CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE OF THE NIGERIA CONSUMER GOODS SECTOR

C. E. Ezeagba

ABSTRACT

This study adopts an expo facto research design. The aim is to examine the effect of Corporate Social Responsibility (CSR) on the financial performance of quoted firms in the consumer goods sector in Nigeria. A total of twenty-eight quoted firms in Nigeria stock exchange market under the consumer goods sector constitute the population, out of which fifteen firms with up-to-date financial information are selected and analyzed. Data are extracted from corporate annual reports and accounts of the selected firms for the period 2012-2015. Data for corporate social responsibility proxy by environmental expenditures are extracted from the sustainability reports and firm's financial performance. This is determined by return on assets (ROA), return on shareholders fund (ROSF), and lastly return on capital employed (ROCE). In testing the research hypotheses, simple regression techniques is used. The findings reveal that Corporate Social Responsibility has significant effect on return on Shareholders' funds and return on capital employed of quoted firms. Also, Corporate Social Responsibility has a positive relationship but insignificant impact on return on assets. Based on the findings, it is recommended that organizations incorporate corporate social responsibility agenda into their corporate strategy to improve their financial performance.

Key words: Consumer goods sector, corporate social responsibility, environmental expenditure, financial performance, return on asset, return on capital employed.

INTRODUCTION

Corporate Social Responsibility (CSR) simply means that companies in the cause of discharging their day to day activities for the purpose of profit realization should also take into consideration the effect of their activities on the members of the society in which the companies are residing and the environmental sustainability of their operations.
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It is the duty of corporate organizations to take into consideration, the interest of customers, employees, shareholders and communities et cetera. The difficulty experienced by corporations in adopting a corporate sustainability plan is usually as a result of their chosen accounting system, as traditional management accounting systems fail to capture external costs (social and environmental costs). A corporate sustainability initiative can only be successfully implemented when corporations adopt systems capable of capturing social and environmental costs; which is a necessary starting point for the preparation of corporate sustainability reports. In this vein, a sustainability accounting framework and practice has been suggested by accounting bodies and scholars (IFAC, 2006). The outcome of corporate sustainability accounting practice is usually the issuance of sustainability reports, as companies disclose performance across (economic, social and environmental performance areas) the dimensions of sustainability.

There is little prior research evidence regarding Corporate Social Responsibility and financial performance in Nigeria. This study focuses on the Nigerian consumer goods sector using return on shareholders’ fund (ROSF), return of capital employed (ROCE) and return on asset (ROA) of firms in Nigeria. Therefore, this situation leaves a significant gap in studies on management accounting practices related to environmental and social activities. To achieve the objectives of the study, the following hypotheses are formulated:

- **H\(_0\)_1:** Corporate Social Responsibility (proxy for environmental expenditure) does not significantly affect the return on shareholders’ fund of consumer goods firms in Nigeria.
- **H\(_0\)_2:** Corporate Social Responsibility (proxy for environmental expenditure) does not affect the return on capital employed of consumer goods firms in Nigeria.
- **H\(_0\)_3:** Corporate Social Responsibility (proxy for environmental expenditure) does not have any impact on return on Asset of consumer goods firms in Nigeria.

**Corporate Social Responsibility (CSR)**

This concept has received varying definitions from prior accounting literatures. The United Nations Organization (2001) defined CSR as a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment, or 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 incorporates and integrates two of the three building blocks of sustainable development – environment and economics – as they relate to an organization’s internal decision-making. Coopers and Lybrand (1993) explained further
that an effective CSR should incorporate environmental policies and objectives, as well as a detailed plan and an organizational structure to allocate responsibility for environmental performance, procedures for environment related activities, procedures for handling abnormal or emergency situations, processes for assessing and auditing environmental performance, and a mechanism for regular review of the system components.

The term Corporate Social Responsibility Accounting is often referred to as environmental accounting or Green Accounting and these terms are often used in place of sustainability accounting. An important function of environmental accounting is to bring environmental cost to the attention of corporate stakeholders who may be able and motivated to identify ways of reducing or avoiding those costs while at the same time improving environmental quality (US Environmental Protection Agency, 1995). Graff, Reiskin, White and Bidwell (1998) develop a framework of some of the different contexts in which environmental accounting is used as shown in figure 1.

