THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON FINANCIAL PERFORMANCE OF MULTI NATIONAL ENTERPRISES.

(A CASE STUDY OF CONSUMER AND INDUSTRIAL GOODS COMPANIES IN NIGERIA)

Masters thesis submitted in fulfillment of the requirement for the MSc. In International Business

Adedeji Erinle
National College of Ireland.
August, 2019.

1

ABSTRACT

This study will examine the influence of corporate social responsibility on listed consumer and industrial goods companies in Nigeria economy. The ex-post facto (causal comparative study) methodology will be employed, and the study will focus on listed companies on Nigerian Stock Exchange (NSE). The study will adopt standardized simple and multiple linear regressions (Ordinary Least Square-OLS) to analyse primary data via SPSS version 23. The study involved time series and cross-sectional data (observational pooled data or panel data). The researcher intends to employ the non-probability sampling technique and will cover the business financial performance for the period of seven years, that is, 2012 to 2018, panel data (secondary data) will be extracted from the audited annual reports and accounts of the consumer and industrial goods companies. Therefore, the research will employ standardized linear regression model for analyzing the data collected via audited financial statements for the period concerned.

Submission of Thesis and Dissertation

National College of Ireland

Research Students Declaration Form

(Thesis/Author Declaration Form)

Name: Adedeji Erinle

Student Number: X17158885

Degree for which thesis is submitted: MSc. International Business

Material submitted for award

(a) I declare that the work has been composed by myself.

(b) I declare that all verbatim extracts contained in the thesis have been distinguished by quotation marks and the sources of information specifically acknowledged.

(c) My thesis will be included in electronic format in the College Institutional Repository TRAP (thesis reports and projects)

(d) *Either* *I declare that no material contained in the thesis has been used in any other submission for an academic award.

Or *I declare that the following material contained in the thesis formed part of a submission for the award of

_____

(State the award and the awarding body and list the material below)

Signature of research student: Adedeji Erinle

Date: 19/08/2019

Submission of Thesis to Norma Smurfit Library, National College of Ireland

Student name: Adedeji Erinle   Student number: X17158885

School: Business   Course: MSc. International Business

Degree to be awarded: MSc. International Business

Title of Thesis: The Impact of Corporate Social Responsibility (CSR) on Financial Performance of Multi National Enterprises . (A Case Study of Consumer and Industrial goods Companies in Nigeria)

One hard bound copy of your thesis will be lodged in the Norma Smurfit Library and will be available for consultation. The electronic copy will be accessible in TRAP (http://trap.ncirl.ie/), the National College of Ireland's Institutional Repository. In accordance with normal academic library practice all these lodged in the National College of Ireland Institutional Repository (TRAP) are made available on open access.

I agree to a hard bound copy of my thesis being available for consultation in the library. I also agree to an electronic copy of my thesis being made publicly available on the National College of Ireland's Institutional Repository TRAP.

Signature of Candidate: Adedeji Erinle

For completion by the School:

The aforementioned thesis was received by_____Date:_____

This signed form must be appended to all hard bound and electronic copies of your thesis submitted to your school.

Dedication

I hereby Dedicate this Research Work to the Most High God whom i return all Glory back to for his Mercy ,Grace,Wisdom, Knowlege and Understanding bestowed upon me throughout my time in the College and to my Unborn Kids.

Table of Contents   Page no.

CHAPTER ONE

INTRODUCTION

The author will clarify in this chapter why the subject has been selected and how corporate social responsibility affects or influences the financial performance of companies. The author will give context and overview of the suggested studies.

1.1 Background to the study

Challenges facing businesses in Nigeria within today's complex and competitive environment are products of economic and non-economic related forces. Thus, in order to survive and prosper within the business environment, corporations must plan their operations in a manner that will balance the demand among the legal, economic, philanthropic, social and ethical aspects. Interested parties believe that corporations are responsible to them in one way or the other. As such, they try to assess how well enterprises have performed these perceived responsibilities. For instance, stockholders concentrate on the extent to which their expectation is met by referring to different financial indices such as performance of companies, , return on investment, earnings per share and market prices of shares. While the community focuses on socially responsible activities through certain measures e.g. environment restoration, provision of social amenities, the government monitors firms' compliance with relevant legislations (Rabi'u, Asma'u, & Musa 2016).

From the global perspective, the financial scandals and unethical practices of top corporations such as Enron, WorldCom Parmalat and Nike along with climates change provide alternative dimension to CSR as the most imperative challenge among the divergent millennium challenges. CSR is linked with civil society and modern political theory and it involves taking action which reduce the extent of eternalized cost or avoid distributional conflicts. According to (Muhammad, Ejaz, Javeria, & Mumhza, 2014)"CSR is defined as achieving commercial success in ways that honor ethical value and respect people, communities and the natural environment or as a concept whereby company integrate social

and environmental concerns in their business operation and in their interaction with their shareholders on voluntary basis" The virtue matrix framework was developed by Roger in 2002, this represents how business corporations socially are responsible for their behaviours and business practices. This framework indicates that CSR has become centre awareness (Rogers, 2002 in Muhammad, Ejaz, Javeria, & Mumhza, 2014). The motive of companies is not only to cover the financial outcome but they have also focused on broader set of societal expectation. The world study indicates that 76 percent of managing executives believe that CSR contributes favourably to the value of long-term shareholders, and 55 percent agree that sustainability helps create solid reputation for their businesses. (McKinsey, 2010 ; Prahalad & Hamel, 1994 as quoted in Muhammad, Ejaz, Javeria, & Mumhza, 2014) stated that the basic objective of CSR is to maintain company activities in order to generate shared value for company and society. Corporate social responsibility has thus become one of our time's major company procedures. CSR is also a company method that adds to sustainable development by presenting all stakeholders with financial, environmental and social advantages (Bushra & Rabia, 2017).

An underlying premise in the theory of finance is the maximization of the resources of shareholders on their behalf by managers and executives. But CSR is a phenomenon that incorporates corporate or business enterprises ' ethical, environmental, and social duties. Organizations play a key role in engaging with CSR. The notion of corporate social responsibility has progressed exponentially in recent decades. CSR is not a fresh thing of interest for the business world. But corporate social responsibility is important because its influence all facets of organizational operations. CSR is multi-dimensional concepts with many practices so the notion of corporate social responsibility is linked to a business model that adds to sustainable development by providing economic, social and environmental advantages to all stakeholders (Rabia & Bushra, 2017)

CSR activities are one of the foreseeable parts of the organization now-a-days. Most of the prominent organization carries out CSR operations for society's sake or as part of their responsibility and accountability. Most organizations have embraced corporate social responsibility without substantial increase in industries performance or government rebate inform of tax reduction (tax savings) (Samira, Noor, & Masudul 2018). Hence, the study sought to find out the effect of CSR on organisational financial performance.

In view of the challenges and significance of CSR in the Nigerian consumer and industrial goods companies which has resulted to substantial amount in CRS expenditures in the last decades, it is imperative to establish the influence of CSR on corporation's financial performance. "What effect does CSR costs have on organizational financial performance in Nigeria" Also, "what influence does CSR expenditure have on business tax-income ratio in Nigeria"

1.2 Statement of the Research Problem

Despite the existence of some literature on the effect of corporate social responsibility on environmental, social and economic dimensions, there is an important gap in how corporate social responsibility improves financial performance in the consumer and industrial products industries in regards to tax-income ratio; owing to the absence of documented proof of the advantages research focus was therefore to investigate CSR's influence on firms' financial performance based on selected consumer and industrial goods companies as we investigate whether firms realize any benefits from government rebate. It also aims to figure out government's policies on Corporate Social Responsibility operations since CSR has been used by corporations as allowable expenses to reduce tax liability

This study aims to answer the following questions, what influence does CSR implementation had on organizational financial performance in Nigeria? This question is important because it has theoretical and pragmatic significance in CSR application in modern business practices and literature.

1.3 Research Questions

The broad research questions are; "What is the influence of CSR on consumer and industrial goods companies financial performance? Conversely, this study intends to adopt simple and multiple linear regression models (ordinary least square-OLS) in carrying out this research and thus specific research questions are;

1. To what extent does socio-economic welfare cost affect tax-income of listed consumer and industrial goods companies in the Nigeria?

2. To what extent does educational and health donation cost affect gross-profit margin of listed consumer and industrial goods companies in the Nigeria?

3. To what extent do CSR surrogates affect return on investment (ROI) of listed consumer and industrial goods companies in the Nigeria?

4. To what extent is the difference in respondents' mean/median perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria.

1.4 Research Objectives

The main objective of this study is to determine the influence of CSR on consumer and industrial goods companies financial performance. The specific objectives include:

1. To determine the effect of socio-economic welfare cost on tax-income of listed consumer and industrial goods companies in the Nigeria.

2. To ascertain educational and health donation cost effect on gross-profit margin of listed consumer and industrial goods companies in the Nigeria.

3. To evaluate CSR surrogates effect on return on investment (ROI) of listed consumer and industrial goods companies in the Nigeria.

4. To determine the extent in the difference in respondents' mean/median perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria.

1.5 Research Hypotheses

Hypothesis-1

H_0: The effect of socio-economic welfare cost on tax-income of listed consumer and industrial goods companies in the Nigeria is not significant.

H_1: The effect of socio-economic welfare cost on tax-income of listed consumer and industrial goods companies in the Nigeria is significant.

Hypothesis-2

H_0: Educational and health donation cost does not significantly affect gross-profit margin of listed consumer and industrial goods companies in the Nigeria.

H_1: Educational and health donation cost does significantly affect gross-profit margin of listed consumer and industrial goods companies in the Nigeria.

Hypothesis-3

H_0: The effect of CSR surrogates on return on investment (ROI) of listed consumer and industrial goods companies in the Nigeria is not significant.

H_1: The effect of CSR surrogates on return on asset (ROI) of listed consumer and industrial goods companies in the Nigeria is significant.

Hypothesis-4

H_0: The difference in respondents' mean/median perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria is not significant.

H_1: The difference in respondents' mean/median perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria is significant.

1.6 Significance of the Study

This research work will serve as a guide for stakeholders to have detailed overview of CSR of Consumer and Industrial goods companies in Nigeria as how it affects their profitability.

In addition, they will understand the impact of Corporate Social Responsibility, its relevance in Nigeria and how the practice of CSR in Nigeria affects the financial performance of those consumer and industrial goods companies.

Finally, this study seeks to add immensely to existing literature and international journals in the international business discipline.

1.7 Scope of the study

The scope of study consists of 36 consumer and industrial goods companies listed on the Nigerian Stock Exchange (NSE)

The area of the study is the 36 states and capital Nigeria and the time frame for this

study is between October 2018 and August 2019.

2.1 CONCEPTUAL FRAMEWORK
2.1.1 INTRODUCTION

Evaluation of interrelated literatures in any study is indispensable in good judgment that it allows for a level for reviewing the pool of knowledge and evidence appropriate for further study.There are conflicting pools of research on the effect of CSR on the financial results of firms and organizations. Some studies support the notion that CSR have significant impact on business financial performance, opposite views subsists that different studies, finds that CSR has no significant impact on financial performance of organizations.

There is no doubt that the world is witnessing a real change in public expectations about the roles of organizations in the society. While economic growth, wealth creation, and employment are organizations contributions to the society, organizations are also assigned other roles and non-economic significance that might not have been expected before. It is expected that business will offer solutions to several of the major environmental and social challenges of the twenty-first century, such as accessibility to water, global warming, climate change, and affordable health care (Blowfield & Murray, 2014) CSR is a social phenomenon; it does not exist independently from the systemic context of the organization. It then becomes important to recognize the organizational environment of CSR when evaluating corporate social activities and their impact on organizations and stakeholders. There are two main sources of variation in CSR-related institutions. In a national context, the first is the evolution or change of views on CSR over time. CSR's impact on MNE's is often observed indirectly based on the feedback of firms ' stakeholders and the public (Barnett, 2007; Wang, Choi, & Li, 2008), unlike other firms ' operational or investment activities that have direct effects on firm operational efficiency and results.

Since the 1950s, the issue of Corporate Social Responsibility (CSR) has been discussed. (Secchi, 2007) and (Lee, 2008) have shown in their analysis that the CSR concept perspective and activity has been modified. CSR has been studied by various scholars around the world but there has not been any consensus definition of the term. (Mahajan , 2011) in his research opined that organizations today have a preconceived notion that viable business performance and shareholder value cannot be achieved through optimizing short-term profitability alone, but through market-oriented yet responsible behavior. Organizations are more aware that they can make a significant contribution to sustainable development by coordinating their activities to boost economic growth and productivity while ensuring prevention of environmental degradation and promotion of responsibility and accountability, including protecting the interests of consumers. Corporate Social Responsibility is the ongoing engagement of organizations to carry out business activities with an ethical behavior and to make a significant contribution to economic development while improving the quality of its stakeholders. Corporate social responsibility (CSR) identifies the organization's responsibility to preserve and promote social welfare by producing sustainable benefits for stakeholders now and in the future.

In contemporary literature, the nexus between CSR and business performance has been critically examined and developed. The connection between CSR and financial performance of the organization can be neutral, positive or negative, yet there is no unanimity among scholars. The CSR literature contains three schools of thought. First thought found positive effect or association between CSR and financial performance of orgaizations (Govindarajan & Amilan, 2013; Jie & Hasan, 2016; Samira, Noor & Masudul, 2018; Yusoff & Adamu, 2016) and recommended investment in CSR activities as CSR enhances the value of enterprises. The second set recorded a negative impact or connection between CSR and corporate financial performance and embraced the concept of optimizing corporate profit through the use of their resources. They are not in favor of CSR resource investment

(Babalola, 2012; Hirigoyen & Poulain-Rehm, 2014; Samira, Noor & Masudul, 2018; Singh, 2014). The third school of thought determined neutral effect or connection between CSR and financial performance of business, documented a miscellaneous relationship and suggested consideration of many other complexities that could prevent researchers from reaching a secure conclusion (Samira, Noor & Masudul, 2018).

The study will focus on Return on Investment (ROI), Tax-Income (TI) and Gross Profit Margin (GPM) ratios. This review of literature will help the study analyze numerous relevant works critically and identify areas for any further research. There are clear gaps in the literature as to why the consumer and industrial goods companies listed in Nigeria have not benefited significantly from CSR practices.

2.1.2 CORPORATE SOCIAL RESPONSIBILITY

Businesses reaffirm their principles and values through corporate social responsibility in their procedures and activities and also in their relationship with various social entities. CSR is usually charitable in nature and relates to operations that go beyond mere enforcement of the legislation. Enterprises' social and environmental responsibility may represent changing societal standards. For instance, the actions which businesses believe comfortable procedures in the present may be unacceptable in the future. Moreover, the priority given to the social and economic needs of distinct social agents involved in the operations of a certain business can sometimes act as a counter against each other or compete against each other.

"Corporate Social Responsibility (CSR) is fundamentally a concept wherein the businesses willingly undertake to contribute to a cleaner ecosystem and a better society. It presumes the company has not only financial and legal obligations, but also other social responsibilities" (Carroll, 1979).

According to (Holme and Walt, 2001) CSR is the ongoing dedication of enterprises to be ethical and add to economic growth while increasing the standard of lives of the total workforce, their family and the local community as well as the society at large.

16

The Corporate Social Responsibility (CSR) idea recognizes that Multi National Enterprises (MNE's) have a responsibility to take into account the desires of customers, employees, shareholders, communities and the ecological "footprint" in all facets of their activities. CSR in large organizations presents a number of difficulties including; the need to identify their responsibilities in comparison to the responsibilities of the public sector, determine the magnitude of their responsibilities in the supply chain and to anticipate and prepare for the implications of their business decisions, particularly in the event of use of natural resources. The overall view that, above and beyond the idea of the desire to enhance corporate profit, organizations play an essential part in addressing societal issues is what crosses a range of meanings of CSR. CSR in itself is developed by the private industry and enhances the strategies and the work of government. It promotes closer relationships between MNE's and the communities in which they operate in. However, it is difficult for many corporate executives to recognize where their duties begin and end in terms of development of infrastructure, increasing economic advantages, and accessing critical services that will improve the quality of life, education, reduce poverty and ensure environmental sustainability. (Jenkins, 2004).

It could be argued that participation in CSR or charitable operations enhances the reputation of a company among its diverse audiences, including clients, staff, distributors, community, and organizations, particularly those who monitor and report on corporate donations.

There are various CSR activities and programs that can be carried out by organizations in Nigeria before they could be termed as "socially responsible". They could be in the form of socio-economic costs or educational and health donations. These activities and programs range among the following; giving educational scholarship to the indigenes of the community of which they operate in, awarding contracts to the indigenes of the community they operate in, donations to science related and sporting activities nationally and internationally, providing a good welfare package for their employees, funding research projects,

17

construction of capital projects such as roads, hospitals, schools, and providing healthcare and making efforts to protect the environment in which they operate etc.

2.1.3 ASSOCIATION BETWEEN CSR AND MULTINATIONAL ENTERPRISES IN NIGERIA

The primary purpose of business is to make profit. The main objective of profit making has often been considered as portraying a lack of consideration for all other objectives of an organization. (Dewit & Meyer, 2010) indicated that the company goal of maximizing revenue is susceptible to an economic rationale instead of the moral rationale for all of the company activities. But, businesses today realize that they would need to become socially responsible in order to maintain profitability in an ever-evolving environment setting. Thus, the assumption that business corporations should represent the interests of all other stakeholders as well as make profit for shareholders has eventually resulted in the concept of Corporate Social Responsibility (CSR). Currently, organizations are under steady scrutiny from multiple stakeholders, such as demand from staff to acknowledge certain workers' interests in the workplace, customer requests that companies withhold price rises and create healthy goods, and also society and economic conditions that do not affect local public safety (McWilliams and Siegel, 2001).

