CSR due to pressure from powerful stakeholders and seek internal legitimacy through gaining competitive advantage in the market[43]. The study recommends that companies in less developed economies like Bangladesh should disclose more on CSR as it boosts their financials.

The impacts of voluntary Occupational Health and Safety Management (OHSMS) of fashion and textile-related companies' financial performance were examined[44]. The study adopted the long-horizon event study research design method estimating the sampled companies' abnormal changes of sales and Return on Asset (ROA) over non-OHSAS adopters in the same industry. The results revealed that, occupational health and safety management cost have a negative impact on ROA suggesting compliance to occupational health and safety might cause a strain on a firm's financial position.

Also, a study examined the effect of sustainability reporting on corporate performance of quoted brewery firms in Nigeria between 2012 and 2016[45]. Data was obtained from the audited financial statements of three brewery firms for a period of five years. The result of the study showed that Economic Performance disclosure (ECN), Environmental Performance disclosure (ENV) and Social Performance disclosure (SOC) have no effect on Return on Asset (ROA) of selected quoted firms in Nigeria. The study concluded that disclosures about issues away from mandatory requirements of the regulatory standards do not significantly affect profits.

In a similar study titled Relationship between Corporate Social Responsibility and Financial Performance in the Mineral Industry: Evidence from Chinese Mineral Firms which examined the relationship between Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP) using panel data for 228 Chinese mineral listed firms from 2010 to 2013[46]. Data were analyzed using Pooled Least Squares Regression analysis. The estimated results revealed that, overall, shareholder, employee responsibility, environmental responsibility, supplier, customer and consumer responsibility have significant relationships with CFP, which are the stakeholders who have the closest linkage with firm operations. Meanwhile, public responsibility outside the firm does not show significant interaction with CFP, which is why many mineral firms ignore the public interest and this leads to conflicts. Shareholder responsibility has the most significant positive effect on CFP. Supplier, customer and consumer responsibility and environmental responsibility usually have negative effects on CFP as costs increase.

Also, in a study titled An Examination of Corporate Social Responsibility and Corporate Performance: The Case of Pakistan which examined the effect of corporate giving on financial performance of listed Pakistan firms[47]. The result of the study revealed that corporate giving and social responsibility is positively related to corporate performance and employee behaviour and performance. It is proposed that CSR influences the organizational identification positively and this relationship will be stronger in a collectivist culture, which will eventually lead to higher work engagement.

A similar study titled Environmental Cost Management and Profitability of oil Sector in Nigeria investigated the effects of environmental cost management on the profitability of oil sector in Nigeria from 2004 to 2013[48]. Data used were obtained from the Central Bank of Nigeria (CBN). Multiple Regression Analytical Technique (MRAT) was employed. Result revealed that there exists a significant relationship between influence of environmental cost management and the profitability of oil sector in Nigeria. Also, it was discovered that there are established standards in Nigeria guiding environmental cost management in the oil and gas industries in Nigeria. The study concluded that the extent of environmental cost management in the oil sector is at its rudimentary stage. The study however recommended inter alia that; there should be Policy consistency on the Improvement of external reporting in environmental cost data. The adoption of the United Nations Environmental Cost Management Accounting (ECMA) guideline which will enhance the effectiveness of the already adopted Internationally Financial Accounting Standards (IFRS) in Nigeria, and which evolves environmental cost management accounting practice, should be encouraged.

A similar study titled The Effect of Corporate Social Responsibility on the Profitability of the Industrial Companies in Jordan explored the relationship between corporate social responsibility, employee engagement, and organizational performance in Jordan[49]. The study made use of primary data which was analyzed using the multiple and linear regression analysis. Results showed that, corporate social responsibility (both internal and external) and employee engagement (vigor, absorption, and dedication) have a significant positive relationship with organizational performance. Also, the results revealed that there is a positive and significant relationship between corporate social responsibility and employee engagement. The study recommended that in order to enhance performance, decision makers must work on creating and maintaining an efficient corporate social responsibility agenda, which would increase employees' engagement in their work which will lead to improved performance outcomes.

Also, in a study titled Corporate Social Responsibility and Firm Performance: A Study of Listed Firms in Nigeria, Corporate Social Responsibility (CSR) disclosure practices of Nigerian quoted companies and their determinants between 2013 and 2014 were examined[50]. The study employed ex-post facto research design and judgmental sampling in selecting 45 sample firms across various industries out of a population of 188 firms at the time. Data were obtained from the online published annual reports of the selected companies and analyzed using descriptive statistics, correlation and linear regression to determine the relationship between CSR disclosure and (company size, profitability and auditor type). The study discovered a positive relationship between CSR disclosure and performance of firms and moved to recommend a mandatory CSR reporting framework in line with international best practice for all listed companies in Nigeria.

The effect of sustainability accounting measure on the performance of corporate organizations in Nigeria using the Ex post facto research design was assessed[51]. Data for study was collected from annual reports and accounts of the company in Nigeria. Formulated hypotheses were tested using Regression Analysis with aid of SPSS Version 20.0. The results revealed that environmental cost does not impact positively on revenue of corporate organizations in Nigeria, also that environmental cost impact positively on profit generation of corporate organizations in Nigeria. However, it was recommended that Indigenous and multi-national firms should ensure that strict policies as regards environmental accounting are adhered to, in order to enable stable organizational performance.

In a study titled Corporate Social Responsibility and Financial Performance in the Airline in Central and Eastern Europe, twenty (20) audited financial statements of airline firms were selected and sampled at random[52]. The Return on Equity (ROE) and Return on Assets (ROA) were used as indicators to measure financial performance of firms while the independent variables were Community Performance (CP), Environment Management System (EMS) and Employee Relations (ER). Results showed a significant positive relationship between CSR initiatives and financial performance measures. More specifically, there was found to be a positive relationship between the independent variables of CP, EMS and ER and the financial performance of airline firms in terms of the ROE and ROA.

Also, in a study titled Corporate Social Responsibility and Financial Performance of Selected Quoted Companies in Nigeria, the relationship between corporate social responsibility and financial performance of quoted companies in Nigeria between 2011 and 2014 was examined[53]. The study employed an ex-post factor research design and purposive sampling technique in selecting 30 sample firms and moved to analyze their various annual reports using the descriptive statistics, correlation coefficients and multiple regression models to determine the effect of CSR disclosure and expenditure on (return on asset, return on equity and net profit margin). The study concluded that a positive relationship exists between corporate social responsibility disclosure and return on assets in Nigerian quoted companies and moved to recommend that the issue of corporate social responsibility should be part of the corporate mission and strategy statements and not just be regarded as a philanthropic exercise.

Also, a study titled Corporate Social Responsibility Disclosure and Financial Performance of Listed Manufacturing Firms in Nigeria evaluated the impact of corporate social responsibility disclosure (CSRD) on the financial performance of listed manufacturing firms in Nigeria[54]. The study selected 10 sample firms randomly and examined the influence of (human resources, environment, community and product) on the Earnings per Share (EPS) of the sampled firms through the use of multiple regression analysis. The study discovered an overall significant positive association between CSRD and EPS and which means that the higher the level of CSRD, the higher the EPS. The study recommends that management of listed manufacturing firms in Nigeria should increasingly approach CSR and CSRD issues with positive mindset thereby recognizing it as investment rather than liability. Furthermore, the Financial Reporting Council of Nigeria (FRCN) should make social and environment reporting in the companies' financial statements mandatory since CSRD is beneficial to the government, the listed manufacturing companies and their stakeholders.

Also, in a study titled environmentally friendly policies and their financial effects on corporate performance of selected oil and gas companies in Niger delta region of Nigeria which examined the effect of friendly environmental policies on performance of oil and gas companies in Nigeria[55]. Data was collected from both primary and secondary sources and analyzed using simple ordinary least square regression. It was revealed that the cost of ensuring environmental protection and management positively influenced firms' profitability. The study therefore recommended that firms should formulate and implement environmentally friendly policies to enhance their competitiveness, acceptability and stability, which will subsequently result in high performance.

Also, a study titled The Impact of Environmental Cost on Corporate Performance: A Study of Oil Companies in Niger Delta States of Nigeria examined the impact of environmental cost on corporate performance between 2001 and 2011 as well as the effect of Community Development Cost (CDC), Waste Management Cost (WMC) and Employee Health and Safety Cost (EHSC) on the Return on Asset (ROA) of sampled firms using the multiple regression analysis. The results of the study established a negative significant relationship between CDC and ROA: WMC and ROA while a positive significant relationship was established between EHSC and ROA. The study concludes that sustainable business practices and corporate performance is significantly related. Therefore, the study recommended that the management of oil companies in the Niger Delta region should develop a well-articulated environmental costing system in order to guarantee a conflict free corporate atmosphere need by managers and workers for maximum productivity and eventually improve corporate performance.

In a study titled Corporate Social Responsibility and profitability of Nigerian Banks: A Causal Relationship, the relationship between social responsibility and profitability in the Nigerian banking industry between 2001 and 2010 was investigated[56]. The study used the First Bank of Nigeria (FBN) Plc. as a case study using correlation and regression analysis. The study concluded that there is a positive relationship between banks CSR activities and profitability. The study recommended that banks demonstrate a high level of commitment to corporate social responsibility in order to enhance their profitability in the long run.

In a similar study titled Corporate Social Responsibility and Financial Performance in Developing Economies: The Nigerian experience the impact of Corporate Social Responsibility activities on financial performance of quoted companies in Nigeria was examined using a sample of forty companies[57]. The study investigated the relationship between Community Performance (CP), Environmental Management System (EMS) and Employee Relations (ER) and financial performance proxies Return on Asset (ROA) and Return on Equity (ROE). The study revealed a significant positive relationship between CP and ROA, while a negative and insignificant relationship was established between ER; EMS and ROA. The study concludes that CSR positively impacts financial performance.

In a similar study titled Interaction between Corporate Social Responsibility Disclosure and Profitability of Indonesia Firms, the environmental impact of industrial firms in Indonesia was examined[58]. The results revealed a significant and positive impact of social events on profitability of firms. The study concluded that a favourable corporate image is crucial from the investor point of view, as investors are usually eager to buy stocks of organizations that are socially and environmentally responsible.

In a study titled The Impact of Environmental Accounting and Reporting on Organizational Performance of Selected Oil and Gas Companies in Niger Delta Region of Nigeria, the impact of environmental reporting on organizational performance of oil and gas companies was examined.[59] Data were gathered through Secondary and primary sources and analyzed using Pearson product moment Correlation analysis. Results revealed that environmental cost has a positive and significant effect on firm's profitability. The study concluded environmentally friendly firms will significantly disclose environmental related information in the financial statements and reports.

In a study titled The Impact of Environmental Accounting and Reporting on Sustainable Development in Nigeria, the relationship between environmental accounting and reporting of sustainable development in Nigeria was evaluated[60]. The study employed the Ordinary Least square (OLS) method for analysis, and it was established that a positive significant relationship exists between environmental accounting and reporting and sustainable development. The study recommended that organizations should track their environmental data against reduction targets and consequences of non-compliance with environmental accounting and reporting.

In a study titled Corporate Social Responsibility and Financial Performance, the effect of social responsibility activities on financial performance of quoted companies in Kenya was examined[61]. The study employed the Ordinary Least square (OLS) approach for analysis, and established that a positive and insignificant relationship exists societal cost and financial performance. The study recommended that firms continue to invest in their relationship with the society in order to ensure a lasting mutual beneficial relationship.

In a study titled Competitive Advantage and Corporate Social Responsibility, the effect of corporate social responsibility activities on the competitive performance of companies using Nestle as a case study was investigated[62]. The study concluded that an insignificant positive relationship exists between societal activities and competitive performance of companies.

However, in a study titled Impact of Corporate Social Responsibility on Financial Performance: A study on Manufacturing Companies Listed in London Stock Exchange, the impact of CSR on financial performance between 2011 and 2015was investigated[63]. The study employed a positive approach and an explanatory research design to explain the reason behind the impact of corporate giving, employee safety, greenhouse gas emission reduction and waste reduction on dependent variables ROA and ROE. Secondary data collected from the annual, sustainability, environmental and CSR reports of thirty-six manufacturing and production companies listed on the London Stock Exchange (LSE) at the time were analyzed using the E-Views software which generated descriptive, correlation and regression statistics. The results showed that corporate giving has a negative insignificant impact on financial performance, employee safety has a positive insignificant impact on financial performance, greenhouse emission reduction has a negative insignificant impact on financial performance and Waste reduction has a negative insignificant impact on financial performance. The study however recommends that managers spend on the community in order to benefit from tax savings, create a safe environment for their employees on the basis of motivation, use renewable energy and innovation so as to protect the environment in which they operate and invest in the communities where they operate to boost the economy they depend on.

In a study titled The Impact of Corporate Social Responsibility on Firms' Profitability in Nigeria, the relationship between corporate social responsibility and firm's profitability in Nigeria between 1999 and 2008 was examined[64]. The study adopted the random selection method to ascertain its sample of ten (10) firms on the Nigerian Stock Exchange, annual reports of sample firms were analyzed using econometric model, ordinary least square regression was used to determine the relationship between profit after tax and CSR of sample firms. The result 40 concluded that there exists a negative relationship between firms' performance and investment in CSR. The study recommends that Policy framework be designed for corporate social responsibilities in Nigeria by the government and ensure compliance by setting mechanisms and institutions for the implementation of CSR. Furthermore, companies in Nigeria particularly the profitable one should give greater credence to CSR, which will assist them to survive and maintain their profitability.