Figure 1: Environmental Accounting/Corporate Social Responsibility Framework.

From the figure 1 above, environmental accounting is classified into two major groups – environmental accounting at the national level and firm level. At the
macroeconomic or national level, environmental accounting is further classified into environmental natural resource accounting and environmental national income accounting. At the microeconomic or firm level which is the level of interest, EA applies to both financial accounting and management accounting. Financial accounting and its environmental requirements need to be standardized to provide consistent and comparable information to investors, regulators and other stakeholders, while management accounting practices will always vary widely from firm to firm (Okafor, Okaro and Egbonike, 2013).

Approaches to Corporate Social Responsibility Accounting

There are two major approaches to Corporate Social Responsibility Accounting. These are (a) physical and (b) monetary approaches.

a. **Physical Approach or Physical environmental management accounting**

The physical approach was suggested by the United Nations (2001) where a complete guide to be prepared indicating the available resources within a country classified according to its state and uses (for instance, agriculture, desert land). Depending on this approach, the environmental operations are presented in physical terms, the current balance of the resources and the additions and deductions from that resource. No monetary value is assigned according to this approach (Ahmed, 2002). The physical approach is very important to get physical information about the resources which enables to prepare the environmental statistics and is considered the first step in the monetary approach. Physical environmental management accounting is information for internal management decisions about corporate impacts on the environment. However, in contrast to monetary environmental management accounting, it is focused on company’s impacts on the natural environment and is expressed in terms of physical units, such as tons of carbon dioxide emissions (Schaltegger and Burritt, 2000). According to Jasch (2002), monetary environmental management accounting and physical environmental accounting, include external environmental reporting (both financial and non-financial) and application areas, such as environmental management systems, eco-design, cleaner production and supply chain management. Through this, environmental management accounting can be an attention-director to encourage managerial decision-makers to take a different look at familiar processes in order to reflect new priorities. As an internal environmental approach, physical environmental management accounting has several functions (Schaltegger and Burritt, 2000):
i. As a tool with a close and complementary fit to the set of tools being developed to help promote ecologically sustainable development.

ii. As a decision-support technique concerned with highlight relative environmental quality.

iii. As to a direct and indirect control of environmental consequences.

iv. As an accountability tool providing a neutral and transparent base for internal and indirectly, external communication.

v. As a measure tool that is an integral part of environmental measures such as eco-efficiency.

b. Monetary Approach or Monetary Environmental Management Accounting

The monetary approach emerged due to the fact that the physical approach does not fulfill the requirements of the environmental accounting. Monetary environmental accounting addresses the environmental aspects of corporate activities expressed in the monetary units; it generates monetary information for internal management use such as payment of fines for breaking environmental laws and investment in capital projects that improve the environment (Marinova, Annandale and Philmore, 2006). Monetary environmental management accounting is an adoption of conventional management accounting used to address environmental aspects of corporate activities.

This all-encompassing tool not only provides the basis for most internal management decision but also addresses the issues of how to identify, track and treat costs and revenue incurred as a result of the corporations’ impact on the environment (Schaltegger and Burritt, 2000). Monetary environmental management accounting contributes to strategic and operational planning, acts as a control and accountability device and provides the main systematic source of information for decisions about how to achieve desired corporate goals (Schaltegger and Burritt, 2000).

The Relationship between Corporate Social Responsibility and Financial performance

Environmentally induced impacts on the economic system of the company are expressed in monetary units (Horngren and Foster 2000). They are, therefore, financial information. This concerns all impacts on past, current or future cash flows of the company, on its financial position and on economic results, which are caused by the influence of the company, on its financial position and on concerned environmentally induced financial
impact – a part of this information is, for example, information on capital costs spent in connection with cleaner production, on lines for violating laws on the protection of the environment, on environmental liabilities.

It should be noted that when the operating milieu of an organization is at peace, it direct effect, all things being equal, is increased productivity and profitability. No organization makes is in an environment that is violent and restless. For the operating area to be at peace, the organization itself must play its part significantly. This is done by throwing its weight by means of developing at its best the environment in which it operates. This is the core of Corporate Social Responsibility (CSR).