The practice of Corporate Social Responsibility (CSR) has become more global, followed by issues about the nature of CSR in emerging nations such as Nigeria. However, many public institutions are yet to fully embrace the principles of CSR. According to (Orojo, 1992), current Nigerian organizations as a socio-economic production and an exchange institution emerged in the context of colonial imperialism and thus developed over time in the context of modernization and contact with the developed world. In 1960, Nigeria got its independence from the UK. The economic system was largely revolved around agriculture prior to contact with the west. Over the years, the economic system has evolved and so have the business practices. There has been involvement of various MNE's and large indigenous firms which

have followed the best practices of CSR used to run business globally. Therefore, the activities of these firms are visible due to their global reach. As such, there is a higher incentive through CSR to protect their brands and investments. Consumers in emerging countries such as Nigeria are reluctant to sacrifice comfort and pay possibly greater rates to safeguard the ecosystem because they lack expertise to create educated choices on the acquisition, use and disposal of their products; pollution control; preservation of electricity and natural assets and safety of customers and employees (Preston and Post, 1975). Accordingly, MNE's work on the principle of maximizing the beneficial effects of their operations on community as the adverse impact of these operations is minimized (Farrell and Fraedrich, 1997). (Amaeshi, Adi, Ogbechie & Amao, 2006) research on CSR in Nigeria indicates that Nigerian organizations are engaged in one activity of CSR or the other According to (Amaeshi, 2006), CSR in Nigeria is intended to address the strange social, financial and weak political structure. In building CSR in Nigeria, MNE's are faced with unique socio-economic development challenges such as poverty alleviation, provision of healthcare services, infrastructural developments such as highways, energy and education. The CSR obligations of MNE's in more developed countries are not similar to that of Nigeria. These difficulties and challenges do not represent expectations or standards of MNE's in more developed countries. Their CSR is primarily concerned with consumer protection, reasonable trade prices, green market advancement, reduction of environmental degradation, socially responsible investment and financial reporting. It is worrying that, even in significant markets such as Nigeria, the problems of creation of jobs and the availability of fundamental facilities have not corresponded to the alleged growth in GDP. It is obvious that the task is still beyond government alone because it is incapable of promoting development in the educational, environmental and financial sectors. Therefore, the involvement of MNE's to support the government through CSR activities is needed.

MNE's now dominate important industries of the Nigerian economic system including manufacturing, building, and petrochemical products, as well as telecommunications. Nigeria is the leading manufacturer of crude oil in Africa, the fifth biggest manufacturer in the OPEC and the eighth biggest exporter of crude oil on earth. Nigeria today earns more than 95% of its revenue from petroleum and gas export which represents more than 40% of its GDP. Requirements for compulsory disclosure pose a key approach for promoting CSR by legislation. The increased discussions on CSR since the 1990s have resulted in a broader spectrum of disclosures beyond that of the company's financial position. Disclosures are progressively evolving even if slowly to represent these changes in operations of MNE's. MNE's globally are trying to cope with a new role to address the needs of the present generation without jeopardizing future generations' capacity to satisfy their own needs. Organizations are relied on to assume responsibility for how societies and the natural environment are affected by their operations. They are also asked to assert the integration of social and environmental considerations in corporate activities and stakeholder interactions (Van Marrewijk & Verre, 2003). A MNE cannot ignore the environmental issues in the society in which it operates. Consequently, the effect of corporate social responsibility on the profitability of organizations in Nigeria needs to be examined.

Hamilton et al. (1993) opined that if a reasonably large group of investors underestimate (overestimate) the possibility that adverse events connected to CSR issues may affect businesses that do not adhere with the concepts of CSR, then their stocks will yield lower (higher) risk-adjusted returns than socially responsible stocks.

There are some recognized CSR problems around the globe, such as Human Rights, Employee Rights, Environmental Protection, Community Engagement, and Supplier Relations, national variations also exist in terms of priorities and comprehension. The motive of CSR in Nigeria arises from public organizational weakness, unlike in the United States and Europe, where public pressure on MNCs forms CSR activities (Phillips, 2006). Similarly,

Amaeshi et al. (2006) asserted that the Nigerian view of CSR differed markedly from that of the West.

2.1.4 CONCEPT OF CORPORATE SOCIAL PERFORMANCE

(Wartick and Cochran,1985) defined CSP as "a business organization's configuration of principles of social responsibility, process of social responsiveness, and policies, programs, and observable outcomes as they related to the firm's societal relationships". There has been a long-standing discussion on the relationship between CSR and financial performance. In many CSR-related literature, corporate social performance (CSP) has been discussed as an operational concept that measures the results of CSR-related activities. CSP can be viewed as the measurable results of CSR. According to (Lee, 2008), the connection between CSR and financial performance became blurred as the subject of CSR shifted from tackling the social obligations of highly responsible firms to its pressures on stakeholders. Authors in the field of corporate social performance admit that theories on this topic have little practical significance and prove inadequate in putting forward business rationales for corporate projects that focus on social and environmental issues (e.g. Gioia, 1999 ; Wood, 2000). (Friedman, 1970) said the ultimate responsibility of directors was to serve the interests of its shareholders. Their primary duty is "to conduct the business in conformance with their [owners ' i.e shareholders] desire to make as much money as possible. Directors as well as managers are the shareholders ' employees. He therefore concentrated on a very fundamentally different aspect of corporate and managerial responsibility. Freeman (1994) was of a different opinion and argued that in order to achieve business legitimacy, social performance is needed. Directors have a duty of care towards all stakeholders and not only towards shareholders.

The remark made by Freeman envisaged later research into the link between social responsibility and financial performance and hinted at a long-term positive correlation between the two. The central idea in stakeholder theory is that an organization's success

depends on how well the organization is able to manage its relationships with key groups, such as funders and shareholders, but also customers, employees, and even communities or societies.

 (Barnett and Salomon, 2006) in their literature were of the opinion that increasing numbers of investors look at the financial performance in the portfolio of an organization, and also how these organizations fulfill their social responsibilities. If society can determine that organizations are ultimately responsible to its stakeholders, we also expect organizations to be held accountable for their social performance. Since the characteristics and preferences of stakeholders can change very quickly in different contexts and times, (Griffin 2000) noted that prioritizing CSP categories can become a herculean task. Brower and Mahajan (2013) pointed out three possible reasons for the phenomenon of stakeholders expressing their expectations of a superior CSP. Firstly, organizations use enhanced CSP as a promotional tool to improve their relationships with stakeholders (Hoeffler et al., 2010). Secondly, successes related to CSP may reflect whether businesses serve the interests of its stakeholders (Ruf et al., 2001). Thirdly, consistent CSP helps organizations align its similar interests with that of its external stakeholders. According to (Brower & Mahajan, 2013; Ferrell et al., 2010) once these rare, valuable relationships become inimitable and non-substituteable, they can by extension, generate competitive advantage from a resource-based perspective.

Measuring CSP has proved to be a herculean task since it reflects a broad spectrum of economic, social and environmental impacts caused by business activities and therefore requires multiple parameters to cover its full scope (Gond and Crane 2009, Rowley and Berman 2000). Corporate Social Performance is a means of enforcing and implementing CSR (Maron, 2006). CSR is not a variable and cannot be measured. On the other hand, CSP could be difficult to measure but can be transformed into measurable variables.

According to (Yang et al. 2009), a positive correlation between CSP and CSR suggests that CSR engagement would increase competitiveness costs and reduce stakeholder hidden costs

as good relationships with employees, suppliers and customers are essential for sustainability. Bowman and Haire (1975) emphasised that CSR is a symbol of goodwill. Therefore, "when a company increases its costs by improving CSP to enhance competitive advantages, such social responsibility activities can improve the reputation of the company, and in turn, it can improve long-term financial performance by sacrificing the short-term CFP" (Yang et al. 2009). The negative correlation between CSP and CSR implies that the practice of CSR will introduce competitive disadvantages to the business (Aupperle et al. 1985) as the significant costs may necessitate other methods or need to shoulder other costs and thereby leads to increased costs due to CSR activities which will result in little gain if measured in economic interests (Yang et al. 2009). (De Bakker et al., 2005) are of the opinion that the CSR and CSP literature is inconclusive ,as is the CSP-CFP relationship literature. This link has been thoroughly researched, but the results are not consistent

Consideration of the financial implications of CSR requires careful scrutiny of variations in the measurement of CSP and CFP as they can influence the results of the research (Orlitzky et al., 2003; Wu, 2006). Brown (1998) takes that view and argues that inconsistency in CSP measurement causes problems in analyzing the relationship between CSP and CSR. It is therefore important to consider the parameters used In measuring profitability.

2.1.5 CONCEPT OF CORPORATE SOCIAL RESPONSIVENESS

Taking into account the extent of corporate social action (no action–reaction–proaction) and how MNE's relate to various social responsibilities, a whole scope of corporate responses should be highlighted. Over the course of time, this corporate social responsiveness has evolved in line with the pressure that society tends to put on the business and its relationship with society.

(Carroll, 1979) is of the view that unlike corporate social responsibility, "corporate social responsiveness is focused only on managerial processes of social response: planning and social forecasting, social response organizing, social activity control, social decision-making

and corporate social policy". Responsibility and responsiveness can be seen as a balance in the sense that the public's expectations of business corporate social responsibilities can shape or trigger responsiveness of the stakeholders. If MNE's serve just the short-term goals of shareholder by maximizing profit and do so in such a way that other stakeholders interests are jeopardized, this can adversely affect the business by attacking its credibility or reputation. It may be ascertained that the primary responsibility of companies is to create wealth for their shareholders in standard business practices. However, the emergence of CSR and associated activities that adds another dimension for companies to do well financially, they must also be good, ethically.

Corporate Social Responsiveness is characterized by a deep concern for the balance of profits and ethics, also taking into account other stakeholders and not the shareholders only. In this stage of corporate moral development, a company's management understands the value of not acting on a legal basis alone, although its approach to ethics is quite cynical, based on the profits that ethics can bring. More externally oriented codes of ethics reflect a concern for other stakeholders. The organization identifies, continues to follow and attempts to keep the best practices up-to-date; these practices are generally industry standards or standardized sets of social and environmental risks, such as the Global Reporting Initiative. These practices generally represent a challenge for operational management.

2.2 THEORETICAL REVIEW

The theories under review can be explained from two perspectives, that is, positivist or normative approach; they are profit-value-maximization, stakeholders, managerial discretionary, sustainable development and ethical perspectives; the positivist approach focused on what motivates, while normative focused on what should motivate business enterprises to pursue corporate social responsibility. They form the theoretical basis of this study, they shall be analytically discoursed.

Researchers have been scrutinizing and categorizing theories of CSR for about three decades. The classification of this research might well translate into a positivist and normative strategy. Nevertheless, renewed concerns are needed to comprehend fresh trends owing to the changing significance of CSR, despite the countless researchers who have started to evaluate the subject in latest years. The function proves challenging because variability stems from multidisciplinary complexity as there are differing theories and techniques The classification criteria is to acknowledge the function that are conferred on organizations by theorists. Premised on the above, two types of approaches were embraced with distinct colors or views. They are the positivist and normative models.

2.2.1 STAKEHOLDER THEORY

Stakeholders are those that have a 'stake' in a business. They include those who are directly or indirectly affected by the decisions taken by the managers in their day to day running of a business enterprise. Stakeholders can be grouped into two groups: the primary stakeholders and the secondary stakeholders. The primary stakeholders are 'the shareholders' that have a direct interest in the business having contributed their resources. They therefore expect the directors to run the business in such a way as to ensure that they get maximum return on their investment. The secondary stakeholders are others which include but not limited to employees, customers, suppliers, the community and all other entities that have both direct and indirect interest in the operations of a company.

The stakeholder concept of CSR was popularized by Edward Freeman. His book titled *Strategic Management; A Stakeholder Approach* viewed CSR from a management perspective. It listed groups to which a business should cater for by attempting to "put a face" on them. According to Anyakudo (2016), the approach is limited in its view as it limits the scope of CSR by providing specific names and groups which a business should engage with. Specific businesses would collectively be most appropriate to tackle matters arising in their

industry, subject to a highly interactive social environment, thus the grouping is hardly required except in company-specific CSR programs or in fashioning industry.

This theory states that in as much as the purpose of a firm is to maximize profit in collective terms, profit must be defined not just in monetary terms but as human welfare. This implies that managers are charged not only with representing the interests of the owners of the business (the shareholders) but more importantly with a greater social task of balancing and coordinating the interests of other stakeholders, and ensuring maximal benefits over medium and long term. This implies that the interest of every party whose lives is directly or indirectly affected by the activities of a business should be met and well balanced by the directors in the course of ensuring that the business makes maximum profit. For instance, they should ensure that customers purchase quality goods; creditors should be paid as at when due; the environment should be friendly and free from hazards, and so on.

The relevance of this theory to this study is that; for firms to thrive and achieve their primary aim of making profit, it is necessary that needs of all stakeholders are met to ensure a positive financial performance in both medium and long terms.

2.2.2 PROFIT AND VALUE MAXIMIZATION APPROACHES

The primary aim of every business is to make profit. Except for humanitarian organisations, profit motive drives every business, because shareholders expect return on their investment and for a business to achieve this, profit must be made.

This theory states that managers should ensure that company's resources should be targeted towards carrying out socially responsible activities that would increase profits as long as it is in line with the rules of competition.

Ditlev-Simonsen, & Midttun, 2011; Jensen, 2001 stated that modern approach to CSR follows a financial perspective that takes an easier approach to CSR. This is done by shifting

the focus from short-term profit to long-term value-maximization. In this stretched viewpoint, which is called "enlightened value-maximization"; stakeholder theory is based on maximization of the long-run value of the corporation as the criterion for making the requisite tradeoffs among its stakeholders. As a positive theory, profit-maximization as focused on in classical economic theory leaves little room for CSR in business operations. Long-term value focused finance theory allows some room for stakeholder dialogue as a business driver, but only to the extent that it can prove its case in long-term value creation. As normative theories, both approaches argue that profit- or value-maximizing business strategies follow from rational economic behaviour and should be encouraged as a means to maximise societal welfare.

2.2.3 SUSTAINABLE DEVELOPMENT APPROACH

The UN World Environment and Development Commission claimed that many of the industrialized countries ' development activities were not able to be maintained at the current rate or level and suggested they shifted focus to more sustainable activities that will improve economic growth and at the same time being socially responsible to the environment. Elkington provided a view of manufacturing industry focus conversion from a solely economic perspective to a wider social perspective. (Ditlev-Simonsen & Midttun, 2011; Elkington, 2001) were of the opinion that there is a fundamental change in the penetration of company approach as a significant theme; sustainability is also brought up more in a sensible and realistic way in this theory.

Elkington argues that viable capitalism needs to tackle profoundly modern opinions of what social capital, economic fairness, and business ethics and morality are all about. As a positivist approach, the sustainability view on CSR suggests that a significant driver of CSR is the quest for viable company designs. As a normative approach, the perspective of sustainable growth can be seen as prescribing the need to create environmentally and socially

viable types of manufactured products and services as key engines for effective company growth.

2.2.4 ETHICAL APPROACH

There are separate features in the ideas of CSR and business ethics. They are frequently used synonymously, though. The word business ethics" is designed as "a mixture of two very familiar phrases, namely business and ethics but there are companies that are sadly not ethical in their CSR projects. Genuine CSR means that companies completely take on environmental and social issues.

Researches have revealed that an ethical theory can motivate CSR. The moral approach's theoretical premise varies and includes duty-ethical, virtue-ethical and consequence-ethical aspects, all of which are component of business ethics. This strategy brings moral insights into financial (economics) problems that were fundamental to classical philosophers. The significant point from a virtue-ethical point of view is the focus on the actual activity not the effects of that particular activity.

Based on the duty-ethical perspective, actions have moral value only when we perform our responsibilities. Over and above anyone else, Immanuel Kant, the spokesperson for duty ethics created a concept to ascertain what our responsibility is, known as the categorical imperative: "Act only on that standard whereby you can simultaneously let it become a moral rule (Ditlev-Simonsen & Midttun, 2011; Gregor, 1991; Hursthouse, 1999; Stratton-Lake, 2000; Wenstøp, 2005).

As a positivist theory, the ethical strategy implies that the commitment of companies to CSR is morally directed and refers to an ethical reasoning for "the correct thing to do".

Nevertheless, as a normative theory, the ethical strategy implies that this is what should help inspire CSR participation in a company.

These two views enable researchers to comprehend the major distinctions between the different CSR theories. The goal is to rank the theories and create a map to make group peculiarities accessible. This enables us to gain a stronger knowledge of corporate-society relationships and to improve both theoretical and practical trends.

Study has not provided evidence on the corporate social responsibility effect on government rebate such as tax holiday or tax reduction of listed consumer and industrial goods companies' financial performance that includes tax-income ratio. Despite several literatures on the effect of CSR on environmental, social and economic dimensions, there is an important difference in how CSR improves Nigeria consumer and industrial goods sectors financial performance in regards to tax-income ratio; due to lack of documented evidence of the benefits hence the study focus was to investigate CSR's influence on firms' financial performance based on selected consumer and industrial goods companies as we investigate whether firms realize any benefits from government rebate. It also seeks to find out the policies set by the government concerning the CSR activities since CSR has been used by corporations as allowable expenses to reduce tax liability. The findings will be vital in given insight towards which CSR activities are the most effective, in terms of their effect on the bottom line of the companies engaging in them. This insight would enable them regulate the balance between these motivations, maximization of the social good that can be drawn from these CSR activities and profitability. The aforementioned has attracted the need to explore how corporate social responsibility expenditures impact on the financial performance of listed consumer and industrial goods companies in Nigeria.

2.3 EMPIRICAL REVIEW

This section provides a review of Corporate Social Responsibility and financial performance empirical research. As noted previously, methodological variations as discovered in the literature are accountable for differential results and findings. The priority will be on the research and the methodologies used in specific.

Several researches on the connection between Corporate Social Responsibility and Corporate Financial Performance have been performed and can be ranked into three main areas: those indicating a positive correlation between CSR and financial performance, those indicating a negative relationship between CSR and financial, and lastly those who indicate a non-existence of relationship between CSR and financial performance.

(Annis Hammond and John W. Slocum ,1996) found that CSR can enhance corporate reputation and reduce the financial risk implying that such organisations are less likely to go bankrupt than those not involved in CSR.

 According to (Henderson, 2001) CSR has an adverse effect on profitability. His work has challenged corporate social responsibility. The notion of CSR is adversely affected, as CSR adoption raises the likelihood of cost increases and performance impairment.

(O'Neill, Saunders and Der-winski McCarthy, 1989) in their work researched the relationship between corporate social responsibility and profitability in which CSR activities showed no effect on profitability (neutral).