Finally, in a study titled Corporate Social Responsibility and Organizational Profitability: An Empirical Investigation of United Bank for Africa (UBA) Plc[65].This investigated the impact of Corporate Social Responsibility on bank profitability with particular reference to United Bank for Africa (UBA) Plc. for the period 2006-2012. The study analyzed the annual reports of UBA Plc. using ordinary least square regression model to ascertain the effect of corporate social cost, investment and expenditure on profit after tax (PAT) of UBA Plc. Result showed that Corporate Social Responsibility spending has short term inverse effect on Net Profit but in the long run it will provide better returns. Furthermore, the study recommends that government should put policy framework in place that will be design for corporate social responsibility in Nigeria and ensure compliance by setting mechanisms and institutions for the implementation of corporate social responsibility.

The concepts of Corporate Social Responsibility in relation to community development have been debate among different scholars, which provide empirical evidence that this topic did not exist in a vacuum. Having gone through different scholars' reports on the concept of CSR and Community Development, three out of eight reviewed scholarly articles that interest the researcher is writing bellow for empirical clarification.

The Domini social index affects corporate performance on a sample of around 1,000 firms in a 13-year interval by controlling for size, industry, business cycle and time invariant firm idiosyncratic characteristics. Our results find partial support to the hypothesis that corporate social responsibility is a move from the shareholders' wealth to a multi-stakeholder's welfare target. On the one side, permanence into the Domini index is shown to increase (reduce) significantly total sales per employee (returns on equity but not when large and R&D investing firms are excluded from the sample). On the other side, lower returns on equity for Domini firms seem nonetheless to be accompanied by relatively lower conditional volatility and lower reaction to extreme shocks with respect to the control sample.

An explanation for these findings, suggested by the inspection of Domini criteria, is that social responsibility implies, on the one side, decisions leading to higher cost of labour and of intermediate output, but may, on the other side, enhance involvement, motivation and identification of the workforce with company goals with positive effects on productivity.

Achieving organizational objectives in the long run and maximum organization performance and effectiveness, requires giving full attention to corporate social responsibility (CSR). The societies where business is located occupy a central place in corporate culture affecting the firm performance thus necessitating change in the internal organization structures, processes and behavior. A theoretical review of CSR practices revealed a strong link between a firm's CSR practices and its performance[66].

Empirical evidence has been showed to investigate if Corporate Social Responsibility (CSR) activities are beyond a firm's legal obligations and potentially require a sacrifice in short-term profits, why do firms promote CSR? This question motivates this investigation of the impact of CSR on a firm's Corporate Financial Performance (CFP). This relationship is examined for the period from 2004 to 2013 in South Africa. We assess the short-term impact of CSR announcements on financial returns of firms included in or excluded from the Johannesburg Securities Exchange Socially Responsible Investment Index and determine whether there is a difference in the long-term CFP between these two groups for the entire period. The event study methodology shows that investors were rewarded in 2004 and 2012, when firms entered the index, and were penalized in 2013, when firms exited the index. When using regression analysis, the various industries provide mixed results between CSR and CFP for firms over the long term. Based on these results, we find that CSR activities lead to no significant differences in financial performance[67].

Corporate social responsibility (CSR) has been found to positively affect the financial performance of firms. However, firms are increasingly monitoring outcomes that are not traditional financial measures as a means to gauge sustainable success. This study sought to understand if there are benefits to engaging in CSR beyond traditional financial outcomes. Specifically, the link between CSR and employee turnover and customer satisfaction was studied. The data provide strong support for the hypothesized relationships. CSR appears to diminish employee turnover while improving customer satisfaction. This study therefore offers empirical evidence that CSR can offer benefits to firms beyond traditional financial-orientated rewards.

Empirical evidence has been shown which examine several executive, firm, and industry-level characteristics that affect the propensity of firms to engage in activities that are socially responsible. First, we construct several aggregated and disaggregated measures that represent firms' engagement in socially responsible practices. We find that larger, older, cash rich and solvent firms are more likely to employ actions considered socially responsible. Our results also suggest that firms in industries facing a recessionary trend are less likely to invest in social responsibility programs. Next, we examine the impact of corporate social responsibility (CSR) on firms' investment policies, organizational strategy, and performance. Our findings indicate that factors associated with CSR strengths positively relate to all three attributes whereas CSR concerns and firm attributes are negatively related, although the latter relation is statistically weaker. Finally, we perform several robustness checks that validate our findings.

Over the last two decades in OECD countries increasingly more firms are certifying as socially responsible. This kind of certification is assigned by private companies that guarantee that a certain firm’s behaviour is environmentally and sociologically correct. Some studies tried to establish if there exists a link between Social Responsibility certification and the performance of firms. Their results were ambiguous and did not show any common connection. This ambiguity depends mainly on the static nature of their analyses and on the problem of whether performance is affected more by certification costs or by increasing sales due to an effect on reputation. Our work would like to discover whether certain performance indicators are affected by a firm’s socially responsible behaviour and their certifications by looking at panel data. The novelty of our analysis is due to its dynamic aspect and from a CSR index that intersects two of the three main international indices (Domini 400 Social Index, Dow Jones Sustainability World Index and Good Index), to be objective and obtain a representative sample. The main results seem to support the idea that CSR firms which are more virtuous, have better long run performance.

They have some initial costs but obtain higher sales and profits due to several causes' reputation effect, a reduction of long run costs and increased socially responsible demand[68].

The study examined the relationship between corporate social responsibility and performance of selected firms in Nigeria. The specific objective of the study was to determine if there was any significant relationship between social responsibility cost and corporate profitability in the selected firms. The study was based on the stakeholder theory of social responsibility which emphasized the need for a corporate organization to satisfy the requirements of various interest groups. Exploratory research design was employed with the use of time series data. Product moment correlation was used to test the hypothesis and to determine whether there is any significant relationship between social responsibility cost and corporate profitability in the selected firms. Findings revealed a significant relationship between social responsibility cost and corporate profitability. Therefore, the study concluded that social responsibility was vital to organizational performance. It is recommended that firms in Nigeria should endeavour to increase their commitment to social responsibility by setting aside substantial amount of their income to social responsibility programmes[69].

A surge of interest in corporate social responsibility leads to studies, addressing its effects on organizational outcomes. While some evidence of positive relationships between CSR and organizational commitment exists, this study identifies two elements of organizational culture - namely CSR values and employee engagement in CSR- and treats them as mediators of this relationship. Responses from 196 survey participants confirm previous findings that employee perceptions of CSR positively affect organizational commitment, but also indicate that each of the identified mediators affects this relationship, and that the effect is stronger when both mediators are included in the model[70].

This empirically investigated the relationship between CSR and corporate performance by using both accounting based performance measures (e.g., ROA, ROE, and ROS), as well as market based firm performance measures (e.g., PER, EPS, and PBV), for a sample of companies listed on the BSE during the period 2008-2011. In addition, there were considered several control variables that cover firm's characteristics including size, indebtedness, as well as the company's tenure. By employing panel data regression models without cross section effects, we found a negative relationship between CSR and ROS, as well as a positive association between CSR and EPS. Furthermore, by estimating fixed effects panel data regression models, the positive relationship between CSR and EPS was reinforced. In addition, we have performed several robustness checks such as the presence of autocorrelation in the residuals, as well as the variance inflation factors towards multicollinearity. The novelty of the current study consists in the consideration of a multifarious set of performance ratios. This research is important for both managers and investors, since CSR undertakings improve corporate performance[71].

Based on the global corporate social responsibility standards, a comparative framework has been produced in order to evaluate corporate social performance in national level. The nine CSR standards are UN Global Compact, Global Reporting Initiatives guidelines, Ethibel Sustainable Index, Dow Jones Sustainability Index, Global 100, FTSE4Good, Accountability Rating, SA8000 and World Business Council for Sustainable Development. The procedure of analysis includes weight factors that reflect the importance of each standard. In total, 98 countries out of 133 countries made available by the World Economic Forum, implement at least one CSR standard. The results of the top 20 countries are presented here. The findings show significant difference in CSR standards among the countries, which indicate the different perceptions of the companies or needs of each country[72].

The investigation whether superior performance on corporate social responsibility (CSR) strategies leads to better access to finance was hypothesized that better access to finance can be attributed to a) reduced agency costs due to enhanced stakeholder engagement and b) reduced informational asymmetry due to increased transparency. Using a large cross section of firms, we find that firms with better CSR performance face significantly lower capital constraints. Moreover, we provide evidence that both of the hypothesized mechanisms, better stakeholder engagement and transparency around CSR performance, are important in reducing capital constraints. The results are further confirmed using several alternative measures of capital constraints, a paired analysis based on a ratings shock to CSR performance, an instrumental variable and also a simultaneous equations approach. Finally, we show that the relation is driven by both the social and the environmental dimension of CSR[73].

In this review, the primary subject is the ‘business case’ for corporate social responsibility (CSR). The business case refers to the underlying arguments or rationales supporting or documenting why the business community should accept and advance the CSR “cause”. The business case is concerned with the primary question: What do the business community and organizations get out of CSR? That is, how do they benefit tangibly from engaging in CSR policies, activities and practices? The business case refers to the bottom-line financial and other reasons for businesses pursuing CSR strategies and policies. In developing this business case, the study first provides some historical background and perspective. In addition, it provides a brief discussion of the evolving understandings of CSR and some of the long-established, traditional arguments that have been made both for and against the idea of business assuming any responsibility to society beyond profit-seeking and maximizing its own financial wellbeing. The study addresses the business case in more detail. The goal is to describe and summarize what the business case means and to review some of the concepts, research and practice that have come to characterize this developing idea[74].

This study treats firm productivity as an accumulation of productive intangibles and posits that stakeholder engagement associated with better corporate social performance helps develop such intangibles. The study hypothesized that because shareholders factor improved productive efficiency into stock price, productivity mediates the relationship between corporate social and financial performance.

Furthermore, we argue that key stakeholders' social considerations are more valuable for firms with higher levels of discretionary cash and income stream uncertainty. Therefore, we hypothesize that those two contingencies moderate the mediated process of corporate social performance with financial performance.

Our analysis, based on a comprehensive longitudinal dataset of U.S. manufacturing firms from 1992 to 2009, lends strong support for these hypotheses. In short, this study uncovers a productivity-based, context-dependent mechanism underlying the relationship between corporate social performance and financial performance[22].

The study analyzes corporate social responsibility (CSR) for banks and its impact on bank financial performance in a context of the recent financial crisis. The largest banks consistently have higher CSR strengths and CSR concerns during the sample period. However, this group sees a steep increase in CSR strengths and a steep drop in CSR concerns after 2009. Banks that are profitable, have higher capital ratios, charge lower fees to deposits, and with more female and minority directors have significantly higher CSR strengths scores. For banks with low involvement in low-income communities, it is the smallest banks that show many significant relations between corporate social responsibility and bank characteristics. Yet, for banks with high involvement in low-income communities, it is the largest banks that show many significant relations. Finally, we find that the largest banks appear to be rewarded for their social responsibility, as both size adjusted ROA and ROE are positively and significantly related to CSR scores[75].

A study investigated the effects of Corporate Social Responsibility practices on the financial performance of listed manufacturing firms in Nigeria between the periods of 2011 to 2021[76]. Panel data were gathered from the selected firms with the use of secondary data sources. According to the study's findings, negative donations have a negative effect on profit after tax. Also, results show that there is a positive significant effect on donation and revenue of listed manufacturing firms. Furthermore, profit after tax demonstrates that donation has a negligible negative effect on profit for the year of listed manufacturing firms. Therefore, the study recommends that company management ensure that a stricter policy regarding corporate social responsibility practices is imposed and fully implemented in the organisation.

In a study titled the effects of CEO incentives and Corporate Social Responsibility regards the banking sector as the backbone of the economy for economic growth globally. Recent economic uncertainty requires examining the banking sector's financial performance and improving accordingly. The study thereby, aims to scrutinize the influence of chief executive officers (CEO) incentives, corporate social responsibilities (CSR) such as social and environmental responsibilities, liquidity, and capital structure on the banking financial performance of hundred commercial banks in ASEAN countries between 2016 and 2020[77]. The findings revealed that the CEO incentives, social and environmental responsibilities, liquidity and capital structure are positively and significantly associated with banking financial performance in ASEAN countries.

The regulators get help from the current study in formulating the regulation related to the banking sector performance by focusing on the CEO incentives and CSR responsibilities.

Similarly, a study on corporate social responsibility on financial performance of banks in Nigeria was conducted using earning per share, gross earning and profit after tax as measures of financial performance of banks in Nigeria[78]. The results showed that whereas the relationship between corporate social responsibility and earning per share was positive but insignificant, it showed strong, positive and significant relationships with gross earning and profit after tax respectively. Equally, corporate social responsibility expenditure was found to have insignificant effect on earnings per share, it has significant effect on gross earning and profit after tax of the banks in Nigeria. The study recommends among others that corporate organizations should endeavor to give more to the society in CSR and leverage it to enhance the financial performance of their businesses in the country

Also, a quantitative research examined the relationship between corporate social responsibility and corporate financial performance specifically the net profit after tax and the organizations revenue of Friesland Campina Wamco and Unilever Nigeria PLC[79]. The study findings showed that CSR has a significant relationship with net profit after tax (NPAT). Furthermore, there is a positive and significant relationship between corporate social responsibility and revenue. Based on the findings, the study recommended that the fast-moving consumer goods firms from the manufacturing sector in Nigeria increase their investments in corporate social responsibility, as this will enhance their turnover in net profit before tax. In addition, manufacturing companies should ensure that CSR is encouraged to improve the companies' corporate image and reputation, which can invariably boost revenue and earnings for the firm.