Profitability is often used as a measure to assess the achievements and performance of the company or as the basis of assessment measures, such as earnings per share. Profitability is an indication of the success of an enterprise, although not all companies make profits as its primary purpose, but it will require effort to maintain profits (Zaki and Othman, 2011). Profitability ratios include return on assets (ROA), net profit margin (NPM), and others which are clear indicators to financial performance. There are two different conceptions regarding profitability and the tendency to disclose voluntary information. First, more profitable firms are more likely to disclose more while less profitable firms tend to be more secretive.

A well-run company has incentives to distinguish themselves from less profitable company in order to raise capital on the best available terms, one way to do this is through disclosure of Corporate Social Responsibility. Continuous performance is the objective of any organization because only through performance, are organizations able to grow and progress (Gavrea, Ilies and Stegerean, 2011). Scholars often agree that corporate performance is a function of time and organizational context. Lebans and Euske (2006) cited in Gavrea et al. (2011) provide a set of definitions to illustrate the concept of organizational performance:

i. Performance is dynamic, requiring judgment and interpretation;

ii. Performance may be illustrated by using a causal model that describes how current actions may affect future results;

iii. Performance may be understood differently depending on the person involved in the assessment of the organizational performance (example, performance can be understood differently from a person within the organization compared to one from outside);

iv. To define the concept of performance is necessary to know its elements characteristic to each area of responsibility; and,

v. To report an organization’s performance level, it is necessary to be able to quantify the results.
The theoretical framework for this study is the Stakeholder’s Theory, which is developed by Freeman (1984). The stakeholder theory advocates that managers in organizations have a network of relationships to serve; this include employees, shareholders, suppliers, business partners and contractors. Stakeholders are “any group or individual that can affect or is affected by the achievement of a corporation’s purpose” (Freeman, 1984).

Stakeholders are those who are burdened or benefited by the firm’s operation that is they have a stake in it. For a large corporation, this definition of stakeholder includes a wide range of entities which can be divided into two categories based on their relative importance. Primary stakeholders are those that are essential to the survival of the firm. They include owners, customers and government and they also include others such as suppliers and creditors. Government includes regulatory authorities, legislations together with corporate governance codes. Secondary stakeholders include other groups or individuals not essential to the survival of the firm but which are affected by its operations. They may include interest groups such as environmentalist, the media, intellectual critics and trade association etc.

This study adopts the stakeholders’ theory because of the relevance of the theory to the society (stakeholders). Companies owe a great deal of responsibility to the environment and community in which they are situated, firms performance will be hampered if the environment is not properly maintained and sustainable efforts are not made to satisfy the varying stakeholders. Also, due to the fact that the stakeholder’s theory proposed an increased level of Corporate social responsibility awareness which creates the need for companies to extend their corporate planning to include the non-traditional stakeholders like the regulatory adversarial groups in order to adapt to changing social demands (Trotman, 1999). The main concern of the stakeholders’ theory in sustainability reporting is to address the social cost elements and valuation and its inclusion in the financial statements.

Empirically, Barde and Tela (2015) study the effect of corporate social responsibility on financial performance in Nigerian construction industry, while applying ex-post facto and survey designs, the research generate data from the annual reports and accounts of 7 construction firms quoted in the Nigerian Stock Exchange. Questionnaire was used to gather information from respondents. The result of their study reveals that companies in the Nigerian construction industry are impacted more by philanthropic activities than by non-philanthropic activities.

Abiodun (2012) examines the relationship between corporate social responsibility and firms’ profitability in Nigeria with the use of secondary data, sourced from ten (10) randomly selected firms’ annual report and financial summary between

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1999 and 2008. The study makes use of ordinary least square for the analysis of data. Findings from the analysis show that the sample firms invested less than ten percent of their annual profit to social responsibility. The co-efficient of determination of the result obtained depicts that the explanatory variable account for changes or variations in selected firms performance (PAT) are caused by changes in corporate social responsibility (CSR) in Nigeria.