(Grigoris, George, Eleni and Xanthi, 2016), in their work titled "The Impact of CSR on the Financial Performance of United States (US) Companies". The study initially employed all companies listed on Standard & Poor's 500 Index focusing on large sized companies; final sample consisted of 104 US Companies from Nine Industries for a period of five years (2009-2013). While the dependent variable was Return on Assets (ROA) only, the independent variable consisted of only ESG disclosure score; while the control variables were: Board size, CEO duality, Women on Board and Executive compensation, as the impact of these independent variables was carried out in terms of involvement in socially responsible initiatives and not on outcome. Secondary source of data collection was employed and Pearson's correlation was used to analyze the data collected. Results revealed the following:

- The determinants explained 65% of the variance in ROA

- ESGDS is significantly positive on ROA at the 1% level

- CEO duality and Executive Compensation are significantly positive to ROA at 5% and 10% levels

- Women on Board is significantly negative to ROA at the 10% level

The study concluded that the commitment on social responsibility rewards companies by higher levels of financial performance and recommended that longer period be incorporated in order to validate the positive relationship between CSR and financial performance.

In the case of developed countries, most studies analyzing the connection between CSR and business performance are conducted and very few studies have been conducted in the case of developing or emerging nations. CSR is understood as a philanthropic, public-related or marketing activity in developing or emerging nations

Nigeria is a developing country and it is included in the Secondary Emerging Market category. This study therefore seeks to identify existing CSR procedures and empirically investigate the relationship between CSR and performance of consumer and industrial goods companies listed on the Nigerian Stock Exchange (NSE) carrying out such operations

(Muhammed and Jamilu Madaki, 2017) in their work titled "Corporate Social Responsibility disclosure and financial performance of listed consumer goods companies in Nigeria". Secondary source of data was employed from the annual reports and accounts of ten (10) consumer goods companies listed on Nigeria Stock Exchange from 2005 to 2014. Seven (7) variables were used to represent financial performance namely: ROA, ROE, Leverage, EPS, Tobin's Q, Firm Size and the Age of the firm: while CSR disclosure index was used to represent CSR disclosure.

Using descriptive statistics, ordinary least square and generalized least square to analyze and test the hypothesis; the study revealed the following:

- There exists an average disclosure index of about 79.63%. This implies that there is a high level of disclosure by consumer goods companies in Nigeria with a minimum level of disclosure and maximum level of 42.11% and 94.74% respectively.

- There is no significant dispersion among selected companies and their Return on Assets with a standard deviation of 0.1425

- With respect to Return on Equity, results showed that the average profit earned by the company is 35.96% of the total equity. Also, there is a negative but statistically insignificant relationship between ROE and CSR.

- There exists a positive but insignificant relationship between leverage and CSR at 5% level with a mean of 1.8084%

- Tobin's Q is positive and significantly related to CSR at 5% level with a mean and standard deviation of 79% and 0.9351 respectively.

- EPS, Firm size and age of the firm are positively associated to CSR and statistically at 5% level.

The study recommended that a good relationship should exist between consumer goods companies and their host communities, as well as the level of CSR activities should be increased.

(Bala and Abdulrazaq, 2018) in their study "Financial performance and Corporate Social Responsibility of some selected banks in Nigeria" sought to examine the effect of the independent variables (ROA, EPS, ROE) on the dependent variable (CSR) with Bank size, Liquidity and Firm Age as control variables. Sample size comprises of 7 out of 15 barriers listed on the Nigerian Stock Exchange for a period of 6 years. Using multiple regression model and STATA software version 12 for data analysis, the study revealed the following;

- The level of CSR by the selected samples for the period was 80%, with minimum value of 74.5 and maximum value of 80%.

- CSR differs from banks to banks

- ROA was about 4.4% of the CSR disclosure by the banks for the period of study. Also, there exists a positive and significant effect between ROA and CSR of the selected banks.

- EPS showed a minimum of –0.15k and maximum EPS earned was N52.2 with a standard deviation of 0.0806 implying that there is no significant variation in EPS of the banks.

- ROCE showed a mean score of 0.02% standard deviation score of 0.0009 implying that there exist a significant relationship and effect between ROCE and CSR of the selected sample size for the period under review.

- Bank size, liquidity and firm age slowed significant relationship with CSR.

- For firm age, the minimum score in 5 years and 42 years as the maximum implying an average of 24 years.

The study recommended that managers should ensure that the wealth of the Banks be utilized in consistence with the principles of reasonable improvement that agrees with the idea of social responsibility.

(L.Ojo, 2016) in his work effects of "Corporate Social Responsibility on Corporate Financial Performance of quoted pharmaceutical firms in Nigeria" examined the effect of CSR proxies (community development expenditure, environmental expenditure & employee relation expenditure) on Return on Assets. The sample size consisted of all the eleven firms that are quoted on the floor of the Nigerian Stock Exchange (NSE) over a ten year period and data was analyzed using panel regression with the aid of e-view. The results of the research revealed the following:

- That the expenditure on community development has no significant financial performance of pharmaceutical industry in Nigeria which implies that there are other factors other than community development expenditure. T-statistics showed a value of 1.496.

- Results showed that expenditure on the environment has a significant positive effect; with a coefficient value of 1.018 and T-statistics of 6.925

- Finally, for every unit increase in the value of employee relation expenditure, there is an equal unit decrease on the firms' performance. Employee Relation Expenditure has a significant negative effect on firms' performance with a co-efficient of-1.4398 and T-statistics of -7.527.

The study recommended that a well-structured CSR should be in place in companies and that members of the board at their AGM should take up the responsibility. Also, companies should ensure that CSR is inbuilt into their policy statement and backed up with a proper budget in order to improve the community where they operate.

(Iftekhar, Nada, Liu, Haizhi, 2016) in their study carried out on 5,516 companies, not excluding 986 U.S. manufacturing firms from 1992 to 2009 sought to investigate if Corporate social performance (CSP) is positively related to firm total factor productivity (TFP) and if the relationship between corporate social performance and financial performance is mediated by firm total factor productivity. Secondary method of data collection was employed and data were analyzed using regression analysis. Findings discovered that:

- there is a significantly positive relationship between CSP and TFP

- there is a significant direct effect of CSP on TFP ($p<0.01$) and a significant mediated main effect of CSP.

- There is a significant correlation between CSP and TFP as well as a significant partial mediation effect of TFP on CSP-CFP relationship

In conclusion, (Iftekhar, Nada, Liu, Haizhi, 2016) argued that by forging strong relationships with key stakeholders through participation in social issues, a firm can develop productive intangibles such as technological innovations, organizational legitimacy, better access to resources, and human capital, all of which help firms to efficiently utilize the assets, obtain

competitive advantages over rivals and create shareholder value. CSR activities have instrumental value in helping firms to accumulate productive intangibles as reflected by TFP.

(Bikon. Et al, 2017) in their study sought to examine the impact of CSR on the financial performance of Thirty-six manufacturing and production companies listed on London Stock Exchange over a six year period. Eight subsectors were considered and CSR constituents included: Corporate giving, Employee safety, Greenhouse gas emission reduction and waste reduction; financial performance was proxies were on Assets (ROA) and Return on Equity (ROE). Secondary method of data collection was employed, while data analyses were carried out using E-views software. Results showed that:

- Corporate giving has a negative insignificant impact on ROA and ROE, therefore no statistical significant impact on financial performance
- Employee safety and waste reduction has a positive insignificant impact on ROE and ROA.
- Greenhouse gas emission reduction has a significant but negative significant impact on ROA

The study recommended that future research study should use long-term financial performance indicators.

(Mubeen and Arooj, 2014) in their work sought to find out the impact of corporate social responsibility on firms financial performance and shareholders wealth in Nigeria. Ten firms rated as highly corporate social responsible and ten non corporate social responsible firms were selected for the study; financial performance measures were ROA and ROE while shareholders wealth measures included EPS and stock price.Research findings show the significant positive relationship between corporate social responsibility and the financial performance of the firm's and the wealth of shareholders. The study recommended that

for companies in today's competitive environment to achieve maximum financial performance, corporate social responsible activities should be encouraged.

(Ibrahim & Garba, 2015) assessed Corporate Social Responsibility and Financial Performance in the Nigerian Construction Industry. The study adopted an ex-post facto and survey designs, generated data from questionnaire administered using a five point Likert Scale as well as the annual reports and accounts of sampled construction companies. Analyses were carried out using multiple regression analysis and chi-square test. Findings revealed that non-CSR activities have a greater impact than CSR activities on the financial performance of Nigerian companies in the construction industry. The study therefore recommended that non-CSR activities should be encouraged as it is very important in ensuring that firms in the construction industry achieve their objective.

In their research, (Uwaloma and Egbide, 2012) used samples of 41 companies listed on the Nigerian stock exchange for 2008. Multiple regression analysis was used to analyze the data.The article found that there was an important adverse connection between the financial leverage of companies and the amount spent on corporate social responsibility.

(Ojo, 2010) research used information from 40 Nigerian stock exchange-listed limited liability companies. Data gathered were analyzed using correlation regression and variance analysis (ANOVA) The research showed that companies examined contributed infinitesimal amounts of their gross income to social responsibility. In this instance CSR had an adverse relationship with financial performance.

(Amidu et al, 2017) in their study titled 'The Impact of Corporate Social Responsibility Disclosure on Financial Performance of Firms in Africa', measured the effect of CSR proxies on Financial performance proxies; return on assets (ROA) for short-term, and return on equity (ROE) for long-term .The study adopted annual panel data set for 158 firms grouped into six industries in six African countries over the period 2005-2015.Multiple linear regression analysis was used to carry out the

36

analysis.Findings revealed that, unlike sales and manufacturing, health and pharmacy and other industriesCSRdisc has a negative impact on corporate financial performance in the short run (ROA) for the mining, investment and transport industries.

This means that in these industries, no economic benefit is generated by CSR in the short term.With regards to financial performance in the long term (ROE), results suggested positive but no significant economic benefits for companies. Furthermore, the study suggested that there are other factors that impacts on the financial performance of firms in Africa other than their CSR practices. The study recommended that firms should continue to give priority to the disclosure of CSR given the numerous benefits.

(Sukanya et al, 2015) in their study, 'The Impact of Corporate Social Responsibility on Firms' Financial Performance in South Africa' investigated the impact of CSR on Corporate Financial Performance (CFP) of selected firms for the period of 2004 to 2013 in South Africa. Three financial ratios (ROA, ROE and EPS) were used to analyze the financial performance of firms in relation to their social responsibility measures. Secondary method of data collection was adopted and data was analyzed using regression analysis. The results showed that CSR and ROA are negatively correlated; however EPS increases by 973.5138 for every one-unit increase in CSP, ceteris paribus. Also, there are mixed results between CSR and CFP in various industries over the long term. The study concluded that no significant differences in financial performance resulted from CSR activities.

(Johansson et al, 2015) in their work 'The relationship between CSR and financial performance' tested the association between CSR proxy and financial performance namely: its accounting based financial performance (represented by ROA) and its market based financial performance (represented by Tobin's Q). The study adopted a sample of 167 Swedish companies for a three year period and utilized quantitative and deductive approaches in gathering statistical data from publicly traded companies on Stockholm OMX stock exchange . Secondary data analysis was used in the collection of data, a co relational research

design and a longitudinal research strategy. Also a simple linear regression model in the program SPSS was used in order to examine the relationship between CSR and the two dependent financial variables. Findings discovered that there exist no positive linear relationship between a company's financial performance in both proxies and its level of CSR activities. In summary, there are greater factors that impacts on the financial performance greater than CSR.

(Muhammad et al, 2017) in their study investigated the impact of Corporate Social Responsibility on the Financial Performance of Banks in Asian Countries. Using secondary source of data collection generated from the annual returns of the selected banks for a period of five years (2010-2015) as well as regression and correlation for data analysis. The results showed that CSR has a positive and significant impact on the financial performance indicators (ROA, ROE and EPS). Also a positive correlation exists between CSR and CFP.

2.4 RESEARCH GAP

As summarized above, various studies have been carried out on the impact and relationship between corporate social responsibility and financial performance on various firms that exist in different industries. These studies have also been carried out in various countries across the globe. In most of the previous studies undertaken on the topic, the proxies for financial performance has been ROA, ROE, P/E EPS; no study has sought to really examine the effect on other key financial performance indicators of companies such as Gross Profit Margin (GPM), Taxable Income (TI) and Return on Investment (ROI). Previous studies have also acknowledged that their studies should serve as a bench mark for further studies as no one research work is all encompassing and only limited to the scope of the study.

It is on this basis that the researcher then seeks to evaluate the extent to which CSR surrogates have impacted on the financial performance of selected consumer and industrial goods companies in Nigeria.

38

CHAPTER THREE
RESEARCH METHODOLOGY

3.0. INTRODUCTION

This section examines the research design, population, sample and sampling techniques, research instrument, data analysis, model specification, reliability and validity of instruments and ethics and limitation of study.

3.1. RESEARCH DESIGN

The study seeks to adopt the mixed research design. Mixed research design is a methodology for conducting research that involves collecting, analysing and integrating quantitative (e.g., experiments, surveys) and qualitative (e.g., focus groups, interviews) research (Creswell & Plano Clark, 2011).Since primary data will be obtained from questionnaires and secondary data will be collected from audited annual accounts and reports of the Nigeria listed consumer and industrial goods companies; in order to see the cause and effect of CSR on the financial performance indices. Therefore, in this study, the researcher seeks to collect both primary and secondary data from listed multi-national consumer and industrial goods companies that are on Nigeria Stock Exchange (NSE).

3.2. POPULATION

The population of the study will be 21 consumer goods companies and 15 industrial goods companies, making a total of 36 companies that are listed on consumer and industrial goods sectors of Nigeria Stock Exchange (NSE).

3.3. SAMPLE SIZE AND TECHNIQUE

The study will use non-probability sampling technique, preferably judgmental sampling technique or method will be adopted, that is, first-twenty high capitalized companies will be selected from the 36 companies. The audited annual financial statements of the selected companies will be used to generate the CSR and financial data needed for the study. The

research will also adopt the sampling method of Tabachnick and Fidell (2007) in determining our sample size (n), that is, number of observations, that is, $n \geq 50 + 8m = 50 + 8(2) = 66$, that is, our sample size (that is, pooled regression observations) should not be less than 66. In order to have a good regression analysis result or good fit. M represents number of regressors in the model.

3.4. RELIABILITY AND VALIDITY INSTRUMENT

The instrument is valid and reliable since they have been signed by the management of the consumer and industrial goods companies, approved by the security and exchange commission, and other scholars have used the annual audited financial statements to carry out related or similar study, therefore the instrument is deemed to be valid.

3.5. METHOD OF DATA ANALYSIS

The study will adopt standardized simple and multiple linear regressions (Ordinary Least Square-OLS) to analyse data via SPSS version 23. The study involved time series and cross-sectional data (observational pooled data or panel data). Our theoretical expectation (*Aprior*) that is, β_1 to $\beta_n \geq 0$ and we will make sure that data conform to the standardized linear regression assumptions that is, linearity, homoscedasticity, normality and independence of data; tolerance value should not be less than 0.10 (10%), variance inflationary factor (VIF) should not be greater than 10, otherwise possible multicolinearity; Durbin Watson statistics should be within the range of 1-3, (Gujarati, Porter & Gunasekar, 2012; Kothari, & Gaurav, 2014; Tabachnick & Fidell, 2007).

3.6. DECISION RULE

The decision will be based on 5% level of significant. Accept null hypothesis (H_0) if probability value (i.e. P-value or Sig.) calculated is greater than or equals to ($\geq$) stated 5%

level of significance (α); otherwise, reject and accept alternate hypothesis (H_a), if p-value or sig calculated is less than 5% level of significance (Osisioma, Egbunike & Jesuwunmi, 2015).

3.7. MODEL SPECIFICATION AND VARIABLES MEASUREMENT

Financial Performance (FP) =ƒ (Corporate Social Responsibility-CSR)

Financial Performance is a function of *Corporate Social Responsibility-CSR*

Introduce the surrogates (i.e. proxy variables)

FP-(GPM_{it} ROA_{it}, TI_{it}) $= ƒ$ (CSR-$SOCEW_{it}$, GDC_{it} $EDUHC_{it}$)…..eqn.1

Financial performance is proxy by TI, GPM, ROI while corporate social responsibility is proxy by SOCEW, EDUHC, GDC

$TI_{it} = \mathcal{X}_0 + \beta_1 SOCEW_{it}$ ……………………….……eqn.2

$GPM_{it} = \mathcal{X}_1 + \beta_2 EDUH_{it}$ ……………………………..eqn.3

$ROA_{it} = \mathcal{X}_2 + \beta_3 SOCEW_{it} + \beta_4 EDUH_{it}$ …+ $\beta_5 GDC_{it}$…..eqn.4

Note: equation2 to 5 are deterministic or mathematical models;

Introduce the stochastic random variable (error term) into the model.

$TI_{it} = \mathcal{X}_0 + \beta_1 SOCEW_{it} + \mathcal{E}_{it}$ ………………………………eqn.5

$GPM_{it} = \mathcal{X}_1 + \beta_2 EDUH_{it} + \mathcal{E}_{it}$………………………………eqn.6

$ROA_{it} = \mathcal{X}_2 + \beta_3 SOCEW_{it} + \beta_4 EDUH_{it}$ …+ $\beta_5 GDC_{it}+ \mathcal{E}_{it}$………eqn.7

Note: equation2 to 4 are deterministic or mathematical models; equations 5 to 7 are simple and multiple linear regression models or econometric models, that is eqn-5 is simple regression model while eqn6 and 7 are multiple regression models.