A study explores the extent to which employee turnover, a proxy variable to employee loyalty, helps mediate the relationship between Taiwanese firms' corporate social responsibility (CSR) performance and financial outcome[80]. The results show that a firm's CSR performance is negatively correlated with employee turnover and turnover variability, and moreover, employee turnover is negatively correlated with a firm's financial performance. For the sample firms, although the contribution of social responsibility appears to have insignificantly direct benefit on financial performance, the study documents the extent to which CSR conducts influence on long-term financial outcomes may be moderated and mediated by employee enthusiasm.

A study based on corporate social responsibility and financial performance of consumer goods companies in Nigeria was examined[81]. The main objective of the study is to explore the impact of corporate social responsibility on profit after tax, earnings per share and net asset per share of listed consumer goods companies in Nigeria. The results revealed a positive but insignificant effect of corporate social responsibility on profit after tax, earnings per share and net asset per share. According to the findings of the study, corporate social responsibility requires more attention and commitment from corporations because it ensures benefits other than profits which in the end boost financial performance.

A study titled the effects of corporate social responsibility on performance of 150 Nigerian quoted firms was studied. The study was examined precisely to evaluate the effect of corporate social responsibility on firm profitability, return on equality, and to assess the effect of corporate social responsibility on market success in Nigeria. The results revealed that corporate social responsibility (CSR) exerts a positive and statistically significant effect on firm profitability (PF), return on equity (ROE) and market success (MS) in Nigeria[82]. Based on the findings, we concluded that corporate social responsibility (CSR) has a significant influence on firm profitability (PF), return on equity (ROE) and market success (MS). Thus, the study recommends among others that corporate firms in Nigeria should intensify efforts to increase their commitment to social responsibility in order to create good image in the mind of their host communities.

A study focused on assessing the interrelationship between firms' attributes, corporate social responsibility (CSR) disclosure and measures of financial performance of 29 listed Nigerian firms[83]. The study observed that measures of firm performance, firm value and capital structure exert significant influence on CSR disclosure respectively; but the same was not the case for ownership structure and board attributes. The study also found that firm value, capital structure, ownership structure and board attributes do not have significant influence on the financial performance of firms. The study therefore recommend that while eschewing from financing asset acquisition through debts, reporting entities should be more involved in environmental engagements; and costs associated with such engagements should be reported alongside their respective mainstream financial reports.

Also, a study investigated the impact of corporate social responsibility (CSR) on financial performance in Bangladeshi listed pharmaceuticals companies. CSR is found to have a strong positive impact on firm financial performance in Bangladeshi Pharmaceuticals companies. The results also show moderation of earnings management on impact of CSR on financial performance[84]. This study does not only serve as a reference work for subsequent investigations into the impact of CSR on firm performance in Bangladeshi pharmaceuticals companies but also serves as a guide to policy makers on the financial impact of CSR adoption. This study provides important managerial implications. This study advances our understanding of the CSR-financial performance relationship by exploring opportunistic motives of the bank managers in this nexus in the developing economy context.

A study examined the impact of Corporate Social Responsibility Disclosure (CSRD) on the Financial Performance of listed consumer goods companies in Nigeria for a ten year period[85]. The result shows a negative and significant relationship between CSRD and ROA; there is a negative but an insignificant relationship between CSRD and ROE; Leverage has a positive but an insignificant relationship with CSR; Tobin's Q has a positive and statistically insignificant relationship with CSRD while EPS has a positive and significant relationship with CSRD. It was found that the control variables (firm size and age) have a positive and significant relationship with CSRD. In view of the forgoing, the managers of Nigerian-listed consumer goods companies should embrace CSR activities to promote a good relationship with host communities through CSR and its related disclosure into their overall business strategies because, by doing so, they add to the financial performance of their companies and eventually lead to the up-liftmen of their business philosophy and operations.

Scholars argued that since the inception of civilization, social behaviors have become an integral part of human life and activities of mankind. The moral, cultural, and social behavior can help one comprehend the aspect of responsibility he has towards various things. The concept of survival of the fittest in the competitive business environment demands what is now refined and popularly known as social responsibility[86]. In other words the term corporate social responsibility (CSR) is also defined as the corporate conscience, corporate citizenship, and social performance, sustainable responsible business or only responsible business. The study aims to examine the relationship between CSR and the financial performance of RIL Ltd between the periods of 2007 and 2012. The result of the study shows that there is a positive correlation between CSR index and financial performance of RIL Ltd during the period of study but it is not significant.

A study supports the econometrics of panel data to analyse the influence of corporate social responsibility (CSR) on the financial performance measured by several indicators. From a sample of 20 firms listed on the stock exchange of Casablanca between 2007 and 2010[87]. The study found a negative and significant impact of the CSR on financial performance. The negative influence is important in large companies, which means it is a mediating factor.

A study was conducted to find out the effect of independent commissioner, audit committee, and corporate social responsibility on financial performance at Index Kompas 100 in Indonesia Stock Exchange period 2016-2018[88]. The study proves that independent commissioner, audit committee, corporate social responsibility has an influence on financial performance.

In a study titled influence of corporate social responsibility on competitive performance of multinational companies in Nigeria[89]. The study made use of both primary data and co integration test was adopted as the estimation techniques. The results showed a significant positive relationship between CSR and company reputation which indicates that CSR influences the company reputation and environmental performance. Furthermore, the correlation coefficient revealed a strong positive relationship between Corporate Social Responsibility (CSR) and competitive performance such that an increase in CSR activities among the telecommunication company would trigger competitive performance. It therefore recommended that organization should increase its priority on actions that improve on community wellbeing; this has been shown in the study as having the highest degree of positive association with market competitive success. Also management should improve its record of environment activities by carrying out workplace safety initiatives, enhance the health of community dwellers, liberal education and grants and aids.

A study analysed the effect of corporate social responsibility on the financial performance of organizations in Nigeria with emphasis on the construction companies. The population constitutes four construction companies who are the leaders in the business[90]. A census approach was adopted. Data used were for the years 2014 to 2018 for the companies as extracted from the dossiers of these companies. The study used Multiple Regression Model as the techniques of analysis. The findings of the study concluded that corporate social responsibility has a significant effect on the profitability of corporate organizations, especially, the construction companies in Nigeria. The study recommends among other things that organizations should render more of social responsibility as this could enhance their profitability. Government agencies should enact clearly defined laws on how to go about social responsibility issues of corporate organizations and such laws should be fully implemented.

A study was conducted on corporate social responsibility accounting of 16 banks and 40 insurance companies in Nigeria[91]. The research design adopted for the study is expo factor research design. The research design adopted for the study is expo facto research design. Independent sample test was used to compare the social responsibility expenditure of insurance companies with those of banks. It was established that there was significant difference in the social responsibility expenditure of banks and insurance companies in Nigeria. The implication of the finding could be linked to lack of legal prescriptions and ignorance of the benefits of social accounting and reporting. The study recommends among other that management should be proactive and that FRC should come up with clearly defined regulatory frame work on how to go about social responsibility issues in Nigeria and should ensure its full implementations. The study concluded that insurance companies have existence of corporate social responsibility policy; varied nature of social responsibility activities which translated into the different ranges of coverage of social report, approach to corporate social accounting, areas of social initiative, furthermore none of the insurance companies stated their approaches to measurement of social contribution.

Also, a study examined the effect of corporate social responsibility (CSR) practices on corporate income tax payment by telecommunication companies in Nigeria[92]. The population for the study comprises unlisted telecommunication companies operating in Nigeria. The samples for the purpose of this study are firms chosen from the Nigerian multinational telecommunication sector not listed on the Nigeria Stock Exchange. Annual reports of selected firms formed the source of the secondary data collection for the period 2010 to 2017. A panel logistic regression model was developed to evaluate the influence of CSR on the corporate tax payment. Analysis was conducted with the aid of E-view. The study found that CSR exerted significant influence on the effective tax rate paid by the telecommunication companies in Nigeria. The study recommends that tax authority should properly probe all CSR expenses of telecommunication companies to checkmate inclusion of non-allowable expenses that would reduce tax revenue accruable to the government.

Scholars argued whether there is a link between employee engagement and corporate social responsibility. Corporate Social Responsibility (CSR) is being considered as a significant component of a company's performance and activities, with the goal of increasing employee engagement[93]. The aim of this study is to find out how employee engagement and corporate social responsibility are linked. The research was carried out in Erbil, Kurdistan, at vehicle dealerships. In total, 53 people took part in this study. According to the findings of this study, higher levels of corporate social responsibility can lead to higher levels of employee engagement, which supports the research hypothesis. The researchers recommended getting a larger sample size for similar studies in the future due to the study's restriction of a limited sample size.

The study aimed to measure the extent of corporate social responsibility (CSR) and it's determinate by non-financial companies listed on Abu Dhabi Securities Exchange. The study employs content analysis of the annual reports to measure the extent of CSR disclosure in Abu Dhabi Companies. In addition, the study adopts multiple regression analysis to identify factors influencing the extent of corporate social responsibility disclosure.

The findings revealed that the level of CSR disclosure by companies listed on Abu Dhabi Securities Exchange is low with an average of 34%, indicating that such disclosure is still not of a primary concern to these companies. The results also suggest that the extent of CSR disclosure is influenced by corporate size, industry and profitability. The study is limited by the subjectivity of content analysis as well as it considers CSR disclosure for only one year. This study has public policy implications for the decision makers in the UAE as well as a number of other Arab and Middle East countries. This study adds to the limited CSR literature in Arab and Middle East countries in general and the United Arab Emirates in particular. This study not only examines the extent and determinants of corporate social disclosure but also attempts to theorize such disclosure[15].

A study argued that CSR is kind of a "catch-all" word for an array of diverse notions. An examination of CSR must thus establish its specific meaning, and in particular, the expected influence of CSR on the cost of capital. Some CSR proponents claim that there is a commercial justification for ethical corporate conduct, while others address it in terms of surrendering some profit in the pursuit of the social good[22]. Another study noted that CSR is a concept wherein companies consider the interests of society by taking responsibility for the effect of their actions on stakeholders as well as the environment. This commitment is considered to extend beyond the formal requirement to comply with the law and sees firms voluntarily making extra efforts to enhance the quality of life of workers and their families as well as the local community and society at large[23].

Similarly, after analysing numerous research claims, claimed that business interaction with society, sometimes dubbed "corporate social responsibility" (CSR), refers to one mechanism by which a corporation expresses and develops its "corporate culture" and social awareness[24]. CSR has been conceived as actions, choices, or policies that "organizations" participate in to affect good social change and environmental sustainability. A study is of the view that comprehension of the notion of CSR is vital since it will facilitate a good assessment of which sorts of actions may be recognised as CSR. In the etymological and philosophical definitions, the phrase "responsibility" implies "answerable (to another or something)" (to another or something). From Latin replies, meaning "morally answerable for one's actions"[25]. This idea is comprised of a number of components, including a subject or carrier (the one responsible), an authority (responsible to whom?), an object (for what?), and a receiver (to whom?).

In similar studies, the idea of corporate social responsibility (CSR) is one of the most recent and cutting-edge ones to be recognised in society and corporations on a global scale[26]. As a result, given that society is progressing at a rapid pace with visible results in economic and social terms, respectively in attitudes and consumption preferences, we are considering the reorientation to a development direction that promotes the maintaining of resources at a quantitative and qualitative guaranteed level. He concerns manifestation related to protecting the limited natural space in which people are obliged to act and live together, which is a series of restraining measures. These restraining measures include things like limiting population growth,

Corporate social responsibility (CSR) refers to the ethical conduct of a company toward the constituencies or stakeholders it serves. In spite of this, the word "corporate social responsibility" may refer to a broad range of different ideas and concepts, but there is no consensus on what these terms mean. Some businesses refer to this concept as "corporate citizenship," while others refer to it as "the ethical company," and yet others refer to it as "excellent corporate governance" or "corporate responsibility." Due to these shortcomings, some businesses see CSR as little more than simple corporate charity, while others view it as a new corporate strategy framework, and still others completely disregard the concept. Changing the name of the idea to "corporate responsibility" (CR) rather than "corporate social responsibility" alters the fundamental characteristics of the subject matter that is being discussed. Many professionals have begun to use the word "social" in their work to urge businesses to consider their social duties in addition to their traditional "responsibilities[27]. A study stated that "Corporate Sustainability" is another parallel idea to CSR that has led to a lot of beneficial work on quantifying the problem of sustainability[27].This latter idea originated from worries about the environment, but, in recent years, it has been broadened to include not only the social but also the economic sides of businesses[27].

In another study the mere word "corporate social responsibility" is problematic due to the fact that it uses the terms "social" or "societal" to describe the topics that are discussed. Originally, the term referred to a "social" duty, which included the forward-thinking ideas of CSR, especially those that pertained to the sphere of environmental protection[28]. The idea of corporate social responsibility means that businesses have responsibilities in the areas of morality, ethics, and philanthropy, in addition to their responsibilities to earn a fair return for investors and to comply with the law[29]. This is in addition to the responsibilities that businesses already have. The conventional concept of corporations was that their major obligation, if not their only responsibility, lay with their owners, sometimes known as shareholders. However, in order to comply with the requirements of CSR, firms must embrace a larger perspective of their duties, one that does not just involve investors. In subsequent accounts, a study argued that the definition of CSR was as follows: "The social responsibility of business covers the economic, legal, ethical, and discretionary expectations that society has of businesses at any particular moment in time"[30]. The operation of a corporation such that it is economically viable, law-compliant, morally oriented, and socially supportive is one of the four dimensions that comprise Carroll's definition of corporate social responsibility (CSR). The voluntarism and/or charity component are included in the discretionary dimension.