**METHOD**

The Ex-Post Facto research design was employed in this study. It deals with the determination, evaluation and explanation of past events essentially for the purpose of gaining a better and more reliable prediction of the future. The population of the study consists of all the companies quoted in the Nigerian stock exchange as at 2015 under the consumer goods sector; they were 28 in number. The consumer goods sector is the focal of this study from the period of the adoption of the international financial reporting standard in Nigeria, which is from 2011 to 2015. However, the annual report of fifteen companies covering the years of study were available at the Nigeria Stock Exchange and the companies’ websites. Our decision was based on the availability of financial information for the companies. The companies are as follows:

**List of consumer goods companies under study**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Name of Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7-up Bottling Company Plc.</td>
</tr>
<tr>
<td>2</td>
<td>Champion Breweries Plc.</td>
</tr>
<tr>
<td>3</td>
<td>Dangote Sugar Refinery Plc</td>
</tr>
<tr>
<td>4</td>
<td>Flour Mills Nigeria Plc.</td>
</tr>
<tr>
<td>5</td>
<td>Guinness Nigeria Plc.</td>
</tr>
<tr>
<td>6</td>
<td>Honeywell Flour Mill Plc</td>
</tr>
<tr>
<td>7</td>
<td>International Breweries Plc.</td>
</tr>
<tr>
<td>8</td>
<td>Nascon Allied Industries Plc</td>
</tr>
<tr>
<td>9</td>
<td>Nestle Nigeria Plc.</td>
</tr>
<tr>
<td>10</td>
<td>Nigerian Breweries Plc.</td>
</tr>
<tr>
<td>11</td>
<td>Nigerian Enamelware Plc.</td>
</tr>
<tr>
<td>12</td>
<td>P Z Cussons Nigeria Plc.</td>
</tr>
<tr>
<td>13</td>
<td>Unilever Nigeria Plc.</td>
</tr>
<tr>
<td>14</td>
<td>Vitafoam Nig Plc.</td>
</tr>
<tr>
<td>15</td>
<td>Cadbury Plc</td>
</tr>
</tbody>
</table>

Data in administrative science research can be obtained through a variety of techniques. The techniques adopted by the researcher were a function of the objectives of the study. In this research, secondary data collection method was used to collect and retrieve information. The secondary data used were obtained from the financial statements of various companies listed with the Nigerian stock exchange and their individual websites for the period 2012-2015 (4 years).

To analyze our samples, we use financial ratios such as return on capital employed, return on asset, and return on shareholders’ fund. We calculate ratios based on figures obtained from financial statements for the years under study. Initially, measures of descriptive statistics are calculated to describe the main features of the data. The measures used to describe the data set are measures of central tendency and measure of dispersion. Measures of central tendency include the sampling mean and median, while measures of variability and dispersion include the minimum variables, maximum variables, sampling standard deviation.

The relationship between corporate social responsibility and financial performance is analyzed using the ordinary least square (OLS) regression model. The aim of the OLS Regression analysis was to study the extent to which financial performance measures can be explained by the corresponding corporate social responsibility variable and to examine the degree of relationship between the two set of variables for the same time frame. The decision rule is based on the computed P-value, if the P-value is less than the Alpha (α) value of 0.05 reject the Null hypothesis. If the P-value is greater than the Alpha (α) value of 0.05 accept the Null hypothesis.

The hypothesized relationship was analyzed using simple regression analysis. A model was developed in order to evaluate the effect of corporate social responsibility on financial performance. Here, financial performance (dependent variable) is explained by the reaction of corporate social responsibility (independent variable) as shown in the model explained below:

Corporate performance = \( f(\text{Corporate Social Responsibility}) \)

The model used in this research is as follows:

\[
\begin{align*}
\text{ROSF} (Y) &= \alpha_0 + \alpha_1 \text{CSR} + \mu_j \\
\text{ROCE} (Y) &= \alpha_0 + \alpha_2 \text{CSR} + \mu_j \\
\text{ROA} (Y) &= \alpha_0 + \alpha_3 \text{CSR} + \mu_j
\end{align*}
\]

The purpose of this study is to ascertain the nexus between Corporate Social Responsibility and financial performance in Nigerian consumer goods companies.
RESULTS AND DISCUSSION

Data obtained from annual report of fifteen firms quoted on the floor of the Nigerian stock exchange (NSE) under the consumer goods sector were presented, analyzed and interpreted. The three research hypotheses that guided the study were analyzed to determine the effect of corporate social responsibility on the financial performance variables that were selected. This was done with the aid of descriptive statistics and regression analysis.