Table3.9: Variables measurement and nomenclature

S/N	Names & Codes	Measurement	Variable type
1	Financial Performance-FP	**FP**=ROI, GPM, TI	Latent-Endogenous
2	Return on investment – ROI	**ROI** = Earnings before Interest Tax Depreciation Amortization(EBITDA) ÷ [Total Assets − current liability OR share capital + long-term liability]	Observed/measured endogenous
3	Gross profit margin – GPM	**GPM**= [Gross profit ÷ total revenue (income)] *100	Observed endogenous
4	Tax –Income=TI	**TI**= [Tax liability ÷ total revenue (income)] *100	Observed/ explained
5	Corporate Social Responsibility-CSR	CSR=SOCEW, GDC, EDUHC	Latent/hidden exogenous
6	Socio-economic cost-SOCEW	**SOCEW**= Socio-economic cost; cost of providing road, pipe-borne water and capital expenditure. Amount is derived from the audited annual financial statement.	Observed/measured exogenous

7	Educational and Health cost-EDUHC	**EDUHC**= Educational and Health cost; amount incurred on providing health and education to the host community. Amount is derived from the audited annual financial statement.	Observed exogenous
8	General Donations Cost-GDC	**GDC=** amount giving to the host community in kind which cannot be classified into the aforementioned. Amount is derived from the audited annual financial statement.	Observed exogenous
9	β_{1-5}	Regression coefficient	Parameter
10	$\mathcal{X}_{0-2}$ (Gandia)	Intercept /constant term	Parameter
11	ε	Error term or stochastic random variable	Parameter
12	$\mathcal{F}$	Functional notation	Parameter
13	I	Individual firms	Parameter
14	T	Time/ year	Parameter

Source: Researcher's literature review, 2019.

3.8. ETHICAL CONSIDERATIONS

There is no vulnerability in this study. The researcher does not and will not intend to expose any firm or individual to danger. And the research will maintain the integrity and confidentiality of data or information.

3.9. LIMITATION

The result will be limited to study population or sample studied any addition or extension of time or sample size may give or cause variation in result and generalization is limited to Nigeria listed companies in the related sectors.

CHAPTER FOUR
DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 ANSWERS TO RESEARCH QUESTIONS IN RELATION TO PROPOSAL

i. *To what extent does socio-economic welfare cost affect tax-income of listed consumer and industrial goods companies in the Nigeria?*

Table-1: *Simple Linear Regression Model Statistics Summary of Socio-economic Welfare Donation Prediction on Listed Nigerian Companies Tax-Income from 2012-2018.*

Multiple R	0.152009176
R Square	0.02310679
Adjusted R Square	0.016679861
Standard Error	0.045283215
Observations	154

Source: Researcher's Computation via Microsoft Excel, 2010

The simple linear regression model statistics summary of socio-economic welfare donation prediction on listed Nigerian companies' tax-income from 2012-2018 is presented in Table-1. The simple linear model result in Table-1 is performed by taking Tax-income as explained variable (dependent variable-DV) and socio-economic welfare as predictor (i.e. independent variable-IV). The model summary result shows that the dependent variable is explained by the predictors in the model with R^2 of **.023** (2.3%). However, the unexplained variation in the model prediction, that is, error term (ε) had captured .977 or 97.7% variations.

ii. *To what extent does educational and health donation cost affect gross-profit margin of listed consumer and industrial goods companies in the Nigeria?*

Table-2: *Simple Linear Regression Model Statistics Summary of Educational and Health Donation Prediction on Listed Nigerian Companies Gross Profit Margin (GPM) from 2012-2018.*

Multiple R	0.43665107
R Square	0.190664157
Adjusted R Square	0.185339579
Standard Error	0.131522753
Observations	154

Source: Researcher's Computation via Microsoft Excel, 2010

The simple linear regression model statistics summary of educational and health donation cost prediction on listed Nigerian companies' gross-profit margin (GPM) from 2012-2018 is presented in Table-2. The simple linear model result in Table-2 is performed by taking Tax-income as explained variable (dependent variable-DV) and socio-economic welfare as predictor (i.e. independent variable-IV). The model summary result shows that the dependent variable is explained by the predictors in the model with R^2 of **.191** (19.1%). Conversely, the

unexplained variation in the model prediction, that is, stochastic random variable (ε) had captured .809 or 80.9% variations.

iii. To what extent do CSR surrogates affect revenue-total asset ratio (RETA) of listed consumer and industrial goods companies in the Nigeria?

Table-3: *Simple Linear Regression Model Statistics Summary of CSR surrogates Prediction on Listed Nigerian Companies Revenue-Total Asset (RETA) from 2012-2018.*

Multiple R	0.315474563
R Square	0.0995242
Adjusted R Square	0.093600017
Standard Error	0.403306037
Observations	154

Source: Researcher's Computation via Microsoft Excel, 2010

The simple linear regression model statistics summary of CSR surrogates prediction on listed Nigerian companies' revenue-total asset from 2012-2018 is presented in Table-3. The simple linear model result in Table-3 is performed by taking Tax-income as explained variable (dependent variable-DV) and socio-economic welfare as predictor (i.e. independent variable-IV). The model summary result shows that the dependent variable is explained by the predictors in the model with R^2 of **.099** (9.9%). Though, the unexplained variation in the model prediction, that is, stochastic random variable (ε) had captured .901 or 90.1% variations.

4.2 TEST OF HYPOTHESES SECONDARY DATA IN RELATION TO PROPOSAL

i. The effect of socio-economic welfare cost on tax-income of listed consumer and industrial goods companies in the Nigeria is not significant.

Table-4: *ANOVA and Coefficients of Simple Linear Regression Statistics Output of Socio-economic Welfare Donation Prediction on Listed Nigerian Companies Tax-Income from 2012-2018.*

	df	SS	MS	F	Sig. F	Decision
Regression	1	0.007372	0.007372	3.595308	0.059840509	*Accept* H$_0$
Residual	152	0.311687	0.002051			
Total	153	0.319059				
	Coefficients	**Standard Error**	**t Stat**	**P-value**		
Intercept	0.041516229	0.003932	10.55985	6.8E-20		
Socio-Eco Welfare	-3.20028E-11	1.69E-11	-1.89613	0.059841		

Source: Researcher's Computation via Microsoft Excel, 2010

Table-4 showed that the regressor (i.e. Socio-economic Welfare Donation) had contributed insignificantly to the prediction of Tax-Income, (F $(1, 152)$ =3.595, R^2 = .023; P=6.8E-20). However, the remaining variation not explained by the contribution of the Socio-

44

economic Welfare Donation might be accounted for by the effects of extraneous variables. Therefore, the Socio-economic Welfare was insignificantly contributor to the prediction of Nigeria listed companies' performance as proxy by Tax-Income.

Furthermore, the output in Table-5 indicated that the beta (β) weights of estimates of the strengths of the causation. The entire Socio-economic Welfare Donation shown to contribute differentially to Tax-Income of Nigeria listed companies; Socio-economic Welfare had contributed negatively to the variation in tax-income ratio which was statistically insignificant to listed companies' performance, SEW $\beta = -3.20028E - 11 (t = -1.896, p = .00598)$. On the basis of the analysis we accept the null hypothesis (**H$_0$**) and reject the alternate hypothesis (**H$_a$**) and conclude that its independent contribution to the prediction of the regressand is statistically insignificant to listed Nigerian companies' performance proxy by Tax-Income.

ii. *Educational and health donation cost does not significantly affect gross-profit margin of listed consumer and industrial goods companies in the Nigeria.*

Table-5: *ANOVA and Coefficients of Simple Linear Regression Statistics Output of Educational and Health Donation Prediction on Listed Nigerian Companies Gross-Profit Margin from 2012-2018.*

	df	SS	MS	F	Sig. F	Decision
Regression	1	0.619421	0.619421	35.80831	1.50213E-08	*Accept H$_a$*
Residual	152	2.629332	0.017298			
Total	153	3.248752				

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.293722778	0.011693	25.11956	5.64E-56
Edu &health	1.98936E-09	3.32E-10	5.984005	1.5E-08

Source: Researcher's Computation via Microsoft Excel, 2010

Table-5 showed that the regressor (i.e. educational and health donation) had contributed significantly to the prediction of gross-profit margin (F (1, 152) =35.808, R^2 = .023; P=1.5E-8). However, the remaining variation not explained by the contribution of the educational and health donation might be accounted for by the effects of extraneous variables. Therefore, the educational and health donation was significantly contributor to the prediction of Nigeria listed companies' performance as proxy by gross-profit margin.

In addition, the output in Table-6 indicated that the beta (β) weights of estimates of the strengths of the causation. The entire educational and health donation shown to contribute differentially to gross-profit margin of Nigeria listed companies; educational and health donation had contributed positively to the variation in gross-profit margin which was statistically significant to listed companies' performance, SEW$\beta = 1.98936E - 09 (t = $

$5.984005, p = 1.5\text{E} - 08$). On the basis of the analysis we the reject null hypothesis ($\mathbf{H_0}$) and accept the alternate hypothesis ($\mathbf{H_a}$) and conclude that its independent contribution to the prediction of the explained variable is statistically significant to listed industrial and consumer goods Nigerian companies' performance surrogated by gross-profit margin.

iii. *The effect of CSR surrogates on revenue-total asset ratio (RETA) of listed consumer and industrial goods companies in the Nigeria is not significant.*

Table-6: *ANOVA and Coefficients of Simple Linear Regression Statistics Output of CSR surrogates Prediction on Listed Nigerian Companies Revenue-Total Asset ratio (RETA) from 2012-2018.*

	Df	SS	MS	F	Sig. F	Decision
Regression	1	2.732559852	2.732559852	16.79965012	6.73958E-05	*Accept Ha*
Residual	152	24.72367547	0.16265576			
Total	153	27.45623532				

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.954734002	0.035346001	27.01108994	6.76585E-60
CSR(Don)	-5.61739E-10	1.37052E-10	-4.098737625	6.73958E-05

Source: Researcher's Computation via Microsoft Excel, 2010

Table-6 showed that the regressor (i.e. CSR surrogates) had contributed significantly to the prediction of revenue-total asset ($F_{(1, 152)} = 16.8$, $R^2 = .0995$; P=6.73958E-05). However, the remaining variation not explained by the contribution of the CSR surrogates might be accounted for by the effects of extraneous variables. Therefore, the CSR surrogates was significantly contributor to the prediction of Nigeria listed companies' performance as surrogated by revenue-total asset.

In addition, the output in Table-7 indicated that the beta (β) weights of estimates of the strengths of the causation. The entire CSR surrogates shown to contribute differentially to revenue-total asset of Nigeria listed companies; CSR surrogates had contributed negatively to the variation in revenue-total asset which was statistically significant to listed companies' performance, $\text{SEW}\beta = -5.61739\text{E} - 10 (t = -4.098737625, p = 6.73958\text{E} - 05)$. On the basis of the analysis we reject the null hypothesis ($\mathbf{H_0}$) and accept the alternate hypothesis ($\mathbf{H_a}$) and conclude that its contribution to the prediction of the explained variable is statistically significant to listed industrial and consumer goods Nigerian companies' performance surrogated by revenue-total asset.

4.3 ANSWERS TO RESEARCH QUESTION IN RELATION TO QUESTIONNAIRE

I. *To what extent is the difference in respondents' perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria?*

Table-7: *Descriptive Statistics Summary of Respondents' Profile and Responses to CSR Influence on Listed Companies Performance in Nigeria.*

Respondent's Rank	Years of working experience	n	Strongly Agree	Agree	Disagree	Strongly Disagree
Senior officers[222]	1-5years	155	96.3%	18%	0%	0%
	6-10years	67	3.7%	30.3%	0.5%	2.9%
Junior officers[178]	6-10years	118	0%	49.3%	25.8%	0%
	11yrs & Above	60	0%	2.4%	73.7%	97.1%
Total(N) [responses= 4000]		400	1227	2048	655	70

Source: Researcher's Computation via SPSS version-23.

Table-7 shows the descriptive statistics, that is, percentages and frequencies of 4000 responses retrieved from 400 respondents' across different categories; each questionnaire contains 10 items to be responded to or answered by the respondents. Out of the 4000 responses obtained from the 400 questionnaires 2048 agreed and 1227 strongly agreed that CSR had influenced the Nigerian listed companies' performance this constitute the major part; while 655 disagreed and 70 strongly disagreed with the assertion that CSR had impacted on the Nigerian companies' performance over the years this represents the minor part of the response.

The respondents' rank shows that the senior officers had larger number (222) of respondents while the junior officer had smaller number (178) of the respondents. Out of the 222 officers in the senior cadre 155 and 67 officers had up to 1-5years and 6-10years working experience respectively; while 118 and 60 officers belonging to the junior cadre had worked for 6-10years and 11years and above respectively.

155 senior officers that worked for 1-5years responded that 96.3%, 18%, 0% and 0% strongly agreed, agreed, disagreed and strongly disagreed respectively; however, 67 senior officers that have worked for 6-10years replied that 3.7%, 30.3%, 0.5% and 2.9% strongly agreed, agreed, disagreed and strongly disagreed respectively on the contributions of CSR influence on non-financial and financial performance of listed Nigerian industrial and consumer goods companies.

118 junior officers that worked for 6-10years responded that 0%, 49.3%, 25.8% and 0% strongly agreed, agreed, disagreed and strongly disagreed respectively; however, 60 junior officers that have worked for 11years and above replied that 0%, 2.4%, 73.7% and 97.1%

strongly agreed, agreed, disagreed and strongly disagreed respectively on the contributions of CSR influence on non-financial and financial performance of listed Nigerian industrial and consumer goods companies. This had been illustrated or depicted with the aid of 3-dimension simple bar-chart in Figure-1. Can we conclude that there is difference in the responses of the senior and junior cadres officers across the different categories. This leads us to test of hypothesis.

Figure-1: *3-Dimension Simple Bar-charts of Respondents' Profiles and Responses to Corporate Social Responsibility (CSR) Influence on Listed Companies Performance in Nigeria*
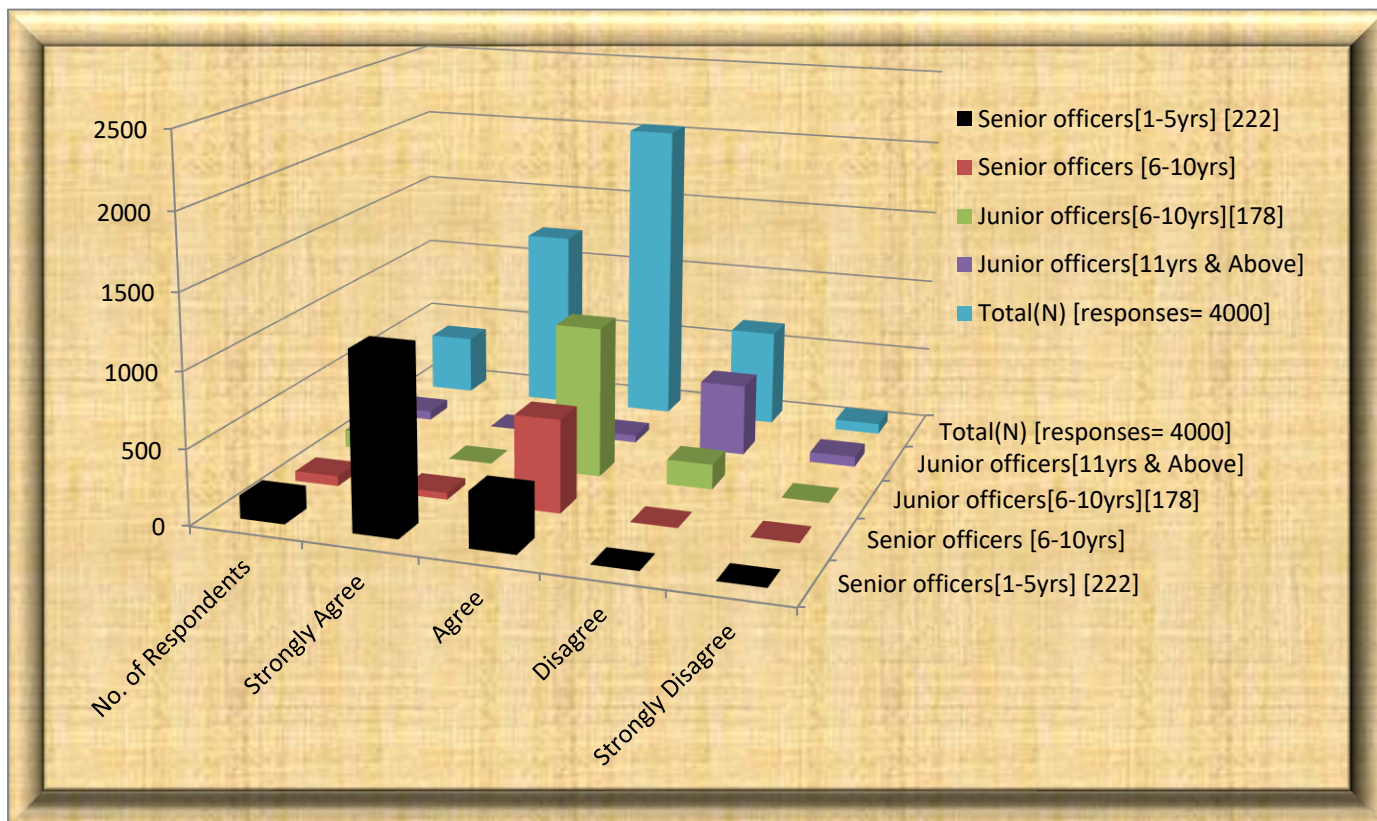
Source: Researcher's Design via Microsoft Excel, 2010.

4.4. ANALYSIS OF QUESTIONNAIRE

QUESTION 1

Table-8: Provision of local staff for residents of host community will help organizations balance

the demand between the legal, social and ethical aspects of CSR.

Options/Responses	Frequency	Percent (%)
strongly disagree	6	1.5
Disagree	24	6.0

Agree	208	52.0
strongly agree	162	40.5
Total	**400**	**100.0**

ANALYSIS OF QUESTION 1

Table-8 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 162 (40.5%) strongly agreed and 208 (52%) agreed that provision of local stalls for residents of host community had helped organizations to balance the demand between the legal, social and ethical aspects of CSR; while 24 (6%) disagreed and 6 (1.5%) strongly disagreed with the assertion that provision of local stalls for residents of host community had helped organizations to balance the demand between the legal, social and ethical aspects of CSR; this represents the minor part of the responses. This had been illustrated or depicted with the aid of 3-dimension simple bar-chart in Figure-1. Can we conclude that there is difference in the responses across the different categories? This will leads us to test of hypothesis.

Figure-2: *3-Dimension Simple Bar-charts of Provision of local staffs for residents of host community will help organizations balance the demand between the legal, social and ethical aspects of CSR.*

Source: Researcher's Design via Microsoft Excel, 2010.