CSR should be segmented into four levels-economic, legal, ethical, and charitable responsibilities[23,30]. The term "economic responsibility" relates to an organization's capacity to turn a profit, whereas the term "legal responsibility" refers to the organization's adherence to all applicable rules and regulations. In terms of the ethical standpoint, the operations of the organisations should go above and beyond the laws in order to accomplish what is right in ways that are fair and just. Philanthropic duty is defined as the act of voluntarily donating to charitable causes and providing service to the community. Corporate social responsibility refers to instances in which a company goes above and beyond what is needed by law and takes "activities that seem to serve some societal good, beyond the interests of the enterprise and that which is required by law"[32]. Even though this is only one way to look at corporate social responsibility (CSR), limiting the debate to this definition lets academics do more than just describe and name CSR activities. Instead, they can dig deeper into how CSR works inside companies.

Corporate social responsibility (CSR) initiatives are focused on issues such as the environment, education, culture and the arts, charitable contributions, and sponsorships. Production of environmentally friendly products; environmental training; cooperation with universities and technical high schools in the automotive sector; development of training programs; contribution to educational institutions' technical infrastructure; and sponsorship of culture and art activities are all examples of activities that can be considered in the foreground[33].A study found two separate aspects of CSR, which they referred to as the explicit and the implicit[34,35]. The term "Explicit CSR" refers to the practises of corporations that explicitly take on and articulate their responsibilities for particular public objectives. In most cases, it refers to the voluntary activities and tactics implemented by businesses in an effort to combine social good with economic benefit and to find solutions to problems that are seen as being within the purview of the company's social responsibility. The fact that explicit CSR is done on a voluntary basis is the primary focus of this discussion. The term "implicit corporate social responsibility" refers to the function that firms play within the larger formal and informal structures that serve the interests and concerns of society. It includes a set of principles, conventions, and regulations that place responsibilities on enterprises to deal with stakeholder concerns and establish duties in the collective. In this respect, the role that business groups play in the delineation and legitimization of these needs is recognised and appreciated.

A research highlighted that voluntary and discretionary are two common terms that are always related to CSR. Some businesses believe that customer demand for CSR is not a significant factor since there is no required act or rule about CSR that has been adopted[35]. Some people even believed that as long as they showed care for their workers' welfare (some things are regulated by law, such as occupational health and safety), they had fulfilled their corporate social responsibility. However, the majority of people have the impression that participating in CSR causes money to be lost rather than gained. The fundamental question behind corporate social responsibility is: why should businesses willingly spend their limited resources on social concerns that will ultimately drive up their costs? Even some people retain the idea that firms engage in CSR activities for their own advantage rather than the interest of their shareholders. In the end, they are interpreted to mean that a portion of the competitive advantage objective will be reduced. However, advocates of CSR hold a variety of perspectives. If corporate social responsibility measures are carefully applied, a company has the potential to boost its performance and perhaps gain a competitive edge. The idea that a company can improve its bottom line while simultaneously improving society is known as the business case for corporate social responsibility (CSR). This concept explains why a company's bottom line will improve if it focuses on both its core operations and its social responsibilities. To be more precise about why businesses engage in CSR, we can point to a number of reasons, including the following: to attract new investors; as part of a branding strategy; as a duty from the government; and the list goes on.

In a study authored in 2007 on Indonesia, the author argued that value creation on the triple bottom line (profit, people, and planet) is highly crucial to the idea of corporate social responsibility (CSR). Nonetheless, the process of enhancing the social and environmental performance of corporations often involves larger cultural and societal changes to be implemented[36]. The idea of a Triple Bottom Line was mentioned a research (TBL). The idea stipulates that a company's obligation should be directed more toward "stakeholders" than it should be toward "shareholders"[38]. In this context, the term "stakeholder" refers to any individual or group that is affected, either directly or indirectly, by the activities of the company. The owners, financiers, suppliers, consumers, workers, customers, employees' unions, trade organisations, rivals, governments, and political parties are all examples of typical groupings of stakeholders. Instead of trying to maximise profits for shareholders, the stakeholder theory suggests that a company organisation should be utilised as a vehicle for harmonising the interests of many stakeholders. Later on, the TBL idea was referenced in a number of other pieces of research. For instance, to explain the scope of CSR and what is meant by "social," the entire philosophy that underpins it could be summed up in the "triple bottom line" theory (TBL), which states that "people, planet, and profit" are the three most important factors to consider[28]. How a company treats its workers, how the activity it engages in affects the environment, and how much profit it earns are the three factors that should be considered when evaluating a company, regardless of where its operations are carried out, either directly or indirectly. It is no longer conceivable or acceptable for a company to engage in social dumping, which involves sacrificing workers' rights and the world around us in a sort of global race for maximum profit. This is the source of all the controversy surrounding whether corporate social responsibility should be based on voluntary measures or non-negotiable rules of the law. Social dumping is no longer possible or acceptable for a business to do.

The conventional view of the purpose of a firm is to achieve the highest possible level of profitability[23]. However, in today's modern business world, old viewpoints are no longer recognised. As a consequence, businesses have begun to embrace the notion of corporate social responsibility (CSR), which is concerned with the economic, environmental, and social performance of a company. Recent years have seen the development of a more comprehensive idea of corporate social responsibility (CSR), in which the focus of the corporation is seen to be shifting from more specific aspects of CSR to more general aspects of CSR. Stakeholders are regarded as one of the most essential aspects of CSR, along with the effects that a company has on society and the environment. A corporate social responsibility (CSR) concept known as the Triple Bottom Line (TBL) takes into consideration the influence that the actions of businesses have on people as well as the impact those activities have on the environment. The component that relates to people is often referred to as human capital, whereas the component that relates to the earth is called natural capital. The TBL model is widely acknowledged as a framework for evaluating the performance of businesses. In order to evaluate performance, not only is profitability considered, but also how well an organisation manages its natural and human resources as well as the money it brings in. Since the beginning of time, companies have counted the environment (i.e., the planet) as one of their stakeholders.

Consumers are more conscious of the duty of firms remarked that today as a result of improved education and the impact of the media[23]. It's possible that corporations and other commercial groups can no longer get away with ignoring CSR. The role of companies in society is shifting away from a singular concentration on the generation of profit to one that places equal emphasis on responsible behaviour toward various stakeholders. There are three different perspectives on CSR: a) The "Win-Win" Vision (also known as "doing well by doing good") According to proponents of corporate social responsibility (CSR), being a responsible member of the community has the potential to boost a company's bottom line[39]. For a claim to be more than the management consultants' promise of a "free lunch," it needs to be elaborated on, and it also needs to be supported by evidence. This is due to the fact that companies presumably do not have an interest in simultaneously reducing profits and harming society (damaging the environment, hurting workers, or consumers). It is possible to interpret it in two different reasonable ways, which correspond to the first and second views that are presented here. The first one has to do with the fact that there are restrictions placed on the temporal horizons of governance and management. The conclusion that may be drawn from this initial interpretation of CSR is that it entails adopting a long-term view with the aim of optimising (inter-temporal) profitability. This indicates that socially responsible investors should present themselves as long-term investors who watch management and express their voice to address short-termism in the company. In a similar spirit, but with far more uncertain welfare repercussions, "strategic CSR" refers to adopting a socially responsible posture in order to boost one's market position and, as a result, raise one's long-term profits. This is done in the name of "strategic CSR." For example, corporate social responsibility (CSR) could be used to appease regulators and public opinion in order to circumvent strict supervision in the future. CSR could also be used to try to raise competitors' costs by encouraging environmental, labour, or safety regulations that will particularly handicap competitors.

The firm as a channel for the expression of citizen values, because of the topics covered in various stakeholders (investors, consumers, and workers, respectively) are often ready to forego monetary gain (yield, buying power, and salary, respectively) in order to facilitate the achievement of social objectives. To put it another way, there is a certain level of expectation among stakeholders that businesses will participate in charitable activities on their behalf. The related CSR profit sacrifice is then given to stakeholders if they want it.

The finding that "sin stocks" (companies that deal in things like cigarettes, alcohol, or casinos) generate better profits lends more credence to the idea that businesses participate in socially responsible behaviour (SRB) on behalf of the people who have a stake in their success. Visibility with regard to stakeholders' demands for SRB serves as an incentive for companies to participate in such conduct. CSR does not bring up any particular issues related to corporate governance since management satisfies customer needs while increasing revenue. Both the CRS and the strategy of making as much money as possible over time work well together.

According to this understanding of CSR, the pro-social behaviour of corporations is not motivated by the demands of stakeholders or their willingness to make financial sacrifices for a worthy cause; rather, it reflects management's or the board members' own desires to engage in philanthropy on their own initiative. Institutions (concert halls, opera houses, museums) and causes (such as political think tanks) that are supported by a company's upper management are common recipients of philanthropic support from businesses. One example of this is the practise of giving money to charities whose boards are served by the company's executives or board members. Consequently, the potential for profit is often not utilised. This particular kind of philanthropy has come under fire from people on the political far right as well as people on the political far left. In a well-known article, the belief is that firms should not engage in charitable activities using the funds of other parties. Instead, managers and directors need to make use of their own resources to achieve this objective[40]. A member of the opposing political party has argued that there is no way to ensure that private money will go to the "right" causes and that firms should not substitute for the state (presumably because elections provide the legitimacy to define what is "right"). He also believes that there is no way to ensure that private money will go to the "right" causes. In actuality, the state decides which organisations are qualified to receive tax-deductible donations, which in turn limits the range of prospective beneficiaries of corporate philanthropy. Therefore, even if it only has a very limited influence on the allocation, it does at least maintain its authority over the receivers' identities. It's also possible that this will make management less responsible because it will create a lot of goals and performance standards. Having too many missions is the same as having none at all, so this is the worst-case scenario.

Corporate social responsibility (CSR) is concerned with treating the stakeholders of the company in an ethical or responsible way[27]. Treating stakeholders in a way that is judged acceptable in civilised civilizations is what is meant when we talk about acting "ethically" or "responsibly." Responsibility extends to the economic sphere as well. Stakeholders may be found both within and outside of a company. A stakeholder in this debate is the natural environment. People who are employed by the company as well as people who are not employed by the corporation should strive to improve their quality of life while maintaining the profitability of the business as the overarching goal of social responsibility. A Scholar point of view, corporate social responsibility (CSR) is becoming an increasingly important part of core business strategy in the global economy[40]. In the past few years, it has become even more important, mostly because of a number of financial scandals, investors' losses, and damage to the reputations of publicly traded companies.

Corporate executives, government officials, and academics are concentrating a significant amount of emphasis on the notion of "CSR," especially with regard to the conservation of the environment[42]. CSR has been claimed to be an essential part of the social compact that exists between businesses and the societies in which they operate[43]. However, both competition and markets require efficiency, and to the degree that CSR puts expenses on a company, that company's competitive position may weaken in comparison to the firms that it competes with. This would seem to show that there is a negative relationship between robust product market competition and meaningful business participation in CSR initiatives. Scholars came to the conclusion that today's commercial companies are becoming more aware of the importance of their commitment to CSR[44]. However, the vast majority have been content with engaging in charitable activities of some kind for the benefit of their stakeholders. For the purpose of realising the synergistic advantages, it is necessary to cultivate a robust corporate culture that places an emphasis on the values and skills associated with CSR. When it comes to cultivating a culture that emphasises corporate social responsibility (CSR) principles and skills, the workers of a firm play a pivotal role. Earlier research on corporate social responsibility has concentrated on analysing the ways in which CSR activities affect the relationships between businesses and their consumers, investors, and workers[45]. Recently, there has been a tremendous increase in the impact that companies have, and a wide variety of other stakeholders have been engaged. As a result, the capacity of companies to effectively manage their stakeholder relationships has assumed a more central position in determining the overall success of such organisations. Corporate social responsibility is one of the most effective strategies for managing the many groups that make up the stakeholder ecosystem (CSR).

A scholar argued that the primary argument in CSR is tied to the voluntary nature of the work that it does by pointing to a few studies to back up their claim[35]. It is especially related to ethical and philanthropic responsibilities, but CSR could also be applied to economic and legal responsibilities, because corporations could choose to fail to meet their main responsibilities to the major stakeholders of companies, including shareholders and employees. Although it is especially related to ethical and philanthropic responsibilities, it could also be applied to economic and legal responsibilities. CSR activities have been postulated to include incorporating social characteristics or features into products and manufacturing processes (e.g., aerosol products with no fluorocarbons or using environmentally-friendly technologies), adopting progressive human resource management practises (e.g., promoting employee empowerment), achieving higher levels of environmental performance through recycling and pollution abatement (e.g., adopting more environmentally friendly technologies), and adopting more environmentally friendly technologies[46]. Researchers are going beyond just defining and categorising activities that fall under the umbrella of corporate social responsibility (CSR) in order to investigate the strategic function that CSR plays in firms.

CSR encompasses a wide range of activities with the goal of reaching a broad area of expertise, including environmental concerns, the elimination of poverty, employment creation and labour practises, environmental protection, education, and human development, amongst other areas of concern[47]. CSR is about making concessions to society at the expense of financial gain. In order for there to be a sacrifice, the company must voluntarily go above and beyond its statutory and contractual obligations[48]. Therefore, corporate social responsibility encompasses a broad variety of behaviours, including those that are employee-friendly, investor-friendly, environmentally friendly, cognizant of ethics, and respectful of the communities in which a company's operations are situated. There are instances when the call to duty transcends beyond the immediate area of the company and involves supporting the arts, colleges, and many other good causes. Another scholar stated that in order to define the context in which CSR operates and manifests, it is necessary to mention that the reference area of CSR overlaps with the business environment almost entirely[49]. This idea was expressed in the context of defining the context in which CSR operates and manifests. So, corporate social responsibility is about how the business world plans and moves forward with the process of aligning an organization's values and behaviours with the needs and expectations of its social partners. It is also related to this process.