The model summary results which sought to establish the explanatory power of the independent variables (Corporate Social Expenditures) for explaining and predicting the dependent variable (return on shareholders’ fund). R, the correlation coefficients, (i.e. the linear correlation between the observed and model predicted values of the dependent variable) showed a value of 0.247. R square, the coefficient of determination (i.e. the squared value of the correlation coefficients) showed a value of 0.058 or 5.8% of the variation in the dependent variable (return on shareholders’ fund) is explained by the model.

The result of the analysis of variance (ANOVA) and ordinary least square regression analysis shows a positive relationship and signifies that Corporate Social Responsibility has a positive impact on return on shareholders’ fund. The P-value from the ANOVA and coefficient table was used to determine the significance of the influence that the corporate social Responsibility variable has on return on shareholders’ fund. The contribution of CSR variable to the model is significant because p-value (0.046) is less than the alpha value of 0.05.

The result of the ANOVA and ordinary least square regression analysis showed in hypothesis two is to evaluate the level of significance of the influence of corporate social responsibility on return on capital employed revealed that return on capital employed is explained by 0.162 constant factor and 0.041 of the Corporate Social Responsibility variable as demonstrated in the regression model used to test the level of effect that CSR has on return on capital employed. This shows a positive relationship and signifies that Corporate Social Responsibility has a positive impact on return on capital employed. The contribution of CSR variable to the model is significant because p-value (0.036) is less than the alpha value of 0.05. Hence, we reject the null hypothesis which states that Corporate Social Responsibility significantly influence the return on capital employed.

The result of the ANOVA and ordinary least square regression analysis show the level of significance of the influence of corporate social responsibility on return on Asset. It reveals that return on Asset is explained by 0.158 constant factor and 0.027 of the Corporate Social Responsibility variable as demonstrated in the regression model
used to test the level of effect that CSR has on return on Asset. This shows a positive relationship and signifies that Corporate Social Responsibility has a positive impact on return on Asset. The contribution of CSR variable to the model is significant because p-value (0.027) is less than the alpha value of 0.05. Hence, the null hypothesis which states that Corporate Social Responsibility significantly influence the return on capital employed is rejected.

This study sought to establish the nexus between corporate social responsibility and the financial performance of consumer’s goods firms using the accounting measure of return on capital employed (ROCE), return on asset (ROA), and return on shareholders’ fund (ROSF). Analysis of the results show that the Corporate Social Responsibility variable used in this study have varying level of positive relationship with corporate performance. The mixed results are consistent with the trend in the literature on empirical studies carried out on Corporate Social Responsibility/sustainability accounting so far.

The results obtained from this study reveal that corporate social responsibility has a significant positive influence on the return on capital employed (ROCE). On the other hand, the findings from this study show some levels of inconsistency with the result of similar studies as demonstrated by Aggarwal (2013); Makori and Jagongo (2013). They have noted that there is a significant negative relationship between corporate social responsibility and return on capital employed. The findings from this study also reveal that corporate social responsibility have a positive but insignificant impact on the return on asset (ROA).

In addition, our findings also reveal that CSR has significant effect on the return on shareholders’ fund (ROSF). The result of this study is also inconsistent with the findings by Aggarwal (2013) whose result reveal that corporate sustainability influences some of the financial performance measures (return on equity) negatively. This study evaluates the effect of the corporate social responsibility on financial performance of corporate firms in Nigeria. Specifically, the findings from this study reveal that:

1. Corporate Social Responsibility has a positive significant effect on the return on shareholders’ fund of consumer’s goods firms.
2. Corporate Social Responsibility has a positive significant influence on the return on capital employed of consumer’s goods firms.
3. Corporate Social Responsibility does not have any significant impact on the return on asset of consumer’s goods firms. Although the study shows a positive relationship, it also reveals that Corporate Social Responsibility has a positive but insignificant impact on return on asset of consumer’s goods firms.
Hypothesis one
Corporate Social Responsibility (proxy for Environmental expenditure) does not significantly affect the return on shareholders’ fund of consumer’s goods firms in Nigeria.