Table-9: Provision of pipe-borne water for residents of host community will help organizations gain tax incentives from the government.

Options/Responses	Frequency	Percent (%)
strongly disagree	4	1.0
disagree	87	21.8
Agree	207	51.8
strongly agree	102	25.5
Total	**400**	**100.0**

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 2

Table-9 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 102 (25.5%) strongly agreed and 207 (52%) agreed that provision of pipe-borne water for residents of host community had helped organizations gain tax incentives from the government.; while 87 (21.8%) disagreed and 4 (1%) strongly disagreed with the assertion that provision of pipe-borne water for residents of host community had helped organizations gain tax incentives from the government; in summary the responses indicated that the respondents concurred with the assertion. The 3-dimension simple bar-chart in Figure-2 gives full details. Can we infer that there is difference in the responses across the different categories? This will prompts us to test of hypothesis.

Figure-2: *3-Dimension Simple Bar-charts of Provision of pipe-borne water for residents of host community will help organizations gain tax incentives from the government.*

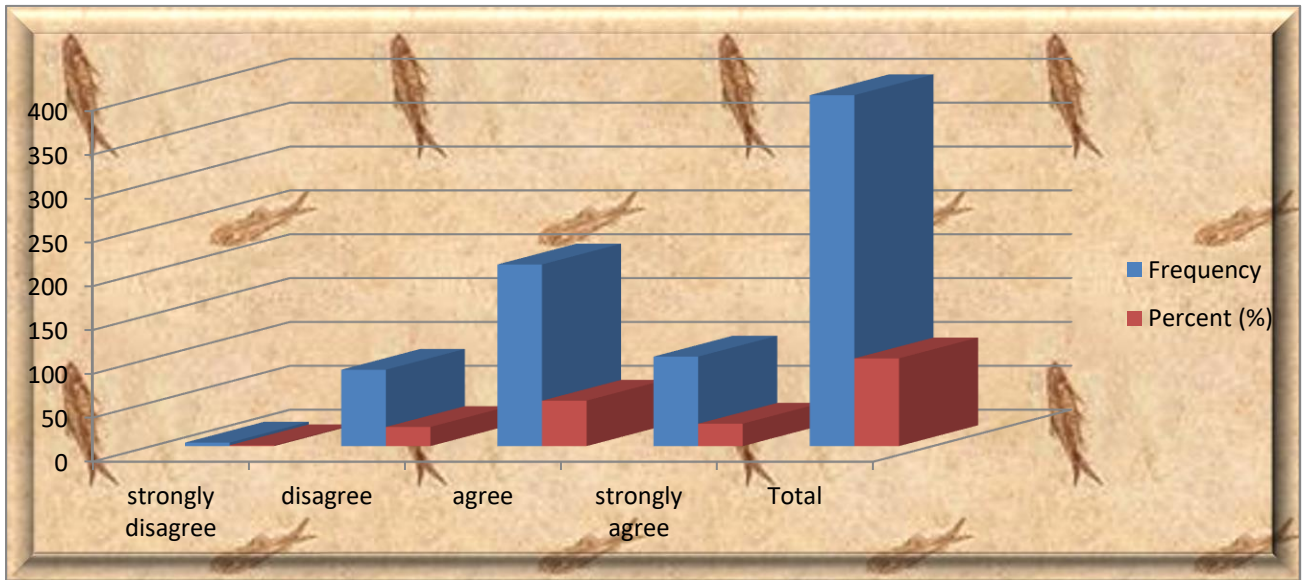**Source:** Researcher's Design via Microsoft Excel, 2010.

QUESTION 3

Table-10: Environmental preservation and restoration (preventing oil spillage) will reduce the demand of the host community and therefore lead to organizational survival.

Options / Responses	Frequency	Percent (%)
strongly disagree	12	3.0
disagree	82	20.5
Agree	214	53.5
strongly agree	92	23.0
Total	**400**	**100.0**

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 3

Table-10 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 92 (23%) strongly agreed and 214 (53.5%) agreed that environmental preservation and restoration (preventing oil spillage) will reduce the demand of the host community and therefore lead to organizational survival; while 82 (20.5%) disagreed and 12 (3%) strongly disagreed with the assertion that

environmental preservation and restoration (preventing oil spillage) will reduce the demand of the host community and therefore lead to organizational survival; this represents the minority part of the responses. This had been depicted with the aid of 3-dimension simple bar-chart in Figure-3. Can we conclude that there is difference in the responses across the different categories? This will leads us to test of hypothesis.

Figure-3: *3-Dimension Simple Bar-charts of Respondents' Responses to Environmental preservation and restoration (preventing oil spillage) will reduce the demand of the host community and therefore lead to organizational survival.*

Source: Researcher's Design via Microsoft Excel, 2010.

QUESTION 4

Table-11: The motive of companies is not to achieve financial objectives alone but other non-financial objectives (employee & customer satisfaction) of the company.

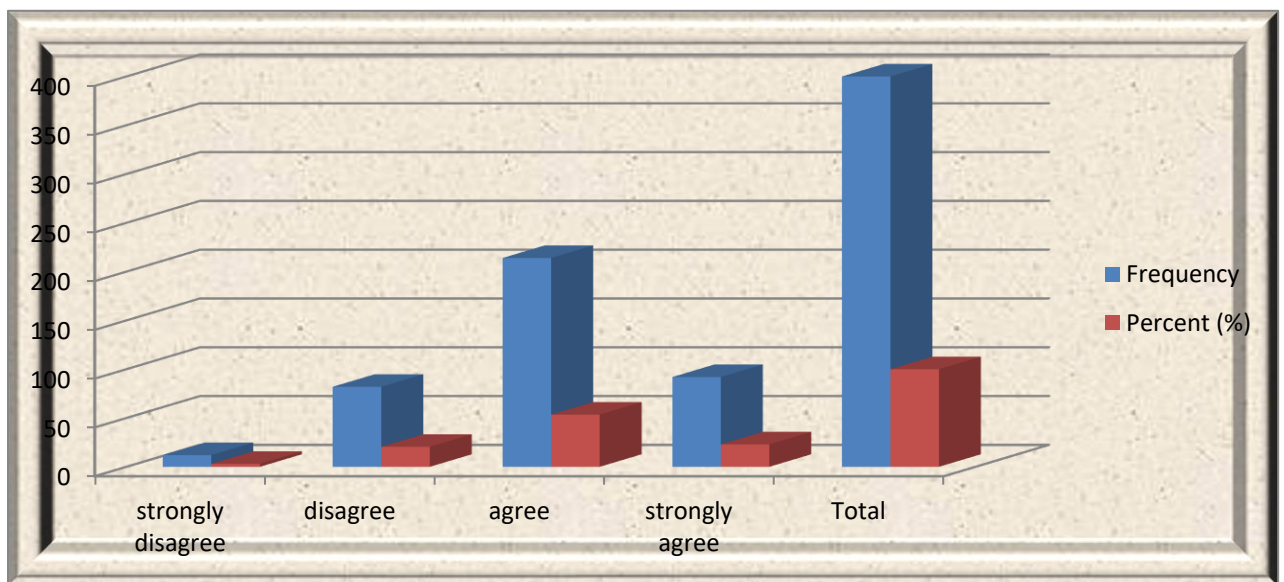| Options/ Responses	Frequency	Percent (%)
strongly disagree	14	3.5
Disagree	76	19.0
Agree	117	29.3
strongly agree	193	48.3

Total	400	100.0

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 4

Table-11 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 162 (40.5%) strongly agreed and 208 (52%) agreed that provision of local stalls for residents of host community had helped organizations to balance the demand between the legal, social and ethical aspects of CSR; while 24 (6%) disagreed and 6 (1.5%) strongly disagreed with the assertion that provision of local stalls for residents of host community had not helped organizations to balance the demand between the legal, social and ethical aspects of CSR; this represents the minor part of the responses. This had been illustrated or depicted with the aid of 3-dimension simple bar-chart in Figure-4. Can we conclude that there is difference in the responses across the different categories? This will leads us to test of hypothesis.

Figure-4: *3-Dimension Simple Bar-charts of Respondents' Responses to The motive of companies are not to achieve financial objectives alone but other non-financial objectives (employee & customer satisfaction) of the company.*
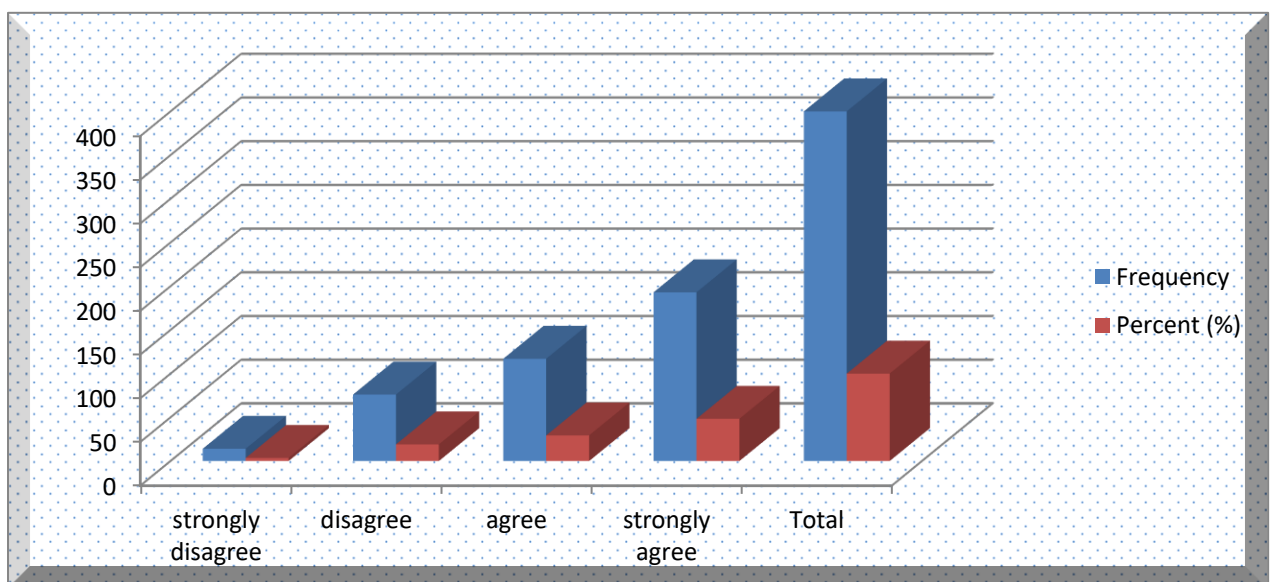

Source: Researcher's Design via Microsoft Excel, 2010.

Table-12: Provision of public goods (street light, parks) will help organizations balance the demand between the economic and government's policy.

Options /Responses	Frequency	Percent (%)
strongly disagree	8	2.0
disagree	62	15.5
Agree	241	60.3
strongly agree	89	22.3
Total	**400**	**100.0**

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 5

Table-12 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 89 (22.3%) strongly agreed and 241 (60.3%) agreed that Provision of public goods (street light, parks) will help organizations balance the demand between the economic and government's policy while 62 (15.5%) disagreed and 8 (2%) strongly disagreed with the assertion that Provision of public goods (street light, parks) will help organizations balance the demand between the economic and government's policy; this represents the minor part of the respondents. This had been illustrated with the aid of 3-dimension simple bar-chart in Figure-5. Can we conclude that there is difference in the responses across the different categories? This will leads us to test of hypothesis.

Figure-5: *3-Dimension Simple Bar-charts of Respondents' Responses to Corporate Provision of public goods (street light, parks) will help organizations balance the demand between the economic and government's policy.*

Source: Researcher's Design via Microsoft Excel, 2010.

QUESTION 6

Table-13: CSR contributes positively to maximizing shareholders value (market capitalization) in

the long term

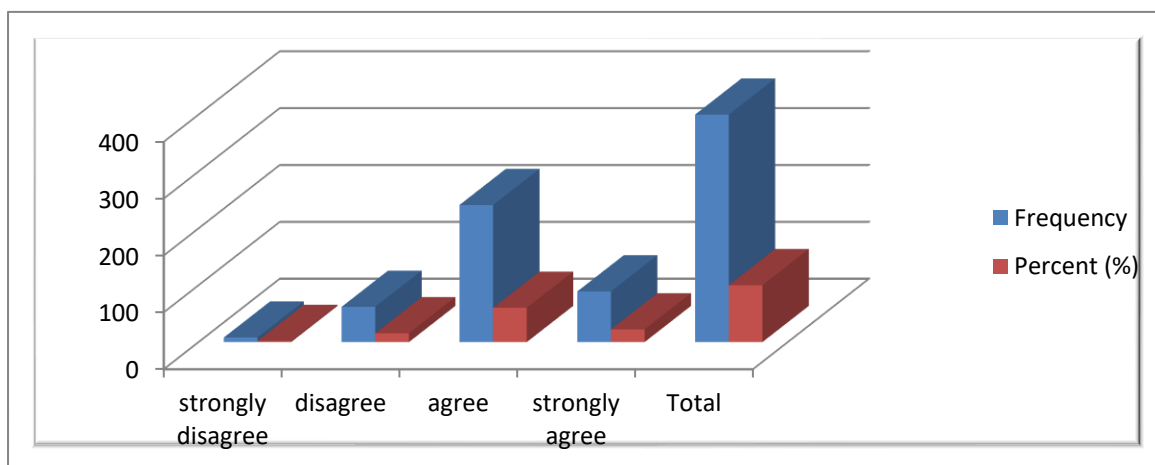| Options /Responses	Frequency	Percent (%)
strongly disagree	6	1.5
disagree	52	13.0
Agree	198	49.5
strongly agree	144	36.0
Total	**400**	**100.0**

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 6

Table-13 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 144 (36%) strongly agreed and 198 (49%) agreed that CSR contributes positively to maximizing shareholders value (market capitalization) in the long term; while 52 (13%) disagreed and 6 (1.5%) strongly disagreed with the assertion that CSR contributes positively to maximizing shareholders value (market capitalization) in the long term; this represents the negligible part of the responses. The 3-dimension simple bar-chart in Figure-6 gives pictorial representation of the information in

Table-6. Can we conclude that there is difference in the responses across the different categories. This will leads us to test of hypothesis.

Figure-6: *3-Dimension Simple Bar-charts of Respondents' Responses to Corporate Social Responsibility (CSR) Influence on Listed Companies Performance in Nigeria.*

Source: Researcher's Design via Microsoft Excel, 2010.

QUESTION 7

Table-14: Sustainability helps their companies build strong reputation (goodwill)

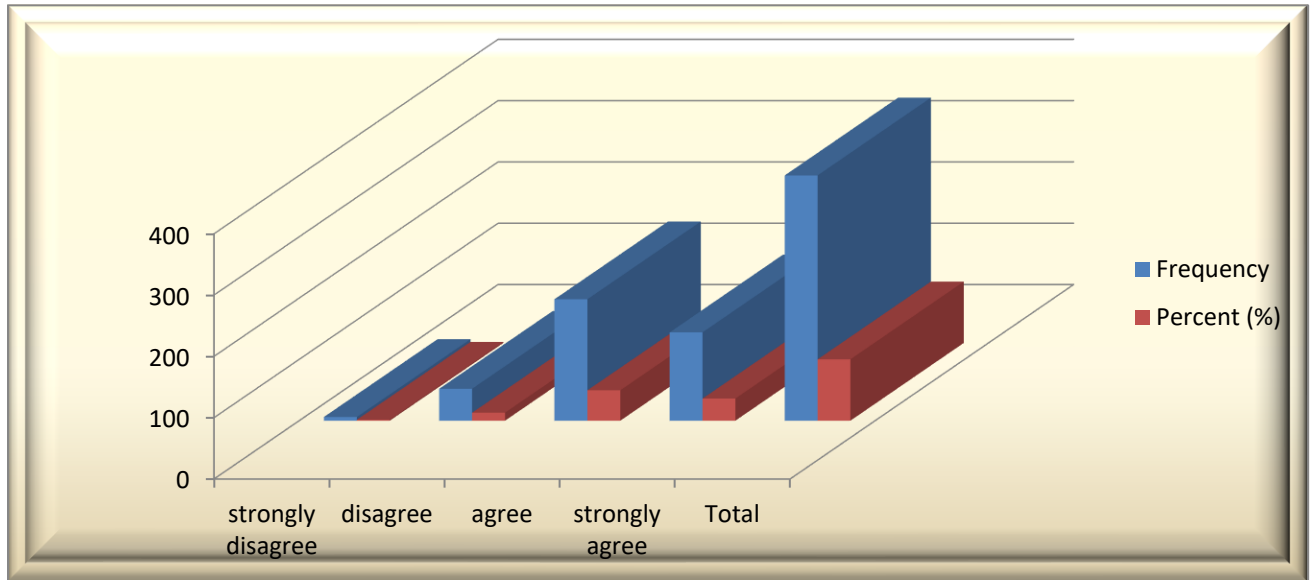| Options / Responses	Frequency	Percent (%)
strongly disagree	0	0
Disagree	43	10.8
Agree	231	57.8
strongly agree	126	31.5
Total	**400**	**100.0**

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 7

Table-14 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 126 (31.5%) strongly agreed and 231 (57.8%) agreed that sustainability helps their companies build strong reputation (goodwill); while 43 (10.8%) disagreed and 0 (0%) strongly disagreed with the statement that sustainability helps their companies build strong reputation (goodwill); this represents the minor part of the responses. This had been illustrated or depicted with the aid of 3-dimension simple bar-chart in Figure-7. Can we conclude that there is difference in the responses across the different categories? This will lead us to test of hypothesis.