The fundamentally similar economic, social, and environmental foci of these three categories of businesses (economic, social, and environmental) align with the sustainable and lasting development objectives. In a study about Romania that corporate social responsibility is a new and modern concept that has been encountered in the Romanian economy and has been adopted with a great deal of interest by national companies that operate in the national market[49]. The need to put certain models into practise in order to take corporate social responsibility is a direct result of the requirements that must be met in order to resolve the economic, social, and environmental issues. We believe that it is normal and ethical for social responsibility to have been a part of economic development projects. This is because, in the event that the development of economic activities determines some unique social consequences and produces a negative impact on the environment, we believe that it is normal and ethical. A scholar made the suggestion that the content of the concept of corporate social responsibility, the functional models in the Romanian economy compared with international models, and the identification of the consequences that initiatives such as these can determine in social terms be presented in order to make a significant contribution to improving the quality of human life while simultaneously ensuring the prosperity of society.

Based on the findings of numerous studies, scholars asserted that corporate social responsibility (CSR) has been conceptualised as activities, decisions, or policies that "organisations" engage in to effect positive social change and environmental sustainability[50]. As a result, the literature on micro-organizational behaviour has only given this topic a passing glance.

According to previous research in the field of business administration has focused on the effects of CSR on relationships among individual stakeholders, and that early studies examining the effects of CSR addressed[52].

According to the World Bank, corporate social responsibility (CSR) is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community, and society in general to improve quality of life in ways that are both beneficial for businesses and beneficial for development. The function of the public sector in corporate social responsibility is a complicated and developing topic[53]. Because the concept of "corporate social responsibility" is still relatively new in many public sector organisations, many of their actions have not been carried out expressly as CSR efforts; yet, they might still be considered to be a part of the agenda. Therefore, there is a plethora of expertise that is valuable among public sector entities, but this experience is now being ignored.Corporate social responsibility (CSR) is a development that is globally recognised on how businesses should manage their business processes to generate an overall good influence not just on society but also on the environment[53]. The so-called "People, Planet, Profit" idea is the guiding principle behind corporate social responsibility (CSR), which stands for concern for social and environmental concerns from the standpoint of a viable corporation. CSR sees environmental and social trends as opportunities for growth and getting a competitive edge[53].

Employees, particularly highly skilled employees, are showing a growing desire to work for a company that genuinely cares about their health and has a positive reputation in the community where it operates. The key to growth is to bring in the best possible employees and to keep them highly motivated. One of the reasons why sustainability is increasingly being incorporated into business is because of this. Companies in the textile industry that figure out how to propel the market in that direction while also figuring out how to surf that wave will see quicker growth with less risk. The conditions under which consumer goods are produced in developing and newly industrialised countries are becoming an increasingly prominent topic of discussion in western countries, where contemporary human rights debates are taking place. Because of this, raising the social standards of the countries that produce the goods that are sold in the industrialised nations' stores has become a very important topic on the agendas of a great number of businesses. This is also the case in terms of environmental considerations, in particular with regard to the cotton producing and processing industry[53].

Corporate social responsibility refers to instances in which a company goes above and beyond what is needed by law and takes "activities that seem to serve some societal good, beyond the interests of the enterprise and that which is required by law"[54]. Although this is only one possible interpretation of corporate social responsibility (CSR), limiting the debate to this definition enables academics to go beyond just describing and naming CSR activities and instead conduct in-depth investigations into the function of CSR inside firms. Corporate social responsibility (CSR) initiatives are focused on issues related to the environment, education, culture and the arts, charitable contributions, and sponsorships[35]. Production of environmentally friendly products; environmental training; cooperation with universities and technical high schools in the automotive sector; development of training programs; contribution to educational institutions' technical infrastructure; and sponsorship of culture and art activities are all examples of activities that can be considered in the foreground.

2.4 Conceptual Framework

A concept is an abstract or general idea inferred or derived from specific instances[94]. The independent variable of the study is corporate social responsibility and the dependent variable is the financial performance of listed fast-moving consumer goods firms in Nigeria, hence the independent variable will be measured by Community Empowerment Expenditure (CEE), Societal and Environmental Expenditure (SEE), Health and Safety Expenditure (HSE), Education Support Expenditure (ESE) while the dependent variable is measured with Return on Asset (ROA) and level of productivity.

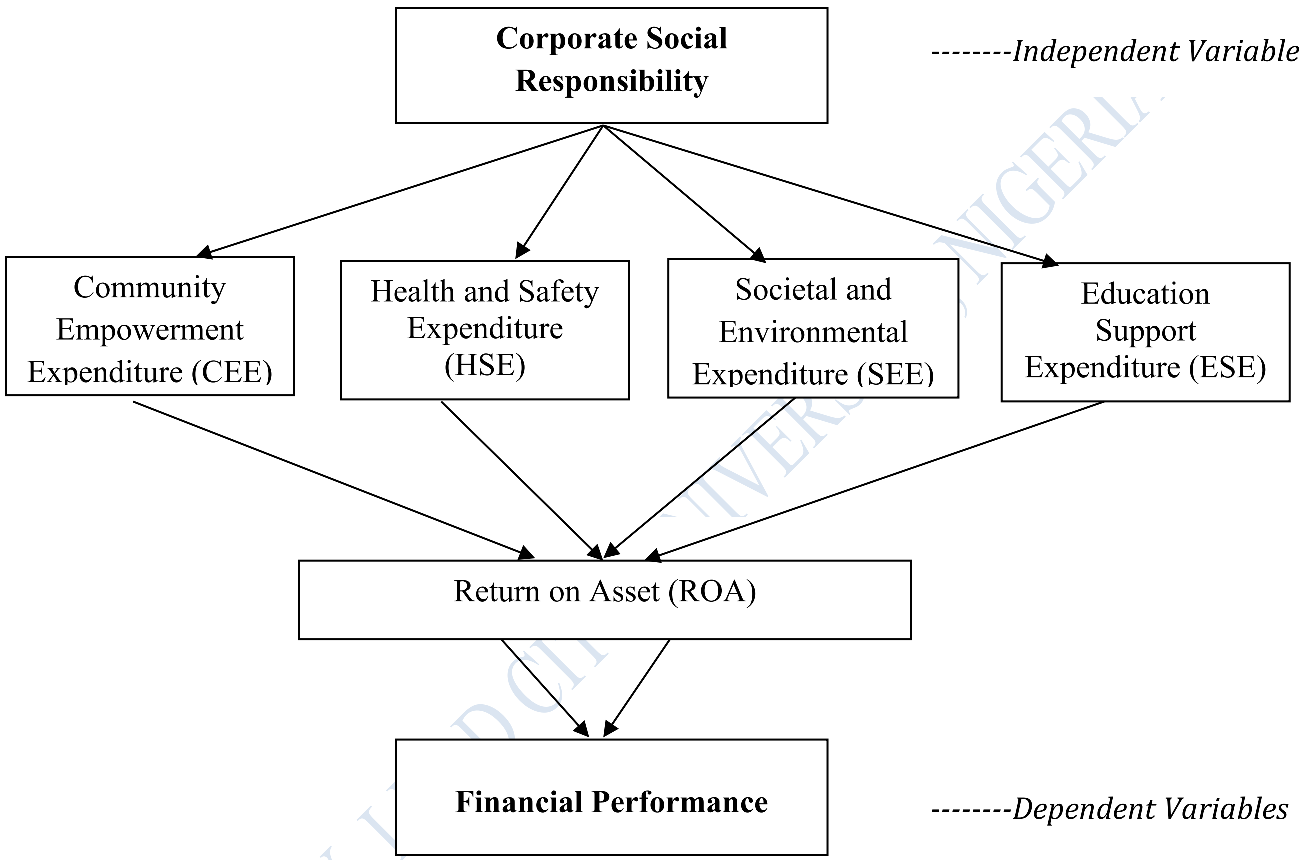

Figure 2.1: Conceptual Model for Corporate Social Responsibility and Financial Performance

Source: Researcher Computation, 2022

2.5 Summary and Gaps in Literature Reviewed

The concept of corporate social responsibility reporting is considered important to the traditional concern of business organizations strategies for profit maximization, diversification, product differentiation as well as globally assessing a firm's effect on its host environment. Corporate social responsibility is the ability of a company to be socially responsible to the growth and development of its social and economic environment. It deals with the part where business as a member of a society plays an active role in the development of the society. Four theories of relevance were discussed to provide a theoretical base for the comprehension of the dynamics of the concept on the performance of business organizations which are agency theory, neoclassical theory, stakeholder theory and legitimacy theory.

The agency theory illuminates the nature of the relationship that exists between shareholders (principal) and business executives (agent), the neo-classicals emphasized that a business is only responsible to its shareholders and should neglect the needs of its environment, the stakeholder theory however posits that a business should consider the effect of its operations on other parties who directly or indirectly have an interest in the business operations. Finally, the legitimacy theory upon which this study is based presumes that a business that ignores its responsibility to the community potentially invite the wrath of its host communities.

The effect of Corporate Social Responsibility on Performance is a concept that has been researched upon by various authors some of which concluded that a positive relationship exists between the two as reported in a study which documenteda positive and significant relationship between CSR and Firm's profitability. Also, it was concluded that CSR is significantly and positively impactful on financial performance.

The primary considerations for the metrics used for this study are objectivity and measurability. The metric must be objective in order to prevent subjectivity, which has come under heavy criticism in the past and may be influenced by attitudes about the firm that are unrelated to the CSR efforts and may provide false results. A ranking or report based on data that is available to the public and made by a third party is a good proxy for CSR involvement because it is open and is thought to be more objective than other proxies.

The results of earlier research are uncertain despite the increased interest in CSR, particularly in the area of its association with financial performance. This suggests that there are many unanswered questions in this field, and this hole inspires the research. Additionally, earlier researchers concentrated more on profitability than organisational success, which creates a gap in the literature. There isn't much research on African economies because the majority of earlier studies were carried out in other nations.

The reasons that offer logical justification for CSR actions from a predominantly corporate economic and financial standpoint are referred to as the "business case for CSR. Arguments from the business case suggest that the market will reward companies for their CSR efforts both financially and economically. CSR activities are justified from a limited perspective of the business case when they provide direct and obvious linkages to corporate financial performance. The business case is typically viewed narrowly, with an emphasis on immediate cost reductions. In contrast, when CSR programmes result in both direct and indirect linkages to company performance, the broad perspective of the business case validates them. The wide vision has the advantage over the restricted view in that it enables the company to capitalise on CSR possibilities. In addition to earning advantages from cost and risk reduction and legitimacy and reputation benefits, which are gained through the narrow perspective of the business case for CSR, the firm may improve its competitive edge and forge win-win partnerships with its stakeholders by taking a broad view.

Because it recognises the intricate and interconnected nature of the link between CSR and corporate financial success, the broad approach improves the business case for CSR's acceptability. When this complexity is acknowledged, it becomes easier to comprehend how CSR activities affect company financial performance while taking into consideration the influence of mediating factors and situational circumstances. The discrepancies in the responsibility-performance studies' findings may therefore be explicable. The advantages of CSR are not uniform, and successful CSR programmes are not standardised. The foundation of effective CSR is the creation of a proper CSR strategy, where CSR activities are those aimed at enhancing stakeholder relations while also enhancing societal welfare. The best CSR strategy is one that focuses on problems where social and economic objectives intersect.

However, some studies disagreed and concluded on a negative relationship existing between financial performance of firms and CSR investment and showing that CSR has short term inverse effect on net profit. The disparity between various authors as to the nature of relationship that exists between these concepts created a gap which this study has filled.

Also, there seems to be very few literatures on the consumer goods sector of a developing country such as Nigeria. Furthermore, few literatures consider the cost implication of CSR activities on the firm's performance while the ones that even considered it failed to disclose the components of CSR cost that was used for measurement. Therefore, the study intends to fill these gaps and add to the body of literature on the cost implication of CSR on firm's finances as related to the Fast-Moving Consumer Goods Firms of the Nigerian Stock Exchange.

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Chapter Three

Methodology

In this chapter the methodological approaches that was used to answer the research questions and achieve the objectives of the study was discussed. As previously stated, the primary objective of this research is to examine the practice of Corporate Social Responsibility on financial performanceof Selected Fast Moving Consumer Goods Firms in Nigeria. It is against this background that the various methodologies adopted for this study are presented below.

This chapter covers the research methods and strategies, research design, the population of study, sampling techniques and procedure, sample frame, sources of data and procedure for data collection, research instruments and design, realities of research instrument, validity of research instrument and ethical consideration.

3.1 Research Design

The study adopted the *ex-post facto* research design because previous facts on social expenditure of firms were studied in relation to financial performance[1]. However, this method compares groupings of already-existing qualities based on a dependent variable.

3.2 Population of the Study

For the purpose of this study, the population will comprise of all the consumer goods firms listed on the Nigerian Stock Exchange (NSE) as at 31st December 2020. However, there are twenty-one (21) consumer goods firms listed on the Nigerian Stock Exchange (NSE) and they are all relevant to the study.