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. Error of the Estimate</th>
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</thead>
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<tr>
<td>1</td>
<td>.247a</td>
<td>.058</td>
<td>.038</td>
<td>.22107</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), CSR

Source: Researcher’s Computation using SPSS version 20 software, 2017

ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
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<td>1</td>
<td>.241</td>
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<td></td>
<td>Residual</td>
<td>4.311</td>
<td>62</td>
<td>.053</td>
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<td></td>
<td>Total</td>
<td>3.052</td>
<td>63</td>
<td></td>
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</tbody>
</table>

a. Dependent Variable: ROSF
b. Predictors: (Constant), CSR

Source: Researcher’s Computation using SPSS version 20 software, 2017

Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
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<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>Coefficients</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.129</td>
<td>.036</td>
<td>2.201</td>
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<tr>
<td></td>
<td>CSR</td>
<td>.046</td>
<td>.014</td>
<td>.260</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROSF

Source: Researcher’s Computation using SPSS version 20 software, 2017

Hypothesis two:
Corporate Social Responsibility (proxy for environmental expenditure) does not affect the return on capital employed of consumer’s goods firms in Nigeria.

ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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</thead>
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<td>Residual</td>
<td>6.036</td>
<td>62</td>
<td>.146</td>
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<td></td>
<td>Total</td>
<td>8.313</td>
<td>63</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROCE
b. Predictors: (Constant), CSR

Source: Researcher’s Computation using SPSS version 20 software, 2017
### Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.162</td>
<td>.080</td>
<td>1.983</td>
<td>.041</td>
</tr>
<tr>
<td>CSR</td>
<td>.041</td>
<td>.023</td>
<td>.352</td>
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</table>

*a. Dependent Variable: ROCE*

**Source:** Researcher’s Computation using SPSS version 20 software, 2017

### Hypothesis three

Corporate Social Responsibility (proxy for environmental expenditure) does not have any impact on return on Asset of consumer’s goods firms in Nigeria.

### ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
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</thead>
<tbody>
<tr>
<td>1 Regression</td>
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<td>1</td>
<td>.013</td>
<td>1.641</td>
<td>.205b</td>
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<tr>
<td>Residual</td>
<td>.477</td>
<td>62</td>
<td>.008</td>
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<tr>
<td>Total</td>
<td>.489</td>
<td>63</td>
<td></td>
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</tbody>
</table>

*a. Dependent Variable: ROA*
b. Predictors: (Constant), CSR

**Source:** Researcher’s Computation using SPSS version 20 software, 2017

### Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.158</td>
<td>.018</td>
<td>3.143</td>
<td>.027</td>
</tr>
<tr>
<td>CSR</td>
<td>.027</td>
<td>.005</td>
<td>.161</td>
<td>1.281</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: ROA*

**Source:** Researcher’s Computation using SPSS version 20 software, 2017

### CONCLUSION AND RECOMMENDATIONS

The concept of Corporate Social Responsibility has continued to be the subject of academic and business debate. One of the key features addressed by CSR is its intent to cause companies to recognize responsibilities to stakeholders (customers, communities, employees and suppliers) outside of shareholders. The proponents of CSR emphasize that CSR offers a long-term financial benefit from taking care of all stakeholders. To ensure a successful corporate financial performance, it is imperative that organizations incorporate social incentives/environmental agenda into their corporate
strategy, societal concerns has to become an integral part of their routine operations. Based on the findings of this study, Government agencies should give tax credit to organizations that comply with its environmental laws in Nigeria as this would encourage corporate social reporting. Also, Organizations on their part should ensure that they comply with the environmental laws of the nation as it will go a long way in enhancing their corporate performance. To ensure a successful corporate financial performance, it is imperative that organizations incorporate social incentives/environmental agenda into their corporate strategy, societal concerns has to become an integral part of their routine operations.

REFERENCES