Figure-7: *3-Dimension Simple Bar-charts of Respondents' Responses to Sustainability helps their companies build strong reputation (goodwill).*
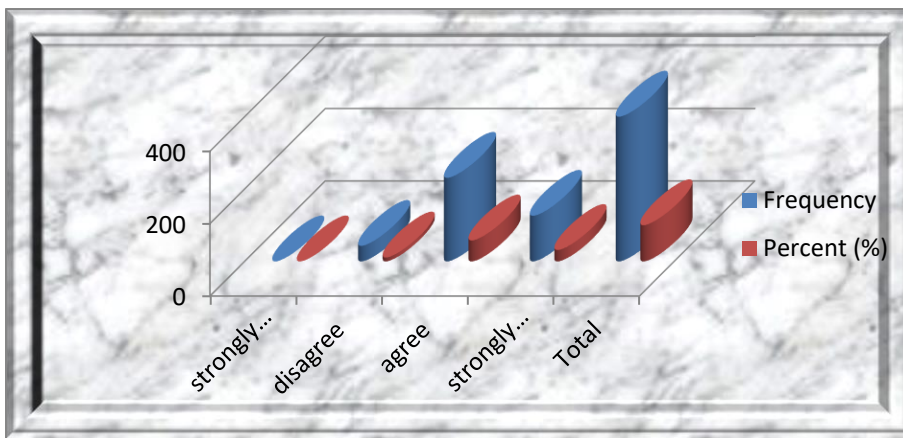
Source: Researcher's Design via Microsoft Excel, 2010.

QUESTION 8

Table-15: Satisfaction of broader set of societal expectation (corporate honesty and integrity) will maximise shareholders' wealth

Options / Responses	Frequency	Percent (%)
strongly disagree	4	1.0
Disagree	72	18.0
Agree	196	49.0
strongly agree	128	32.0

Total	400	100.0

ANALYSIS OF QUESTION 8

Table-15 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 128 (32%) strongly agreed and 196 (49%) agreed that satisfaction of broader set of societal expectation (corporate honesty and integrity) will maximise shareholders' wealth; while 72 (18%) disagreed and 4 (1%) strongly disagreed with the statement that satisfaction of broader set of societal expectation (corporate honesty and integrity) will maximise shareholders' wealth this represents the insignificant part of the responses. This had been illustrated or depicted with the aid of 3-dimension simple bar-chart in Figure-8. Can we conclude that there is difference in the responses across the different categories? This will leads us to test of hypothesis.

Figure-8: *3-Dimension Simple Bar-charts of Respondents' Responses to Satisfaction of broader set of societal expectation (corporate honesty and integrity) will maximise shareholders' wealth.*
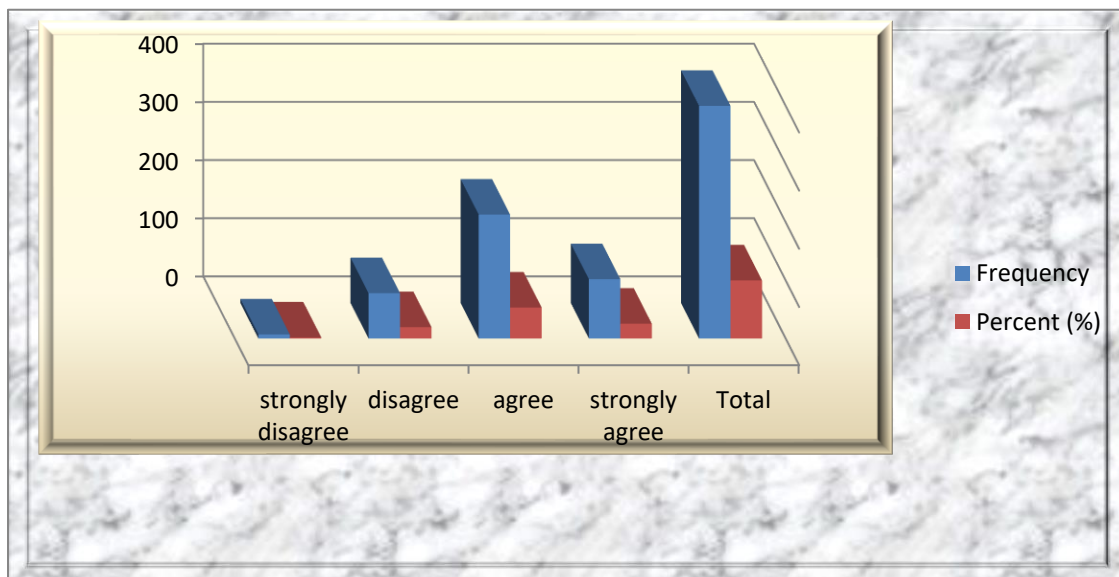
Source: Researcher's Design via Microsoft Excel, 2010.

QUESTION 9

Table-16: Investment in and reduction in green-house emission will increase the firm's market

share

Options /Responses	Frequency	Percent (%)
strongly disagree	7	1.8
Disagree	78	19.5
Agree	213	53.3
strongly agree	102	25.5
Total	**400**	**100.0**

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 9

Table-16 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 102 (25.5%) strongly agreed and 213 (53.3%) agreed that investment in and reduction in green-house emission will increase the firm's market share; while 78 (19.5%) disagreed and 7 (1.8%) strongly disagreed with the assertion that investment in and reduction in green-house emission will increase the firm's market share; this represents the inconsequential part of the responses. This had been illustrated or depicted with the aid of 3-dimension simple bar-chart in Figure-9. Can we conclude that there is difference in the responses across the different categories? This will leads us to test of hypothesis.

Figure-9: *3-Dimension Simple Bar-charts of Respondents' Responses to Investment in and reduction in green-house emission will increase the firm's market share.*
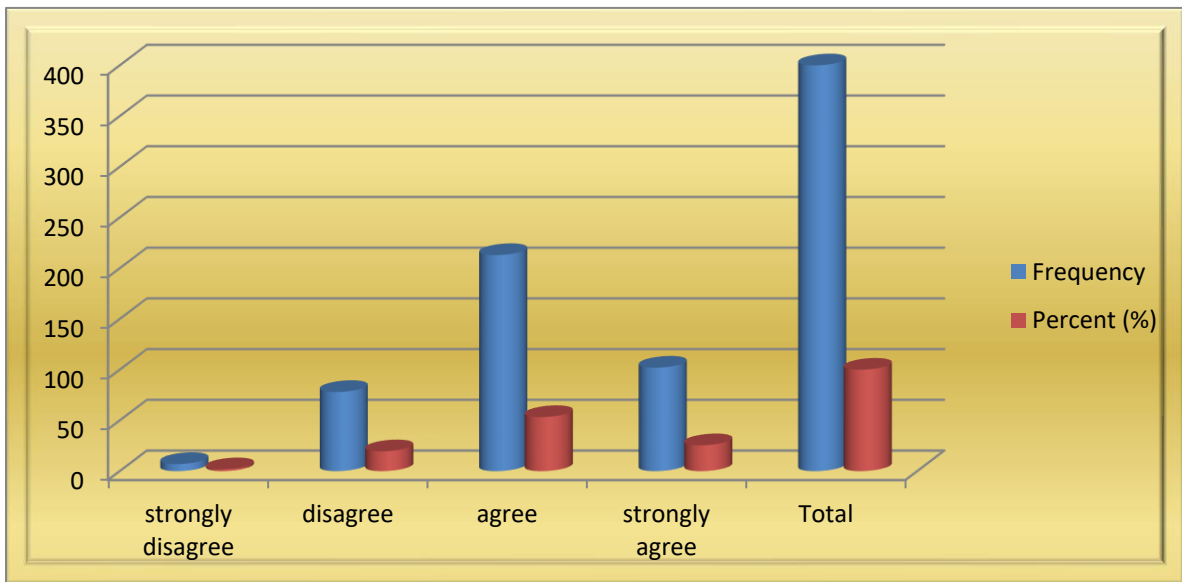
Source: Researcher's Design via Microsoft Excel, 2010.

QUESTION 10

Table-17: Philanthropic and ethical practice will sustain the business operations to create shared value for business and society

Options/Responses	Frequency	Percent (%)
strongly disagree	9	2.3
disagree	79	19.8
agree	223	55.8
strongly agree	89	22.3
Total	**400**	**100.0**

Source: Researcher's Computation via Microsoft Excel, 2010

ANALYSIS OF QUESTION 10

Table-17 shows the descriptive statistics, that is, percentages and frequencies of 400 respondents across different categories; Out of the 400 responses, 89 (22.3%) strongly agreed and 223 (55.8%) agreed that philanthropic and ethical practice will sustain the business operations to create shared value for business and society; while 79 (19.8%) disagreed and 9 (2.3%) strongly disagreed with the statement that philanthropic and ethical practice will sustain the business operations to create shared value for business and society; this signifies that minority part debunk the statement. This had been portrayed with the aid of 3-dimension simple bar-chart in

60

Figure-10. Can we conclude that there is difference in the responses across the different categories? This will leads us to test of hypothesis.

Figure-10: *3-Dimension Simple Bar-charts of Respondents' Responses to Philanthropic and ethical practice will sustain the business operations to create shared value for business and society.*
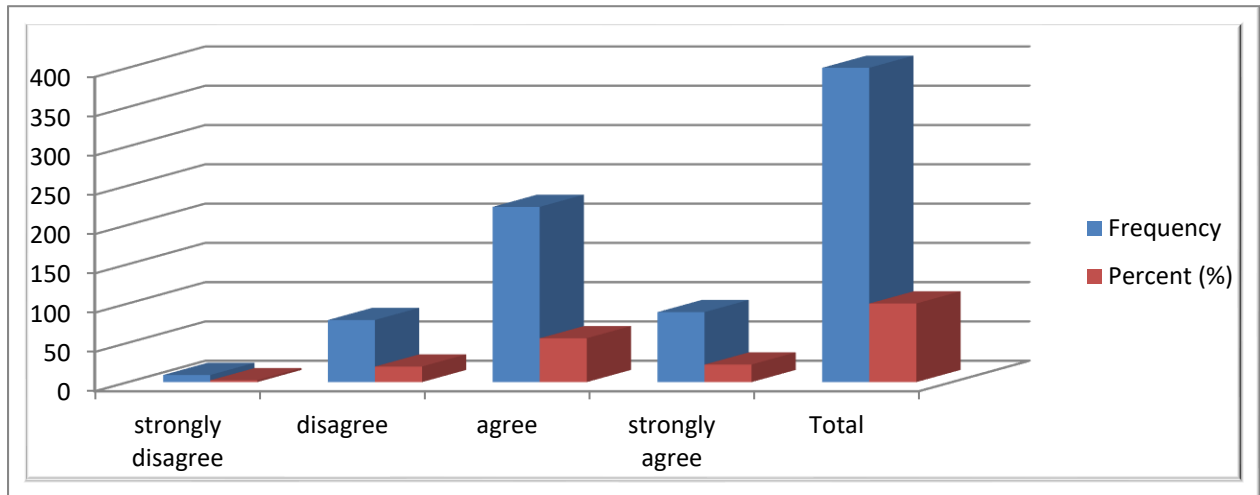
Source: Researcher's Design via Microsoft Excel, 2010.

Table-18: Descriptive Statistics Summary of Respondents' Mean Ranks Responses to CSR Influence on Listed Companies Performance in Nigeria.

S/N	Descriptions of Responses	Mean Rank
S1	Provision of local stalls for residents of host community will help organizations balance the demand between the legal, social and ethical aspects of CSR.	6.53
S2	Provision of pipe-borne water for residents of host community will help organizations gain tax incentives from the government.	5.05
S3	Environmental preservation and restoration (preventing oil spillage) will reduce the demand of the host community and therefore lead to organizational survival.	4.78
S4	The motive of companies is not to achieve financial objectives alone but other non-financial objectives(employee & customer satisfaction) of the company also	6.07
S5	Provision of public goods (street light, parks) will help organizations balance the demand between the economic and government's policy.	5.10
S6	CSR contributes positively to maximizing shareholders value (market capitalization) in the	5.96

	long term	
S7	Sustainability helps their companies build strong reputation (goodwill)	6.00
S8	Satisfaction of broader set of societal expectation(corporate honesty and integrity) will maximise shareholders' wealth	5.56
S9	Investment in and reduction in green-house emission will increase the firm's market share	5.08
S10	Philanthropic and ethical practice will sustain the business operations to create shared value for business and society	4.89

Source: Researcher's Computation via SPSS version-23.

4.5. TEST OF HYPOTHESES OF PRIMARY DATA

- *The differences in respondents' mean scores perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria are not significant.*

Table 19: Non-parametric Inferential Statistical Tests (Kruskal-Wallis Test)

Ranks			
	Educational Qualification	N	Mean Rank
Responses / Options	Below first degree	4	4.63
	First Degree	4	8.75
	Postgraduate degree	4	6.13
	Total	*12*	
	Test Statistics[a,b]	Responses / Options	
	Chi-Square	2.780	
	Df	2	
	Asymp. Sig.	.249	
a. Kruskal Wallis Test			
b. Grouping Variable: Educational Qualification			

Source: Researcher's Computation via SPSS version-23.

Table-19 shows a Kruskal-Wallis H inferential statistic test, the test showed that there was no statistically significant difference in mean ranks perceptions of CSR surrogates influence on listed consumer and industrial goods companies performance in Nigeria across different respondents' groups, $\chi^2(2) = 2.780$, $p = .249$, with a mean rank perceptions score of 4.63 for Below First Degree, 8.75 for First Degree and 6.13 for Postgraduate Degree. Therefore, we accept the null hypothesis ($\mathbf{H_0}$) and reject the alternate hypothesis ($\mathbf{H_a}$) and conclude that the difference in respondents' scores perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria is not significant.

4.6 DISCUSSION OF FINDINGS

The outcome of model shows that there an insignificant relationship existing between social economic welfare donation and the tax income of the companies for the period under study, as shown in Table 18. This finding is consistent with the findings of Ojo (2010), as the study also revealed that CSR proxy had an adverse relationship with gross profit margin. Also (Amidu et al, 2017) study discovered that in the short run, CSRdisc has a negative impact on corporate financial performance for few industries; implying that no economic benefit is generated by CSR in the short term. Sukanya et al, (2015) discovered that CSR and ROA as negatively correlated.

Hypothesis two revealed that educational and health donation cost had contributed positively to the variation in gross-profit margin which was statistically significant to listed companies' performance, as evidenced in Table 19. This is in line with the study conducted by Xiping et al,(2014), as results revealed that all levels of CSR activities showed a significant relationship with corporate financial productivity. The studies of Muhammad et al, (2017); Ibrahim & Garba, (2015) also revealed that CSR has a positive impact and relationship on ROA, ROE and EPS, therefore there exists a positive correlation between CSR and CFP.

In hypothesis three, the alternate hypothesis was accepted (**H$_a$**) and the null hypothesis rejected as analyses showed that the contribution of CSR surrogates on revenue-total asset ratio (RETA) is statistically significant to listed industrial and consumer goods Nigerian companies. This is in tandem to the discovery of Bala and Abdulrazaq, (2018), as their findings revealed that Bank size, Liquidity and Firm Age have a positive and significant effect and relationship with ROA and ROCE; however, no significant variation was seen between CSR and EPS.

Finally, as shown in Table 19, the difference in respondents' scores perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria is not significant, as there exist no statistically significant difference in mean ranks perceptions of CSR surrogates influence on the sample size of the study. Bikon. Et al, (2017) discovered in their study that corporate giving has a negative and insignificant effect and relationship with financial performance. Also, green house emission showed a positive but statistical insignificant impact on ROA.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF FINDINGS

This research was carried out to ascertain the Impact of Corporate Social Responsibility (CSR) on Financial Performance of selected consumer and Industrial goods Companies in Nigeria.

From the study, it was specifically revealed that;

1. The regression results showed that Socio-economic Welfare Donation had contributed insignificantly to the prediction of Tax-Income, (F $(1, 152)$ =3.595, R^2= .023; P=6.8E-20), Table 4 showed the nature of the negative statistically insignificant impact as SEW=-3.20028E-11(t=-1.896,p=.00598). These values are lower when compared with alpha level (level of significance for the statistic) 0.05. Hence, H_o is accepted. It therefore found that the effect of socio-economic welfare cost on tax-income of listed consumer and industrial goods companies in the Nigeria is not significant at 5% level of significance.

2. The regression results showed that educational and health donation had contributed significantly to the prediction of gross-profit margin (F $(1, 152)$ =35.808, R^2= .023; P=1.5E-8, Table 5 shows that P = 1.50>0.05. These values are greater when compared with alpha level (level of significance for the statistic) 0.05. Hence, H_a is accepted. Therefore the study found that educational and health donation has a positive and statistically significant effect on GPM of listed consumer and industrial goods companies in the Nigeria at 5% level of significance.

3. The regression results from Table 6 showed that CSR surrogates had contributed significantly to the prediction of revenue-total asset (F $(1, 152)$ =16.8, R^2= .0995; P=6.73958E-05). Also, it had contributed negatively to the variation in revenue-total asset which was statistically significant to listed companies' performance, SEW=-

5.61739E-10(t=-4.098737625,p=6.73958E-05). Therefore, the study rejects the null hypothesis (**H₀**) and accepts the alternate hypothesis (**Hₐ**) and concludes that CSR surrogates have a negative and statistically significant effect on the financial performance of listed consumer and industrial goods companies in the Nigeria.

4. The results from Table-19 showing Kruskal-Wallis H inferential statistic test revealed that there was no statistically significant difference in mean ranks perceptions of CSR surrogates influence on companies performance across different respondents' groups, $\chi^2(2) = 2.780, p = .249$, with a mean rank perceptions score of 4.63 for Below First Degree, 8.75 for First Degree and 6.13 for Postgraduate Degree. The study therefore accept the null hypothesis (**H₀**) and reject the alternate hypothesis (**Hₐ**) and conclude that the difference in respondents' scores perceptions of CSR surrogates influence on listed consumer and industrial goods companies in Nigeria is not significant.

5.2   CONCLUSION

The importance of Companies engaging in corporate social activities cannot be overstressed, as they ought to give back to the society that ensures that their operations thrive in the environment in which the company is situated. CSR activities cum costs includes, but not limited to the variables used in this study, therefore companies should study the society and decide on the most appropriate social responsible activities to incur taking into account its operations too. This study was carried out to determine the Impact of Corporate Social Responsibility (CSR) on Financial Performance of selected Consumer and Industrial goods Companies in Nigeria.The results of the study also support both theoretical and empirical evidence of prior studies that showed significant effect of CSR on the financial performance of Companies in Nigeria and in other Countries.

5.3 RECOMMENDATION

1. Companies should engage in socially responsible activities, as it serves as a means of giving back to the society for providing a conducive environment for their business operations. It should be form part of their mission statement and backed up by proper budgeting.