3.3 Sample Size and Sampling Technique

The study made use of a sample of nine (9) listed Fast-Moving Consumer Goods Firms for the period of 10 years (2011 – 2020) based on purposive sampling technique thus giving 99 observations. Purposive sampling was necessary due to insufficient CSR disclosures by some consumer goods firms on the NSE. The sampling procedure was done based on the following conditions.

Disclosure Requirement: The firm must succinctly display elements of CSR expenditure on it financial report within the period in consideration.

3.4 Measurement of Variables

The study used: Dependent variable (ROA) and independent variable (CEE; SEE; HSE; ESE).

Table 3:1 Measurement of Variables

S/N	Variable	Variable Type	Measurement
1	Return on Asset Productivity	Dependent (Y)	Profit Before Interest and Tax/ Total Assets
2	Community Empowerment Expenditure	Independent (X)	Log of expenditure amount on community empowerment
3	Health and Safety Expenditure	Independent (X)	Log of expenditure amount on health and safety
2	Societal and Environmental Expenditure	Independent (X)	Log of expenditure amount on societal and environmental

2	Education Support Expenditure	Independent (X)	Log of expenditure amount on education support

Source: Researcher's Computation, 2022

3.5 Model Specification

The study will adopt a multiple linear regression model to ascertain the relationship between CSR and firm's financial performance.

The multiple linear regression model is given as follows:

Y=f(X)

ROA= f (CEE, SEE, HSE, ESE, LEV, F'AGE) ……………………………………. 3.1

ROA =Return on Assets

CEE = Community Empowerment Expenditure of firm 'i' in time 't'

SEE = Societal and Environmental Expenditure of firm 'i' in time 't'

HSE = Health and Safety Expenditure of firm 'i' in time 't'

ESE = Education Support Expenditure of firm 'i' in time 't'

LEV = Leverage of firm "i" in time "t"

F'AGE = Age of firm "i" in time "t

β0 = Constant term

β1, β2, β3, β4= Coefficients of explanatory variables

β5, β6 = Coefficients of control variables

μit = Random Error term

$ROA = \beta 0 + \beta 1CEEit + \beta 2\ SEEit + \beta 3HSEit + \beta 4\ ESEit + \beta 5\ LEVit + \beta 6\ F'AGEit + \mu it$ ………………. 3.2

3.6 Data Estimation Technique

The study adopted the fixed effect regression analysis due to the results of the Hausman test. The study also carried out series of post estimation test ranging from the Variance Inflation Factor (VIF) and the Normality test using the E-views statistical package to provide an empirical platform for drawing generalization for the study.

Endnote

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Chapter Four

Results and Discussion of Findings

This chapter deals with the presentation, analysis, interpretation of data and discussion of findings. The chapter, in essence, deals with the detailed econometric analysis of the effect of corporate social responsibility on the performance of Selected Fast Moving Consumer Goods Firms in Nigeria. Data on Community Empowerment Expenditure (CEE), Societal and Environmental Expenditure (SEE), Health and Safety Expenditure (HSE), Education Support Expenditure (ESE) and the Return on Asset (ROA) for the period 2011 – 2020 were obtained from the annual reports and accounts of the selected consumer goods firms.

In this chapter, the empirical results based on the formulated regression models in the preceding chapter were presented, while interpretation and discussion of each result is aligned with the stated objectives. It also provides the platform on which conclusion and recommendations are based.

4.1 Descriptive Statistics

This section of the analysis provides an overview on the data set while attempt is also made to describe the main attributes of the data. The descriptive statistics of the data series in shown in Table 4.1.

Table 4.1: Summary Statistics of Variables under Study

VARIABLES	ROA	CEE	SEE	HSE	ESE	LEV	F'AGE
Mean	0.133742	19.45	751	83.72	9.72	0.678950	39.22222
Maximum	0.518637	236	5640	727	94.25	2.391012	68.00000
Minimum	-0.300868	0.07	0.2	0.02	0.03	0.163391	3.000000
Std. Dev.	0.138252	0.852021	0.900477	1.246118	0.857114	0.371782	18.94490
Skewness	-0.550202	0.330357	-0.792103	-0.075535	0.004146	2.808497	-0.636625
Kurtosis	4.651407	2.355010	3.253028	2.015462	2.263198	11.88140	2.101486
Jarque-Bera	16.24438	3.516795	10.61664	4.092570	2.239654	455.5230	10.01753
Probability	0.000297	0.172321	0.004950	0.129214	0.326336	0.000000	0.006679
Observations	99	99	99	99	99	99	99

Source: Field Report, 2022

Table 4.1 shows the summary statistics of the variables under study. The table indicates that, on average during the period of the study Return on Asset of selected quoted consumer goods firms was approximately 13% with the maximum and minimum return for the period being 52% and 30% loss respectively which indicates that performance level during the period was fair. The table also highlights the average, maximum and the minimum amounts of expenditure incurred on community and empowerment activities (CEE) at ₦19,450,000, ₦230,000,000 and ₦70,000 respectively.

The SEE which represents the expenditure on societal and environmental activities had an average of ₦751,000,000 with a maximum and minimum value of ₦5,540,000,000 and N200,000 respectively. Furthermore, the HSE which represents the expenditure amount on health and safety activities was shown at an average of ₦83,720,000 with a maximum and minimum value ₦727,000,000 and N20,000 respectively. Finally, the average of 49 ESE representing expenditure amount on education support was shown at ₦9,720,000 with a maximum value of ₦94,250,000 and a minimum value of ₦30,000.

The table 4.1 also shows the attributes of the data distribution for each of the variables. The standard deviation values, indicates the dispersion of the data series. The higher the values the higher the deviation of the series from its mean and the lower the value, the lower the deviations from the mean. The variable with the higher degree of dispersion from the mean is the HSE with a value of 1.2461, this further explains its degree of variation over the years under study.

Also, the table indicates the nature of the variables through their respective skewness and kurtosis values. The ROA was shown to be negatively skewed and leptokurtic which means that the distribution has a long-left tail and a peaked curve which invariably implies more higher values than the mean of 13%. The CEE and ESE were shown to be positively skewed and platylkurtic which indicates a flatted curve with a long right tail which implies more lower values than the average amount of N19,450,000 and N9,720,000 respectively in the distribution.

Also, the SEE was shown to be negatively skewed and mesorkurtic which mirrors a normally distributed series. Finally, the HSE was shown to be negatively skewed and platylkurtic thus indicating more lower values than the average amount of N83,720,000 The table also indicates the Jarque-Bera values and probability of each of the variables.

The Jarque-Bera ascertains the difference between the kurtosis and the skewness thereby indicating the normality of data distribution. The table indicates that CEE, HSE and ESE are normally distributed which is highlighted by their respective probability values which suggest that we fail to reject the null hypothesis of normal distribution at 5% level. However, the opposite is the case for ROA and SEE due to their respective probability value being significant at the 5% level which suggest non- 50 normality distribution. Thus, it is evident that the regression model will not be estimated using the Ordinary Least Square due to non-normality of some of the variables under study.

Table 4.2: Correlation Matrix

R value Probability	ROA	CEE	SEE	HSE	ESE
ROA	1.0000				
CEE	0.2653	1.0000			
	0.0079***				
SEE	0.4347	0.3764	1.0000		
	0.0000***	0.0001***			
HSE	0.1086	0.1846	0.2699	1.0000	
	0.2846	0.0673	0.0069***		
ESE	0.2516	0.2827	0.1400	0.4322	1.0000
	0.0120**	0.0046	0.1668	0.0000***	

***, ** and * implies significance at 1%, 5% and 10% respectively.

Source: Field Report, 2022

The Table 4.2 shows the association between each of the variables under study. The table reveals that all the surrogates of CSR are positively associated with performance measured by ROA. Specifically, the relationships are as follows:

4.2 Presentation of Research Questions

Research Question One: In what way does community empowerment expenditure have any effect on the return on assets of listed fast-moving consumer goods firms in Nigeria?

The analysis presented in Table 4.2 shows the nature of association between ROA and CEE is denoted by the R value of 0.2653 and a probability of 0.0079. This indicates a significant and a weak positive degree of association between the two variables. This implies that an increase in the expenditure on CEE by firms will result to an increase in ROA for the period while a reduction of expenditure on CEE will result to a decrease in profitability measured by ROA.

Research Question Two: How can societal and environmental expenditure have any significant effect on the return on assets of listed fast-moving consumer goods firms in Nigeria?

As presented in Table 4.2, there is a significant and a weak positive relationship exist between ROA and SEE during the period of study. This is indicated by the R value of 0.4347 and the probability value of 0.0000. This means that ROA and SEE move in the same direction but with a weaker degree of response.

Research Question Three: In what way do health and safety expenditure have any significant effect on return on assets of listed fast-moving consumer goods firms in Nigeria?

The analysis in Table 4.2 reveals the nature of the relationship between ROA and HSE is denoted by the R value of 0.1086 and a probability of 0.2846. This indicates an insignificant and a positively weak degree of association between the two variables. This implies that an increase in the expenditure on HSE by firms will result in an increase in ROA with a lesser degree of response and vice versa.

Research Question Four: How does education support expenditure have any significant effect on the return on assets of listed fast-moving consumer goods firms in Nigeria?

The table 4.2 also shows that a positively weak and significant relationship exists between ROA and ESE during the period of study. This is indicated by the R value of 0.2516 and the probability value of 0.0120. This means that ROA and SEE move in the same direction with a lesser degree of response.

More importantly, none of the CSR surrogates have a coefficient of 0.7 or 0.8 thereby indicating the absence of multicollinearity among the independent variables.

Regression Analysis

The main objective of the study is to examine the corporate social responsibility and performance of fast-moving consumer goods firms in Nigeria. In order to achieve the main objective as stated above, three stages of analyses were performed namely: diagnostic test, the regression analysis and post estimation test.

Since the variables under study are all stationary at level as stated in the previous sections then we move to estimate the random and fixed effect model and therefore deciding on the appropriate model to adopt for the study using the Hausman (1978) test.

Table 4.3: Random Effect Model:

Dependent Variable: ROA

Observations: 99

Variable	Coefficients	Std Error	t-Stat	Prob
Constant	0.135866	0.137710	0.986607	0.3264
CEE	0.003299	0.011548	0.285640	0.7758
SEE	0.019574	0.013516	1.448257	0.1509
HSE	-0.016347	0.009197	-1.777494	0.0788
ESE	0.019474	0.010720	1.816716	0.0725
LEV	-0.130915	0.021461	-6.100168	0.0000
F'AGE	-0.002788	0.001201	-2.320826	0.0225
R-squared		0.317116		
Adjusted R-squared		0.272581		

F-statistic	7.120469
Prob(F-statistic)	0.000003
Durbin-Watson stat	1.067604

Estimated Relationship

ROA = 0.1358C + 0.0033(CEE) + 0.0196(SEE) - 0.0163(HSE) + 0.0195(ESE) - 0.1309(LEV) - 0.0028(F'AGE)

Source: Field Report, 2022

Table 4.4: Fixed Effect Model

Dependent Variable: ROA

Observations: 99

Variable	Coefficients	Std error	t-Stats	Prob
Constant	0.572440	0.098728	5.798152	0.0000
CEE	-0.002658	0.011320	-0.234768	0.8150
SEE	0.015347	0.008482	1.809439	0.0740
HSE	-0.012915	0.008134	-1.587857	0.1161
ESE	0.017125	0.008127	2.107132	0.0381
LEV	-0.181739	0.020554	-/8.842040	0.0000
F'AGE	-0.011371	0.001815	-6.266771	0.0000
R-squared		0.827964		
Adjusted R-squared		0.799291		

F-statistic	28.87642
Prob(F-statistic)	0.000000
Durbin-Watson stat	1.558889

Estimated relationship

ROA = 0.5724C - 0.0027(CEE) + 0.0153(SEE) - 0.0129(HSE) + 0.0171(ESE) - 0.1817(LEV) - 0.0114 (F'AGE)

Source: Field Report, 2022

The Table 4.3 and 4.4 shows the regression results of the study using the random effect model and fixed effect model respectively. However, the Table 4.5 shows the result of the Hausman[1] test which suggest the appropriate model for the study. The probability value of 0.0002 indicates the rejection of the null hypothesis. Thus, in line with the submissions of Hausman,[2]Gujarati and Porter[3] and Wooldridge[4] the specification test favors the use of the fixed effect model in table 4.5 shows that Community Empowerment Expenditure (CEE) measured by the log (CEE) has a negative and insignificant effect on ROA of Selected Fast Moving Consumer Goods Firms in Nigeria.

The probability value of 0.8150 ($p>0.05$) which is greater than the 5% level of significance adopted for the study indicates that, CEE has an insignificant effect on ROA for the period under study. The coefficient of –0.002658 indicates the direction and level of contribution of CEE to ROA. On average, a 1% increase in expenditure towards community development will result to 0.27% decrease in profitability annually.

Also, the probability value of Societal and Environmental Expenditure at 0.0740 ($p>0.05$) and its beta coefficient at 0.01534 indicates that there is a positive and insignificant effect of SEE on financial performance of firms. The size of the coefficient indicates that a 1% increase in expenditure towards social and environmental activities will result to 1.6% decrease in profitability and performance. The result also shows that Societal and Environmental Expenditure measured by the log (SEE) has a negative and insignificant effect on ROA. The coefficients and probability value of –0.012915 and 0.1161 ($p>0.05$) respectively, showed that and increase in amount spent on health and safety of employees will culminate into a 1.3% decrease in profitability and by extension financial performance of firms for the period.