2. Companies should ensure that socially responsible activities that have an impact on their financial performance be continued and those that impacts negatively or have no impact at all be stopped.

3. To ensure that a good relationship exist between companies and their host communities, CSR should be carried out yearly.

4. It is pertinent that standards to measure the level of CSR disclosure and performance be developed by policy makers.

5.4 SUGGESTION FOR FURTHER RESEARCH

This study has provided empirical evidence on the Impact of Corporate Social Responsibility (CSR) on Financial Performance of selected consumer and Industrial goods Companies in Nigeria. It is, therefore suggested that further research on the impact of other corporate social responsible activities on the financial performance of companies be carried out. Also, researchers can carry out this same study on other sectors of the Nigerian economy.

REFERENCES

Adeniyi, A. A. (2011).*An insight into: Management accounting* (5th ed.). 13/15 Alafia Street, Mushin, Lagos: El-TODA Venture Limited.

Amaeshi, K, Adi, B, Ogbechie, C & Amao, O. (2006) "Corporate Social Responsibility in Nigeria: Western Mimicry or Indigenous Influences?". No. 39-2006, ICCSR Research Paper Series –ISSN 1479 – 5124, The University of Nottingham, pp. 4,17, 25.

Amaeshi, K.M., Adi, A.B.C., Ogbechie, C. and Amao, O.O. (2006), "Corporate Social Responsibility in Nigeria western mimicry of Indigenous Influences", Journal of Corporate Citizenship, Vol. 24, pp. 83-99

Aupperle, K. E., Carroll, A. B. & Hatfield, J. D. (1985). "An empirical examination of the relationship between Corporate social Responsibility and Profitability"

Amidu P. Mansaray[1]*, Liu Yuanyuan[2], Sesay Brima, [(2017)] The Impact of Corporate Social Responsibility Disclosure on Financial Performance of Firms in Africa'. International Journal of Economics and Financial Issues

Babalola, Y. A. (2012).The impact of corporate social responsibility on firms' profitability in Nigeria. *European Journal of Economics, Finance and Administrative Sciences*, *45*, 39-50

Bhattacharya, C. B., Sen, S. & Korschun, D. (2008). Using corporate social responsibility to win the war for talent. *MIT Sloan Management Review,* Rwprint 49215, 37-44.

Blowfield, M., & Murray, M. A. (2014). *Corporate responsibility*. Oxford: Oxford University Press.

Bowman, E. H. & Haire, M. (1975). "A strategic posture toward corporate social responsibility", California Management Review, 18(2), 49-58.

Brower, J., & Mahajan, V. (2013). Driven to be good: A stakeholder theory perspective on the drivers of corporate social performance. Journal of Business Ethics, 117(2), 313-331.

Burton, B. K. & Goldsby, M. (2009). Corporate social responsibility orientation, goals, and behavior: A study of small business owners. *Business & Society,48*(1), 88-104.

Bushra, K. & Rabia, T. (2017).Corporate social responsibility impact on financial performance of Islamic and conventional banks: Evidence from Asian countries. *Research Journal of Finance and Accounting, 8*(7),20-28

Carroll, Archie B., A Three-Dimensional Conceptual Model of Corporate Performance, The Academy of Management Review, Vol. 4, No. 4, pg. 497 – 505, Academy of Management, New York, USA, 1979

Ditlev-Simonsen, C. & Midttun, A. (2011).What motivates managers to pursue corporate social responsibility (CSR) *Corporate Social Responsibility and Environmental Management,18*, 25–38.doi: 10.1002/csr.237

Doh, J. P. & Guay, T. R. (2006).Corporate social responsibility, public policy, and NGO activism in Europe and the United States: An institutional-stakeholder perspective. *Journal of Management Studies:* 47-73.

Elkington, J. (2001). *The Chrysalis Economy.* Capstone Publishing Ltd., Oxford, UK.

Emery, F. E. & Trist, E. L. (1965). The causual texture of organizational environments.
       Human Relations,18(1),21-32.

Freeman, R. E. (1984). *Stakeholder management: Framework and philosophy.* Pitman, Mansfield, MA.

Freeman, R. E.: 1994, 'The Politics of Stakeholder Theory: Some Future Directions',
       Business Ethics Quarterly 4(4), 409–421.

Friedman, M.: 1970, 'The Social Responsibility of Business is to Increase Its Profits', New
       York Times, 13 September 1970, pp. 122–126

Gioia, D. A.: 1999, 'Practicability, Paradigms, and Problems in Stakeholder Theorizing', Academy of Management Review 24(2), 228–232.

Govindarajan, V. L. & Amilan, S. (2013), An influence of CSR initiatives with financial
       performance: Evidence from petrogas products industry in India. *Academicia: An
       International Multidisciplinary Research Journal*, *3*(8), 1-27.

Gujarati D. N., Porter C. D., & Gunasekar, S. (2012). *Basic Econometrics* (5th ed.). New
       Delhi, Tata McGraw-Hill Education Private Limited.

Hirigoyen, G. & Poulain-Rehm, T. (2014), Relationships between corporate social
       responsibility and financial performance: What is the causality? *Journal of Business &
       Management*, *4*(1), 18-43.

Hoeffler, S., Bloom, P. N., & Keller, K. L. (2010). Understanding stakeholder responses to corporate citizenship initiatives: Managerial guidelines and research directions. Journal of Public Policy & Marketing, 29(1), 78-88.

Ibrahim Magaji Barde, and Garba Tela Corporate Social Responsibility and Financial Performance in the Nigerian Construction Industry. International Conference on Humanities, Literature and Management (ICHLM'15) Jan. 9-10, 2015 Dubai (UAE).

Jenkins, R., 2004. Globalization, corporate social responsibility and poverty. International Affairs, 81(3): 525–540.

Jensen, M. C. (2001).Value maximization, stakeholder theory, and the corporate objective function.
       European Financial Management, 7(3), 297-317.

Jie, C. T. & Hasan, N. A. M. (2016), Determinants of corporate social responsibility (CSR)
       and intrinsic job motivation: A case of Malaysian banking company. *Malaysian
       Journal of Social Sciences and Humanities*, *1* (2), 25-35.

L. Preston and J. Post (eds.), Private Management and Public Policy-Englewood Cliffs, (1975), New Jersey Prentice Hall.

Lee, M. P. (2008). Review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. International Journal of Management Reviews, 10,1, 53-73.

Mahajan, P. (May, 2011). Corporate Social Responsibility: A new wave of corporate governance
Maron, I. Y.: 2006, 'Toward a Unified Theory of the CSP– CFP Link', Journal of Business Ethics 67(2), 191–200.
McWilliams, A., and Siegel, D. (2001). Corporate social responsibility: a theory of the firm perspective, Academy of Management Review. Vol. 26 (1), pp. 117-127.

Mishra, S. & Suar D., (2010).Does corporate social responsibility influence firm performance of Indian companies *Journal of Business Ethics, 95*: 571–601.

Morsing, M. & Schultz, M. 2006. 'Corporate social responsibility communication: stakeholder information, response and involvement strategies.' *Business Ethics: A European Review,* 15:4, 323-38.

Mubeen Mujahid, Arooj Abdullah 'Impact of Corporate Social Responsibility on Firms Financial Performance and Shareholders wealth'. European Journal of Business and Management ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.6, No.31, 2014

Muhammad, A. A., Ejaz, A., Javeria, T., & Mumhza, S. (2014).*The effect of corporate social responsibility on the firm's financial performance*. (Unpublished master's dissertation), Department of Finance, Master of Business Administration, University of Gujrat, Pakistan

O.C. Ferrell and J. Fraedrich, Business Ethics: Ethical Decision Making, (1997).

Osisioma, B.C., Egbunike, P. A. & Jesuwunmi, C.A. (2015). Investigating the impact of corporate governance on banks' performance in Nigeria: A field experiment. *International Journal of Economics and Business Administration,1*(2),98-112

Pandey, I. M. (2010). *Financial management* (10th ed.). New Delhi, India: VIKAS Publishing House PVT Ltd.

Rabi'u, S., J., Asma'u, Y.D. & Musa M. B. (2016).Corporate social responsibility and financialperformance of quoted deposit money banks in Nigeria. *Research Journal of Finance and Accounting*, *7*(13), 39-48

Robins, F. (2008). Why corporate social responsibility should be popularised but not imposed. *Corporate Governance,8*(3), 330 - 41.

Ruf, B. M., Muralidhar, K., Brown, R. M., Janney, J. J., & Paul, K. (2001). An empirical investigation of the relationship between change in corporate social performance and financial performance: A stakeholder theory perspective. Journal of Business Ethics, 32(2), 143-156

Samira, I. R., Noor, N. B. & Masudul, Md. H. (2018).Impact of CSR on firm's financial performance: A study on some selected agribusiness industries of Bangladesh. *American Journal of Economics, Finance and Management, 4*(3), 74-85

Sawar A, Islam Z, Hassan I; (2012) 'Corporate Social Responsibility and Financial Performance Linkage: Evidence from the Banking Sector of Bangladesh'. Journal of Organizational Management

Sebastian Johansson, Anton Karlsson, Christian Hagberg (2015) The relationship between CSR and financial performance -A quantitative study examining Swedish publicly traded companies

Secchi, D. (2007). Utilitarian, managerial and relational theories of corporate social responsibility. International Journal of Management Reviews, 9, 4, 347-373

Sukanya Chetty1, Rebekah Naidoo1, Yudhvir Seetharam (2015),' The Impact of Corporate Social Responsibility on Firms' Financial Performance in South Africa'. University of the Witwatersrand - School of Economic and Business Sciences, South Africa

Tabachnick, B. G. & Fidell, L. S. (2007). *Using multivariate statistics* (5th ed.). Boston, MA: Allyn and Bacon.

Umoren, Adebimpe Otu, Isiavwe-Ogbari, Mercy Ejovwokeoghene, Atolagbe Tolulope Morenike. Corporate Social Responsibility and Firm Performance: a study of listed firms in nigeria. A paper to be presented at ICAN 2nd Annual International Academic Conference on Accounting and Finance, at Lagos Airport Hotel, Ikeja on 18th to 20th May, 2016

Wang, H., Choi, J., & Li, J. 2008. Too little or too much? Untangling the relationship between corporate philanthropy and firm financial performance. Organization Science, 19: 143–159.

Wartick, S. L., & Cochran, P. L. (1985). The evolution of the corporate social performance model. Academy of Management Review, 10(4), 758-769.

Wenstøp, F. (2005). Mindsets, rationality and emotion in multi-criteria decision analysis. *Journal of Multi-Criteria Decision Analysis,13*(4), 161-72.

Wood, D.: 2000, 'Theory and Integrity in Business and Society', Business and Society 39(4), 359–378.

Xiping Pan, Jinghua Sha, Hongliang Zhang, and Wenlan Ke (2014) Relationship between Corporate Social Responsibility and Financial Performance in the Mineral Industry: Evidence from Chinese Mineral Firms. ISSN 2071-1050

Yang, Fu-Ju, Lin, Ching-Wen & Chang, Yung-Ning (2009). "The linkage between corporate social performance and corporate financial performance", African Journal of Business Management, 4(4), 406-413.

Yusoff, W. F. W. & Adamu, M. S. (2016).The relationship between corporate social responsibility and financial performance: Evidence from Malaysia. *International Business Management*, *10*(4), 345-351

APPENDIX I

LETTER OF TRANSMITTAL

National College of Ireland, College of Business, MSCIB.

National College of Ireland

IFSC, Mayor Street. Dublin

Ireland,

5th July, 2019.

REQUEST FOR COMPLETION OF QUESTIONNAIRE

Dear Respondent

I am a Master of Science (M.Sc.) International Business of the College of Business, National College of Ireland and conducting a research on The Impact of Corporate Social Responsibility (CSR) on Financial Performance of Multi National Enterprises. Since your organization has fallen within the study sample and because you have the required information, you are being requested to answer the items of this questionnaire.

Before end, the researcher wishes to thank you for the data you provide and for the time consumed in the process of questionnaire answering. Be assured of your anonymity as the information you offer will be treated in strict confidence and used for this academic purpose only.

Yours faithfully,

Adedeji Erinle

X17158885@student.ncirl.ie

QUESTIONNAIRE
SECTION A: Personal Information

1.   **Respondent's rank:**   Senior officer [   ]   Junior officer [   ]

2.   **Years of working experience:**
         1-5 [   ]   6-10 [   ]   11 & above [   ]

3.   **Educational Qualification:**
         Below first degree [   ]   First Degree [   ]   Postgraduate degree [   ]

4.   **Business Activities:** Manufacturing [   ]   Non-manufacturing [   ]

Section B: The Impact of Corporate Social Responsibility (CSR) on Financial Performance of Multi-National Enterprises

Key: SA = strongly agree; A = Agree; D = Disagree; SD = strongly disagree

B	The statement relate CSR and Nigerian listed companies' financial performance	SA 4	A 3	D 2	SD 1
1.	Provision of local staffs for residents of host community will help organizations balance the demand between the legal, social and ethical aspects of CSR.				
2.	Provision of pipe-borne water for residents of host community will help organizations gain tax incentives from the government.				
3.	Environmental preservation and restoration (preventing oil spillage) will reduce the demand of the host community and therefore lead to organizational survival.				
4.	The motive of companies is not to achieve financial objectives alone but other non-financial objectives(employee & customer satisfaction) of the company also				
5.	Provision of public goods (street light, parks) will help organizations balance the demand between the economic and government's policy.				
6.	CSR contributes positively to maximizing shareholders value (market capitalization) in the long term				
7.	Sustainability helps their companies build strong reputation (goodwill)				
8.	Satisfaction of broader set of societal expectation(corporate honesty and integrity) will maximise shareholders' wealth				
9.	Investment in and reduction in green-house emission will increase the firm's market share				
10.	Philanthropic and ethical practice will sustain the business operations to create shared value for business and society				

APPENDIX

NPar Tests (Kruskal-Wallis Test)

Ranks

	Educational Qualification	N	Mean Rank
Responses / Options	Below first degree	4	4.63
	First Degree	4	8.75
	Postgraduate degree	4	6.13
	Total	*12*	

Test Statistics[a,b]	Responses / Options
Chi-Square	2.780
Df	2
Asymp. Sig.	.249

a. Kruskal Wallis Test

b. Grouping Variable: Educational Qualification

Respondent's rank	Years of working experience		Strongly Agree	Agree	Disagree	Strongly Disagree
Senior officer	1-5years	N	155	155	155	155
		Sum	1182.00	368.00	.00	.00
		% of Total Sum	96.3%	18.0%	0.0%	0.0%
		Mean	7.6258	2.3742	.0000	.0000
	6-10years	N	67	67	67	67
		Sum	45.00	620.00	3.00	2.00
		% of Total Sum	3.7%	30.3%	0.5%	2.9%
		Mean	.6716	9.2537	.0448	.0299
	Total	N	222	222	222	222
		Sum	1227.00	988.00	3.00	2.00
		% of Total Sum	100.0%	48.2%	0.5%	2.9%
		Mean	5.5270	4.4505	.0135	.0090
Junior officer	6-10years	N	118	118	118	118
		Sum	.00	1011.00	169.00	.00
		% of Total Sum	0.0%	49.4%	25.8%	0.0%
		Mean	.0000	8.5678	1.4322	.0000
	11yrs & Above	N	60	60	60	60
		Sum	.00	49.00	483.00	68.00
		% of Total Sum	0.0%	2.4%	73.7%	97.1%
		Mean	.0000	.8167	8.0500	1.1333
	Total	N	178	178	178	178
		Sum	.00	1060.00	652.00	68.00
		% of Total Sum	0.0%	51.8%	99.5%	97.1%
		Mean	.0000	5.9551	3.6629	.3820
	Total	N	400	400	400	400
		Sum	1227.00	2048.00	655.00	70.00
		% of Total Sum	100.0%	100.0%	100.0%	100.0%
		Mean	3.0675	5.1200	1.6375	.1750

Data Analysis and Graphs:

Summary of *Predicted TAX-INCOME* Simple Linear Regression Model *Statistics* Output

Multiple R	0.152009176
R Square	0.02310679
Adjusted R Square	0.016679861
Standard Error	0.045283215
Observations	154

Source: Researcher's Computation via Microsoft Excel, 2010

ANOVA and Coefficients of Simple Linear Regression Statistics Output.