However, the fixed effect regression revealed that Education Support Expenditure measured by the log (ESE) have a positive and significant effect on ROA. The probability value of 0.0381 ($p<0.05$) indicates significance at 95% confidence level. Also, the coefficient value of 0.017125 indicates that 1% increase in funds towards education activities will increase the profitability of firms by 1.7% annually. Also, the constant term β0 of 0.5722 indicates that holding the value of the variables in the regression constant, the value of Return on Asset will be about 57% of the total value for the period.

Furthermore, the coefficient of determination (R-squared) of the fixed effect model showed that approximately 83% of variations in ROA can be attributed to the variables in the model while the remaining 17% are attributed to other factors not included in the model. This shows a strong explanatory power of the model which is further emphasized by the probability of the f-statistics at 0.0000 which shows that the regression result is statistically significant at 5% level adopted for the study. Also, the Durbin- Watson value of 1.558 indicates the absence of serial correlation in the model.

Therefore, the model is adequate. Hence, while Societal and Environmental Expenditure (SEE) and Education Support Expenditure (ESE) have positive effect on Return on Asset of consumer goods firms in Nigeria, Community Empowerment Expenditure (CEE) and Education Support Expenditure (ESE) have negative effect on the Return on Asset ofSelected Fast Moving Consumer Goods Firms in Nigeria.

Table 4.5: Variance Inflation Factors

Observations: 99

Variables	Centered VIF
CEE	1.228862
SEE	1.469701
HSE	1.608339
ESE	1.194912
LEV	1.108490
F'AGE	1.626768

Source: Field Report, 2022

The result of the VIF estimates in Table 4.7 indicates the absence of multicollinearity in the model as none of the variables have a centered VIF of 5 or 10 which is consistent with the submissions of previous studies[5,6].

4.4. Hypotheses

4.4.1 Hypothesis One: Community Empowerment Expenditure has no effect on return on assets of Selected Fast Moving Consumer Goods Firms in Nigeria

Decision: The null hypothesis failed to be rejected due to the probability value (0.8150) which is greater than the 5% level adopted for the study.

Discussion: The size of the coefficient at ($\beta 1 = -0.002658$) implies that holding other values in the model constant an increase in CEE by 1% will result to a decrease in ROA by 0.27% thereby indicating that firms' investment on Community Empowerment activities are mildly counter-productive.

This implies that financial motive is not the driving force for community involvement of firms but the moral obligation to the society in which they operate. The finding is consistent with the findings of previous completed study which revealed that corporate giving has a negative and insignificant impact on Return on Assets (ROA)[7]. Also, a similar study revealed that economic performance disclosure does not significantly affect return on assets of selected quoted firms in Nigeria[8].

However, this contradicts the findings made by studies which argued that community support improves companies' profitability and performance[9,10]. Also, similar studies revealed a positive effect of community responsibility cost on performance of oil and gas industry mainly because it can improve coordination with the local community in the exploitation process[11]. Another study revealed that community involvement has significant positive effect on EPS[12]. Finally, a research found a significant but positive impact of corporate giving on profitability of firms[13].

The negative relationship between CEE and ROA seems to validate the sentiments of the neo-classical theory that CSR is costly since being socially responsible incurs additional expenses which will deteriorate profitability and lead to competitive disadvantage. There is no point in a firm behaving responsibly if, in so doing, it puts itself out of business or generates less profit.

However, a study opined that firms engage in CSR activities for several reasons. These range from pure philanthropy (actions taken for a better payback) to conform to institutional pressures from the external environment and explicit return benefits such as financial gains and strategic reputation[14].

Pragmatically, there is no point in adopting CSR if no one knows about it. As it improves a firm's reputation it becomes more responsible and sustainable than its competitors thus, improving the effectiveness in managing communications and marketing to reinforce existing customers and as such increasing market share and profitability. Therefore, it is imperative for consumer goods firms to increase the level of awareness of the people as regards their empowerment programs and impact on the community so as to reap the benefits of their continuing involvement in the community.

4.4.2 Hypothesis Two: Societal and Environmental Expenditure has no significant effect on the return on assetsof Selected Fast Moving Consumer Goods Firms in Nigeria.

Decision: The study failed to rejected the null hypothesis due to the probability of SEE at 0.0740 which is greater than the 5% level adopted for the study.

Discussion: The beta coefficient of (β2 = 0.015347) for Societal and Environmental Expenditure (SEE) as shown in the table 4.3.3 indicates that, up to 1.5% increase in Return on Asset (ROA) of firms within the period of study is actually accounted for by a unit increase in SEE.

The findings corroborate the findings of the Kenyan scholarswho in their study concluded that Societal cost has positive effect on firm's performance[15]. Also, from the works of previous research a positive and insignificant relationship was established. The reason could be that an enhanced public image would help gain more customers, better employees and other benefits[16,17,18]. Also, a study concluded that environmental cost positively and insignificantly impacts on profit generation of corporate organizations in Nigeria[19].

However, the findings of the study contradict the findings of some scholars who concluded that a significant relationship exists between environmental cost management and profitability of oil sector firms in Nigeria[20]. Also, in another studya positive and a significant relationship was revealed between corporate performance and environmental related cost of consumer goods firms which was established to improve the level of profitability of firms[21,22]. Authors revealed that cost of ensuring social and environmental policies as well as firm competitiveness have significant relationship with the firm's profitability. It was concluded that environmentally friendly organizations enjoy high level of corporate competitiveness resulting in high performance[23].

A study revealed that there is a significant relationship between the cost of environmental activities such as the provision of establishments, non-profit projects, support projects/charities and the profitability of industrial companies[24]. Finally,a significant and positive impact of social events on profitability of firms was revealed in a study[25]. A favourable corporate image is crucial from the investor point of view, as investors are usually eager to buy stocks of organizations that are socially and environmentally responsible. The findings would imply that companies that are apathetic to their environmental costs or responsibility might experience eventual crashes on their stock price and profitability if their investors are rational in considering the future value of the firm based on its present state of environmental responsibility. Furthermore, it has been revealed that environmentally friendly organizations who voluntarily disclose their environmental activities enjoy high level of performance. Hence, the need of firms to be socially involved in their immediate environment.

4.4.3 Hypothesis Three: Health and Safety Expenditure has no significant effect on return on assets of Selected Fast Moving Consumer Goods Firms in Nigeria.

Decision: The beta coefficient of Health and Safety Expenditure ($\beta 3 = -0.012915$) and its probability value of (0.1161) which is greater than 5% significant level suggest that we fail to reject the null hypothesis.

Discussion: Therefore, the study concludes that Health and Safety Expenditure (HSE) has no significant effect on Return on Asset (ROA) of Selected Fast Moving Consumer Goods Firms in Nigeria. This shows that investment in the health sector and employee safety are counterproductive but not significantly that is, holding other variables in the model constant a unit increase in HSE is associated with approximately 1.3% decrease in ROA. This is in line with the findings of previous research who in their study found that occupational health and safety management cost in the fashion and textile industries have a negative impact on ROA suggesting compliance to occupational health and safety might cause a strain on a firm's financial position[26].

A research found that employees' relation cost has no significant impact on ROA[27]. Also, in a similar study, researchers found that an employee relation (which includes employee safety) has a positive yet insignificant impact on ROA[28]. However, the findings of the study contradict the result obtained in in another study which revealed that employee health and safety costs have a positive and significant effect on ROTA[29]. The study concluded that investment on employee and safety related costs, will likely improve return on total assets of environmentally cost-conscious firms.

The result of the study which revealed a negative and insignificant effect of HSE on ROA underscores the belief of firms that safety and health of their employees and the society at large is an investment and not a cost. Corporate social responsibility initiatives towards employee's wellbeing can contribute to the ease of hiring quality staff, employee retention, commitment and motivation all of which leads to increase innovation and productivity. Employees want to feel proud of where they work. An invested employee is less likely to look for a job elsewhere. Also, more good people want to work for firms who do not take their staff for granted. More hiring choice ultimately means better workforce. Front line employees are also best placed to identify inefficiencies and propose improvements. Workplace injuries and death are one of the single largest costs a business will face. Direct costs, indirect costs and the tangible loss of profit that comes with an injury or death will quickly add up.

Firms who invest in safety and health of their workers can drastically reduce illness, injuries and fatalities which leads to far fewer compensation cost. The idea that companies can save money by cutting corners with safety is not true at all of which the consumer's goods firms are apparently aware of. Firms realize that an effective, well planned safety program and health support will keep the employees and the society safe, happy and productive and in the long run will improve companies' revenues, profit margins and indeed their public image.

4.4.4 Hypothesis Four: Education Support Expenditure has no significant effect on level of the return on assets of Selected Fast Moving Consumer Goods Firms in Nigeria.

Decision: The study rejects the null hypothesis at the 5% level of significance.

Discussion: In the present society the public education faces many challenges of standardized testing, strained budgets, teacher retention and basic quality. These demands have given way to new opportunities for businesses to support education in a situation that benefits everyone.

The beta coefficient of the Education and Support Expenditure (ESE) of quoted consumer goods firms for the period under study at ($\beta4$ =0.017125) and its probability value of (0.0381) provides the contextual evidence to reject the null hypothesis as it appears its significant at the 5% level. Therefore, based on these findings we conclude by saying there is a significant effect of Education Support Expenditure (ESE) on the financial performance of consumer goods firms.

This is in line with the findings of previous research which concluded that a positive and significant relationship exit between Community Performance (which includes education cost) and financial performance[30]. However, the findings of the study contradict the findings of a similar study which revealed a negative and significant effect of Community Development Cost (which includes education support cost) on financial performance of oil firms in the Niger delta region[31].

A studyfound that Social Performance disclosure (which includes education cost) have no effect on financial performance (ROA) of selected quoted firms in Nigeria[32]. "Knowledge is Power", this is a motto widely used during the last decades, based on the fact that creation of new knowledge and implementation of innovative methods in production generate competitive advantages thus becoming the main source of economic growth and development. In the highly competitive environment of the global market, the role of education become more important since it has been proven that personnel or potential employee with high level of education is a determinant of the research and innovation process, thus facilitating improvements in productivity, competitiveness and ultimately profitability of firms.

Based on the findings of this study education is the most entitled and socially rewarding effort for any firm to be looked upon to release its social responsibility. Supporting education at any level will mean, reenergized education sector which can transform our country, Nigeria into a true knowledge power in order to realize a future of success and growth the consumer goods firms in Nigeria apparently recognize the importance and benefits of a high-quality education system and thus invest quite well in this sector. This can be attributed to the need to have access to highly qualified employees and a favourable public image overall. Therefore, firms should intensify their investment in this sector which has been proven to be positively and significantly related to their level of performance in the form of Return on Asset.

4.5 Discussion of Findings

The purpose of the study was to examine the effect of Corporate Social Responsibility on performance of selected Fast Moving Consumer Goods Firms in Nigeria. The empirical analysis was done in two parts firstly the correlation analysis and secondly regression analysis. The correlation analysis shows that each of the measures of CSR are positively related to ROA however while some of the relationships are significant others were insignificant. The fixed effect model in table 4.5 shows that 83% of variations in ROA can be explained by the variables in the model. This indicates that 83% of changes in Return on Assets of Selected Fast Moving Consumer Goods Firms in Nigeria during the period of study can be explained by Corporate Social activities. The regression result also provides basis on which the hypotheses of the study were either rejected or failed to be rejected.

Finally, the F-statistics value of 0.0000 Shows that the model is significant at 1% and thus implies the goodness of fit of the model. The Durbin Watson of (1.55888) shows that there is no problem of first order autocorrelation in the data set. On the other hand, the Variance Inflation Factors of each of the variables is less than 10 which confirms the absence of multicollinearity. The normality test also showed that the residual errors of the model are normally distributed thus indicating that, the results of the fixed effect model are best and unbiased in explaining the data set.

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Chapter Five

Conclusion

This chapter deals with the summary of the study, descriptive and empirical findings as well as conclusions and recommendations made, the study's contribution to knowledge and suggestions for further research.

5.1 Summary

The study examined the corporate social responsibility and financial performance of listed fast-moving consumer goods firms in Nigeria. Previous studies on this work have concentrated on investigating the effect of CSR using level of disclosures and overall cost on financial performance without inculcating the different areas of expenditure and the stationary of variables in examining their effect on financial performance. Other research done by scholars include examining only community empowerment cost; societal and environmental cost; health and safety cost in providing empirical evaluation technique for determining sensitivity of CSR on financial performance of firms. The different methodologies used by different authors, the environments or settings under which the studies were carried out, the nature of data and sources in different areas, among others could account for these differences.

Thus, the uniqueness of this work is its ability to examine the effect of CSR on financial performance of listed fast-moving consumer goods firms in Nigeria. Community Empowerment Expenditure (CEE), Societal and Environmental Expenditure (SEE), Health and Safety Expenditure (HSE) and Education Support Expenditure (ESE) were used as surrogates of CSR while Return on Asset (ROA) was used to measure financial performance of listed fast-moving consumer goods firms in Nigeria. The study was structured into five chapters. Chapter one looked into the background of the study identified the problems of the study, objectives were defined, research questions and hypotheses to guide the investigation were formulated. The chapter also highlighted the significance of the study, described its scope as well as identified and operationalized the study variables. Also terms relevant to the study were defined based on the contextual use in the work.

In summary the chapter serves as introduction to the study. The chapter two dealt with three basic components of the study. These are the conceptual framework which emphasized the historical and conceptual background of CSR; the theoretical framework emphasizing on the Agency theory, the Neo classical theory of CSR, Stakeholder's theory and the Legitimacy theory the empirical review of literature for in-depth knowledge of the scope of the subject matter of the study interest and pointed out existing gaps now filled by the current research efforts. Chapter three presented the methodologies for the study; essentially the chapter discussed the design and population of the study. An appropriate sample size was determined and selected using purposive sampling method. Type and sources of data were also discussed, furthermore, the perceived functional relationships, associated models techniques for evaluating the model coefficients and ethical consideration were described.

In chapter four, the data were analyzed into two parts, descriptive analysis and empirical analysis. The descriptive analysis examined the minimum, maximum, mean and standard deviation. The empirical analysis made attempt to establish the effect of CSR on consumer goods firms using linear regression method. These values were substituted in the functional equations to obtain the regression models that were evaluated for the validation of a priori expectations and establishment of statistical significance of the effect of CSR on the financial performance of consumer goods firms. This chapter gives the summary of the study as well as findings and other implications. Conclusions were drawn and recommendations made. Finally, the chapter highlights the limitations of the study, the study's contribution to knowledge and suggestion for further research.

The summary statistics of all the variables under study were described. Specifically, the mean values of the CEE, SEE, HSE and the ESE stood at N19,450,000, N751,000,000, N83,720,000 and N9,720,000 respectively. While the mean value of the ROA stood at 13%. The variable with the higher degree of dispersion from the mean is the HSE with a value of 1.2461, this further explains its slight degree of variation over the years under study. Their respective minimum and maximum values are equally shown indicating variations over the year for the respective series.

Also, the probability of the Jarque-berra statistics of the transformed series showed that not all the variables are normally distributed. Thus the regression model was not estimated using the Ordinary Least Square Regression as normality of all the series was not met. The correlation analysis showed that all the measures of CSR have positive relationship with the ROA. The fixed effect regression on Table 4.5 shows that 0.827 representing 83% of the variations in the ROA can be explained by CSR. This indicates that 83% of changes in ROA oflisted fast-moving consumer goods firms in Nigeria during the period can be explained by changes in CSR expenditure of the firms.

5.2 Findings based on the study objectives:

1. To examine the effect of Community Empowerment Expenditure (CEE) on the Return on Asset (ROA) of listed fast-moving consumer goods firms in Nigeria. This was tested with the Hypothesis one that Community and Empowerment Expenditure has no significant effect on financial performance (ROA) of quoted consumer good firms in Nigeria, it was tested using the fixed effect multiple linear regression model at 0.05 level of significance and the Null hypothesis (Ho) failed to be rejected. This shows that CEE insignificantly influences the ROA of listed fast-moving consumer goods firms in Nigeria. It can be seen that CEE has a negative but insignificant effect on the firms' ROA. This contradicts the study's econometric apriori theoretical expectation. Specifically, the result shows that if all the explanatory variables are held constant an increase in CEE incurred by firms will result to a decrease in the value of ROA. In other words, CEE affects ROA negatively, although the effect is seen to be insignificant. This finding contradicts the findings made by scholars in which they argued that community support improves companies' profitability and performance.
2. To ascertain the effect of Societal and Environmental Expenditure (SEE) on financial performance (ROA) of listed fast-moving consumer goods firms in Nigeria. This was tested with the Hypothesis two that Societal and Environmental Expenditure has no significant effect on financial performance (ROA) of listed fast-moving consumer goods firms in Nigeria, it was tested using the fixed effect multiple linear regression model at 0.05 level of significance and the Null hypothesis (Ho) failed to be rejected. This indicates that SEE insignificantly and positively influence the ROA of quoted consumer

goods firms in Nigeria. This corroborates the findings of the scholars who in their study concluded that societal cost has positive and insignificant effect on firm's performance.

3. To determine the effect of Health and Safety Expenditure (HSE) on financial performance (ROA) of listed fast-moving consumer goods firms in Nigeria. This was tested with the Hypothesis three that Health and Safety Expenditure has no significant effect on financial performance (ROA) listed fast-moving consumer goods firms in Nigeria, it was tested using the fixed effect multiple linear regression model at 0.05 level of significance and the Null hypothesis (Ho) failed to be rejected. This depicts that HSE has an insignificant effect on ROA of quoted consumer goods firms in Nigeria. Also, it can be seen that HSE has a negative and insignificant effect on firm's ROA for the period. This is not in line with a-priori theoretical expectation. Specifically, the result shows that if all the other explanatory variables are held constant an increase in HSE by firms will result in a decrease in the value of ROA. In other words, HSE affects ROA negatively, although the effect is insignificant. This finding also contradicts the results obtained in scholars who concluded that HSE has a positive effect on firm's profitability and performance.
4. To evaluate the effect of Education Support Expenditure on financial performance of listed fast-moving consumer goods firms in Nigeria. This was tested with Hypothesis four that Education Support Expenditure (ESE) has no significant effect on financial performance (ROA) of listed fast-moving consumer goods firms in Nigeria. This was tested using the fixed effect model at 5% level of significance and the Null hypothesis (Ho) was rejected, while the alternative hypothesis was accepted, this shows that ESE significantly and positively influence the performance of quoted consumer goods firms in

Nigeria. Specifically, the result shows that if all other variables are held constant an increase in ESE by firms will result to a significant increase in performance of firms for the period.

5.3 Conclusion

This study has examined the effect of CSR on financial performance of listed fast-moving consumer goods firms in Nigeria. Majority of the variables (CEE, HSE and SEE) were not statistically significant while only ESE was significant on the dependent variable (ROA). A graphical representation of the variables was depicted for the period 2011 – 2020 to ascertain the nature of each of the variables. Based on the findings of the study, it concludes as follows:

The study has confirmed the significance of ESE as a predictor variable of ROA of sampled firms. This goes without saying that CSR directed at education have ripple effect on the bottom line.

The study established the negative contribution of CEE and HSE towards performance of consumer goods firms. This lends itself to the fact that expenditure directed towards communities, Health and safety of employees to the extent that they are reported in the annual reports are insignificant in influencing the level of performance. This therefore means that activities directed towards the community and the health sector reduces profitability of firms. However, when socially responsible firms disclose sufficient social activities they enjoy competitive advantage, brand loyalty and reduced cost in the long run.

Societal and Environmental activities are as vital as all other liabilities of firms, and it requires commitment and proper management, a conducive environment is created for increased performance of firms. Where firms neglect their responsibilities to other stakeholders in the environment the relationship is invariably strained. This implies that, the operation of consumer goods firms will be adversely affected. Finally, the study recognizes that the concept of CSR as fundamental and inevitable because of the ever growing expectations of the public; concern about environmental degradation, consumers, governmental authorities and investors in issues of firms' responsibility. Based on this, the study advocates for a tentative approach towards CSR and its reporting in the financial statement of firms which suggest implementing CSR activities as moral obligation of firms.

5.4 Recommendations

The following recommendations have been addressed to different parties who either have direct or indirect interest on firms' CSR. These parties are the firms, government and investors.

A business cannot successfully operate in a society which it ignores. It is imperative for managers to consider CSR initiatives in the light of firm's corporate abilities. Managers should endeavor to avoid an asymmetry of CSR with internal factors which can be detrimental to firms' value. As a consequence, they need to evaluate carefully in totality the implications of CSR before implementing CSR activities. The study recommends that firms should endeavor to generate revenue through sales of waste, bye products, recycling of waste and accounting for environmental performance and expenditure as this can support development and increase in profitability and overall performance.

1. The study recommends that government should work closely with the private sector to support economic development. A sit-down should be arranged with the business world and other stakeholders in determining common standards reporting mechanisms and the

extent to which they should be responsible. The major cause of environmental conflicts between the community and firms is the failure of these firms to impact positively in their immediate environment.

2. The study therefore recommends that shareholders should compel the managers of firms to have a well-structured CSR framework and culture indoctrinated into their operations. Finally, all stakeholders should encourage the private sector firms towards CSR as this will add value to their investment in the long run. Invariably, investors who are interested in longterm investments will be encouraged to invest.

5.5 Contribution to Knowledge

It is believed that the study has contributed to academics, firms and government in the following ways. The study has contributed to existing literature through an in-depth examination of CSR expenditure through various areas or sectors of the economy. In particular, the study incorporated and examined Education Support Expenditure (ESE) as a separate independent variable in explaining the effect of CSR on performance of listed fast-moving consumer goods firms in Nigeria. The results of the study provide a clear and better understanding of the effect of CSR expenditure on consumer goods firms.

From the findings, one can easily deduce that consumer goods firms are yet to benefit fully from their continuing involvement in CSR activities. It is understandable from the findings that if CSR expenditure is properly managed and disclosed to a reasonable extent, it has the potential to stimulate performance, growth, and development of listed fast-moving consumer goods firms in Nigeria.

The study also provides evidence on the proper analysis of CSR by considering the nature of variables to be estimated. This helped to overcome the problem associated with a biased result. The study has also shown ways by which firms can offset their environmental expenditure through proper waste management and other activities. Also, highlighting the ways by which investors government, shareholders and stakeholders can contribute to the growth of firms and indeed the economy at large by indoctrinating CSR activities for the benefits of all concerned.

5.6 Suggested Area for Further Research

The study is by no means exhaustive in its investigation of CSR effects on performance of listed fast-moving consumer goods firms in Nigeria. It specifically dealt with community empowerment, societal expenditure, health and safety expenditure and education support by firms. Hence, attempt should be made by future researchers to explore other areas of CSR such as employee's time and effort in social activities and measure its effects on profitability and performance of firms. This would necessitate the use of additional data gathering techniques like the questionnaire.

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Biodata

A. Personal Data

Full Name: OluwatoyinJulianah AYENI

Address: Block 1, Plot 2 Sobanjo Close, off NIHORT Rd, Idi-Ishin, Jericho

E-mail: toyinseun2002@yahoo.com

Phone No: 08066751506

Date of Birth: Lagos Island

Nationality: Nigerian

Next of Kin: Mr. Kayode AYENI

B. Educational Background

Educational Institutions Attended with Dates and qualification

- HND in Accounting - Federal Polytechnic, IlaroOgun state
- ND in Accounting - Federal Polytechnic, IlaroOgun State
- S.S.C.E - Iganmode Grammar School, Ota, Ogun State
- First School Leaving Certificate -Local Government School Ota, Ogun state

C. Working Experience with Dates

❖ Lead City International School (Administrative Manager) Jan2022-Till Date

- Manage the whole school administrative function and lead all support staff
- Manage recruitment and development for all support staff
- Patrol round entire school premises first thing in the morning and last thing before close of day.

- Processing of appointment/termination, employment letters and regular personnel documentation for all staff.
- Tracking of school's work plans, activities and events
- Ensuring all staff administration records/correspondences is effectively filed and maintained and responsible for the management of all staff personnel records
- Preparing and updating job descriptions/personnel specification for all positions in conjunction with the appropriate offices.
- Assist in the management of the whole school administrative function.
- Supervise Janitors to ensure entire school premises are clean and tidy at all times.
- Arrange travel logistics for school staff, consultants and training participants including hotel reservations and transportation.
- Tracking of Corp members employment (one year posting) in the school
- Assist the PTA secretary in arranging logistics for PTA general meetings
- Monitor attendance of all staff as well as absence and lateness
- Manage the schools general store – costumes etc.
- To work with the administrator in arranging logistics for all school programs; like PTA, new student orientation, etc.
- Processing of ID cards- students and staff

❖ Lead City International School (School Secretary) May 2016-Jan2022

- Attend to all staff/visitors cordially and in a friendly manner.
- Takes care of administrative details – schedule appointments and receives visitors.
- Handles school communication among parents, students, the community, teachers and school administrators.
- Handles incoming and outgoing mails, emails and faxes.
- Handles incoming telephone calls to provide information, take messages, or transfer calls.
- Provides minimal support to all other members of staff.
- Performs office equipment tasks such as making needed arrangement for services via telephone and e-mail.
- Prepares memos, invoices, minutes or other reports and documents in timely manner.
- Ensures that appropriate calendars of activities are maintained for the school including establishment of schedules for parent conferences, school visitors, and other meetings.
- May order and dispense school supplies.
- May accept and keep money for students till close of day
- Keeps all confiscated items till time to be returned to students

❖ Grand Oak Limited (Account Officer) Jul 2009 - Mar2013

- Posting of all bank payments and relevant journal entries.
- Responsible for the reconciliation of bank accounts on weekly basis
- Ensure reconciliation of weekly branch current accounts
- Timely treatment of outstanding issues

- Prompt disbursement of cash
- Maintenance of proper books & records
- Ensuring compliance with the company's policies in the area of budget
- Preparation of weekly and monthly returns

❖ Grand Oak Limited (NYSC, Area Account Officer Assistant) April 2008 – Mar2009

- Maintenance of proper books & records
- Ensuring compliance with the company's policies in the area of budget
- Monitoring of stock movement as per company's guidelines
- Preparation of weekly and monthly returns

❖ Grand Oak Limited (Treasury Officer) Oct 2007 - Mar 2008

- Reconciliation of bank statement with company's book
- Reconciliation of current account for both Hq. &branches
- Raising of cheques to due creditors
- Payment of monthly salary & allowance to non-regular staff
- Posting of transactions into the new accounting package {Ebizframe}

❖ Nigeria Distilleries Limited (Treasury Attaché) Jul 2004 – Aug 2005

- Posting of transactions.
- Reconciliation of bank statement with company's book
- Reconciliation of current account for both Hq. &branches
- Raising of cheques to due creditors
- Payment of monthly salary & allowance to non-regular staff

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Signature Date

University Compliance Certificate

This is to certify that this thesis was written by AyeniOluwatoyinJulianah with Matric No. LCU/PG/001501 in the Department of Management and Accounting,, Faculty of Management and Social Sciences, Lead City University, Ibadan is in full compliance with the approved University format and style.

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