ANOVA								
	df	SS	MS	F	Significance F	Decision		
Regression	1	0.007372	0.007372	3.595308	0.059840509	accept H0		
Residual	152	0.311687	0.002051					
Total	153	0.319059						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.041516229	0.003932	10.55985	6.8E-20	0.033748758	0.0492837	0.033749	0.049284
Socio-Eco welfare	-3.20028E-11	1.69E-11	-1.89613	0.059841	-6.53484E-11	1.34288E-12	-6.5E-11	1.34E-12

Source: Researcher's Computation via Microsoft Excel, 2010

SoE-welfare Residual Plot

SoE-welfare Line Fit Plot

SoE-welfare Residual Plot
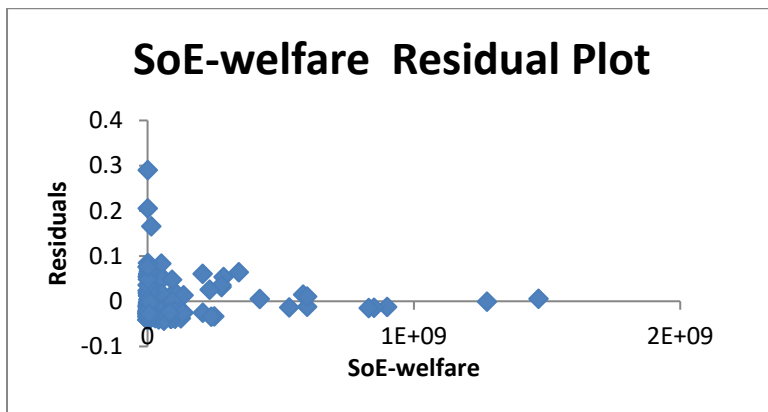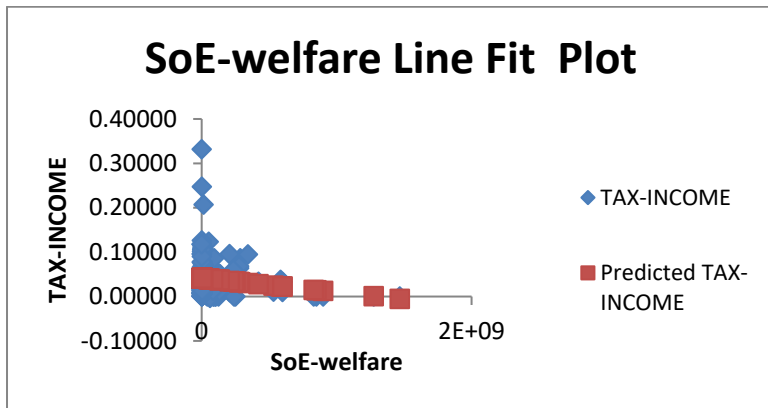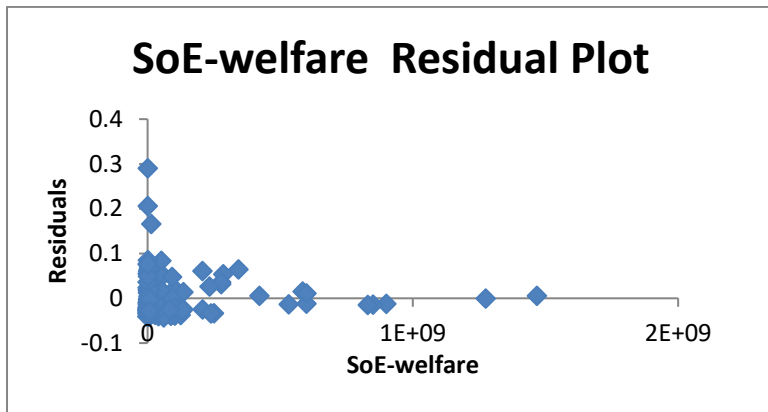
Summary of GPM Simple Linear Regression Model *Statistics* Output	
Multiple R	0.43665107
R Square	0.190664157
Adjusted R Square	0.185339579
Standard Error	0.131522753
Observations	154

Source: Researcher's Computation via Microsoft Excel, 2010

ANOVA and Coefficients of GPM Simple Linear Regression Statistics Output.

ANOVA								
	df	*SS*	*MS*	*F*	*Significance F*	***Decision***		

Regression	1	0.619421	0.619421	35.80831	1.50213E-08	*Accept H_a*		
Residual	152	2.629332	0.017298					
Total	153	3.248752						
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	0.293722778	0.011693	25.11956	5.64E-56	0.270621004	0.316824552	0.270621	0.316825
Edu &health	1.98936E-09	3.32E-10	5.984005	1.5E-08	1.33255E-09	2.64617E-09	1.33E-09	2.65E-09

Source: Researcher's Computation via Microsoft Excel, 2010

78

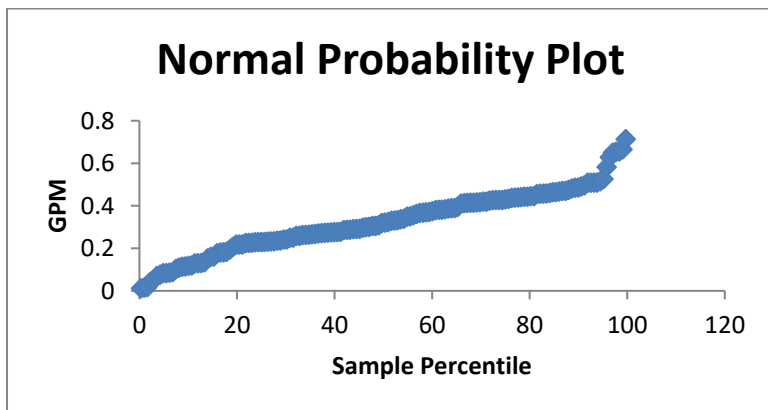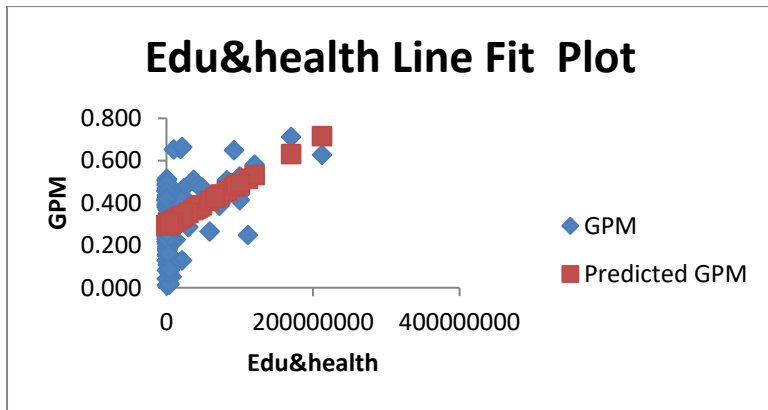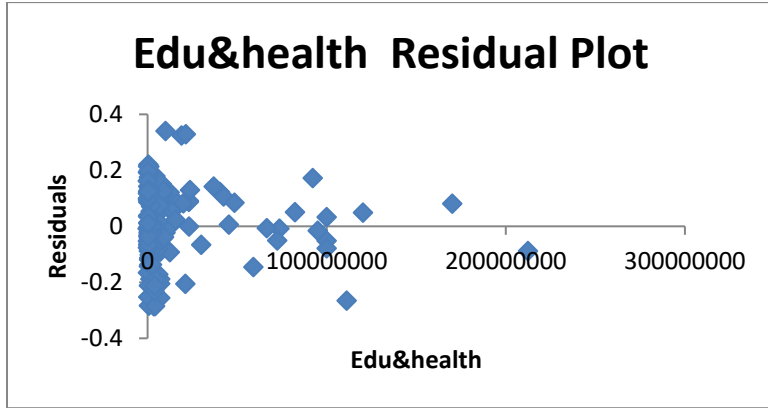| Summary of RETA Simple Linear Regression *Statistics* Model Output	
Multiple R	0.315474563
R Square	0.0995242
Adjusted R Square	0.093600017
Standard Error	0.403306037
Observations	154

Source: Researcher's Computation via Microsoft Excel, 2010

ANOVA and Coefficients of RETA Simple Linear Regression Statistics Output.

ANOVA								
	df	*SS*	*MS*	*F*	*Significance F*	*Decision*		
Regression	1	2.732559852	2.732559852	16.79965012	6.73958E-05	accept Ha		
Residual	152	24.72367547	0.16265576					
Total	153	27.45623532						
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upp 95.0*
Intercept	0.954734002	0.035346001	27.01108994	6.76585E-60	0.884901123	1.02456688	0.884901123	1.0245
CSR(Don)	-5.61739E-10	1.37052E-10	-4.098737625	6.73958E-05	-8.32512E-10	-2.90967E-10	-8.32512E-10	-2.909

Source: Researcher's Computation via Microsoft Excel, 2010

CSR(Donations) Line Fit Plot

CSR(Donations) Residual Plot

Normal Probability Plot
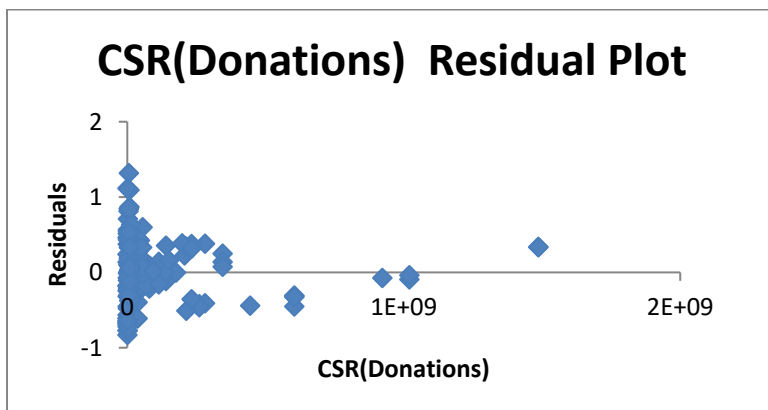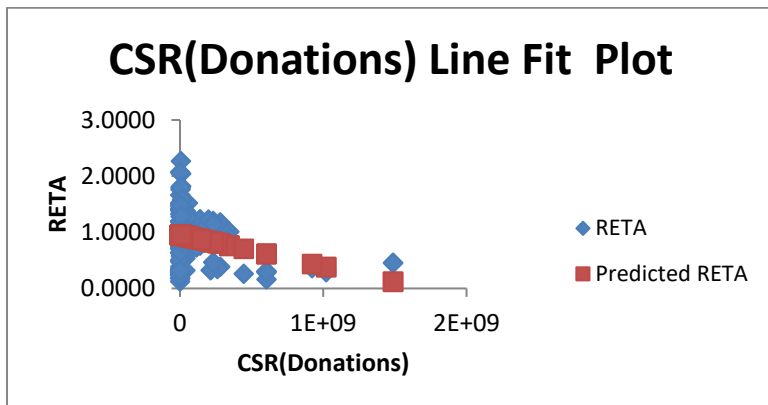
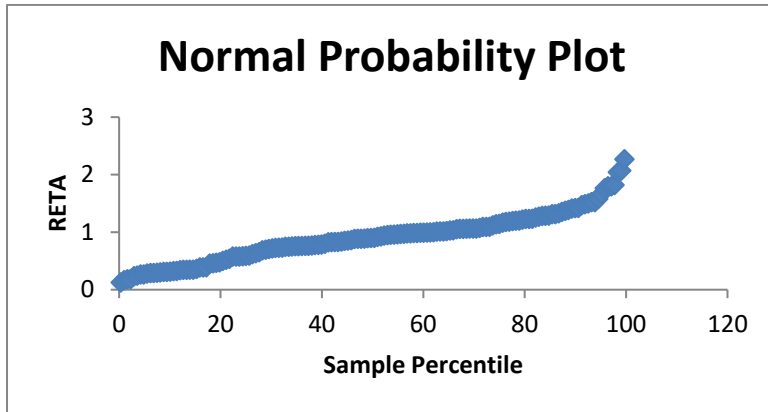| Summary of Income-Tax Simple Linear Regression *Statistics* Model Output	
Multiple R	0.169503229
R Square	0.028731345
Adjusted R Square	0.022341419
Standard Error	0.045152666
Observations	154

Source: Researcher's Computation via Microsoft Excel, 2010

ANOVA and Coefficients of Income-Tax *Simple Linear Regression Statistics Output.*

ANOVA								
	df	*SS*	*MS*	*F*	*Significance F*	*Decision*		
Regression	1	0.009166994	0.009166994	4.496350589	0.035590611	accept Ha		
Residual	152	0.309892007	0.002038763					
Total	153	0.319059001						
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	0.042040698	0.003957209	10.62382651	4.59172E-20	0.034222465	0.049858931	0.034222	0.0498
CSR(Don)	-3.2536E-11	1.53438E-11	-2.120459995	0.035590611	-6.28507E-11	-2.22126E-12	-6.3E-11	-2.2E-4

Source: Researcher's Computation via Microsoft Excel, 2010

CSR(Donations) Residual Plot

CSR(Donations) Line Fit Plot

Normal Probability Plot
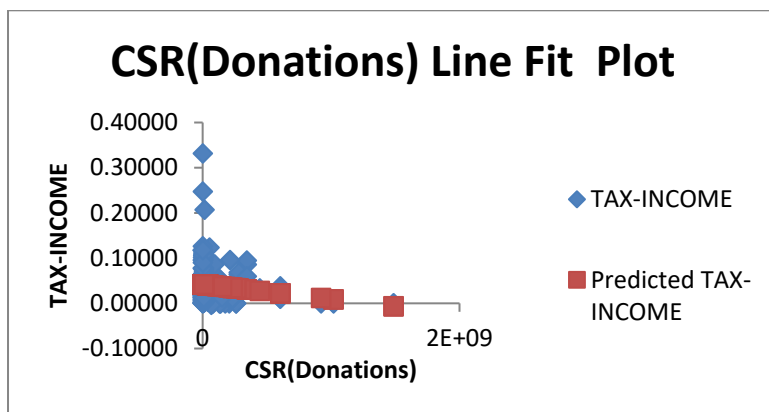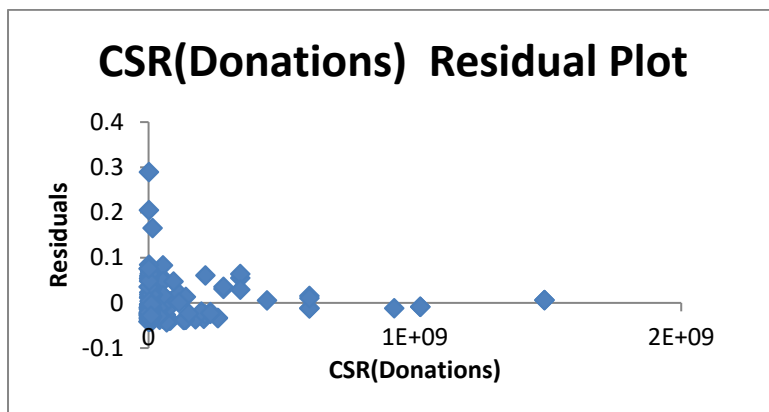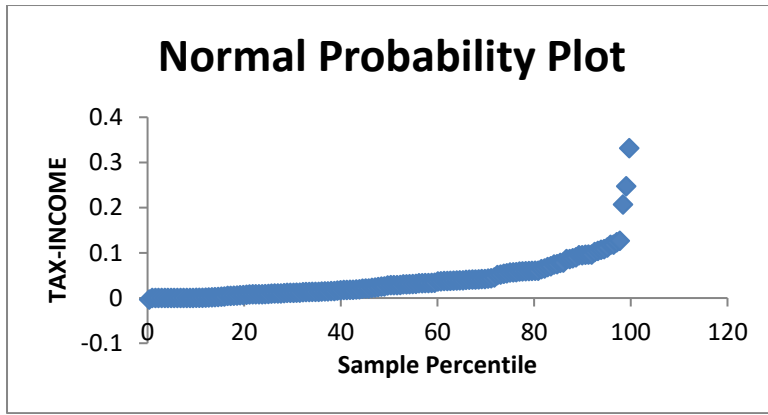
RESIDUAL OUTPUT				PROBABILITY OUTPUT	
Observation	Predicted TAX-INCOME	Residuals	Standard Residuals	Percentile	TAX-INCOME
1	0.039383342	-0.039243196	-0.871976725	0.324675325	-0.003249438
2	0.035299454	-0.035159065	-0.781228073	0.974025974	1.90024E-05
3	0.037479042	-0.037339338	-0.829673362	1.623376623	2.75924E-05
4	0.037776391	-0.037660859	-0.836817499	2.272727273	2.77522E-05
5	0.036306274	-0.036223439	-0.804878286	2.922077922	7.328E-05
6	0.039539139	-0.039444655	-0.876453126	3.571428571	8.28347E-05
7	0.037630607	-0.037511759	-0.833504512	4.220779221	9.44835E-05
8	0.041790171	-0.039982324	-0.888400017	4.87012987	9.72322E-05
9	0.041790171	-0.036733189	-0.81620484	5.519480519	0.000115532
10	0.040522115	-0.016119105	-0.358163602	6.168831169	0.000118848
11	0.04065291	0.001433951	0.031862133	6.818181818	0.000139703
12	0.039438082	0.00371213	0.082482869	7.467532468	0.000140146
13	0.040265927	0.016515572	0.366973038	8.116883117	0.00014039
14	0.040743229	-0.011862161	-0.26357507	8.766233766	0.00018583
15	0.040836282	-0.007308869	-0.162401755	9.415584416	0.000249936
16	0.040836282	-0.012363221	-0.274708547	10.06493506	0.000404732
17	0.040558769	-0.025137338	-0.558547115	10.71428571	0.000572379
18	0.040505286	-0.003580293	-0.079553459	11.36363636	0.000593259
19	0.041755098	0.0331356	0.736267056	12.01298701	0.000890534
20	0.041972763	0.011702749	0.260032967	12.66233766	0.001265329
21	0.041077413	-0.000591895	-0.013151809	13.31168831	0.001521156
22	0.040239833	-0.035580109	-0.790583606	13.96103896	0.001807848
23	0.040681086	-0.03717377	-0.825994458	14.61038961	0.002347459
24	0.040681086	-0.032414604	-0.720246642	15.25974026	0.003066246
25	0.035140928	-0.025369231	-0.563699726	15.90909091	0.003507316
26	0.041429455	-0.026603135	-0.59111686	16.55844156	0.004659724
27	0.041433058	-4.19162E-05	-0.000931371	17.20779221	0.004662203
28	0.039934241	-0.026197127	-0.582095444	17.85714286	0.005056982
29	0.040810839	0.010984462	0.244072756	18.50649351	0.005654124
30	0.03289162	0.031147358	0.692088667	19.15584416	0.006238201
31	0.041517195	0.017610686	0.391306267	19.80519481	0.006621536

32	0.04195874	0.012841722	0.285340751	20.45454545	0.007302928
33	0.04195874	-0.002768346	-0.061512151	21.1038961	0.008017339
34	0.030827408	0.055283635	1.228392403	21.75324675	0.008144938
35	0.038327424	0.020849919	0.463281449	22.4025974	0.008266482
36	0.037488918	0.013218558	0.293713967	23.05194805	0.008272368
37	0.041669593	0.000344128	0.007646473	23.7012987	0.008385329
38	0.041669593	-0.022365206	-0.496950843	24.35064935	0.008833653
39	0.039828741	-0.014509693	-0.322402751	25	0.008888367
40	0.039828741	-0.043078179	-0.957189361	25.64935065	0.009771697
41	0.041657587	0.016979807	0.377288253	26.2987013	0.010079527
42	0.040357196	-0.006695391	-0.148770381	26.94805195	0.010189553
43	0.041058112	-0.023288042	-0.517456099	27.5974026	0.01020186
44	0.041058112	-0.028226267	-0.627182562	28.24675325	0.010902925
45	0.040690456	-0.02904987	-0.64548286	28.8961039	0.011600743
46	0.04154459	0.165421817	3.67564293	29.54545455	0.011640586
47	0.041792774	-0.031713247	-0.704662634	30.19480519	0.011676278
48	0.041520123	-0.038453877	-0.85443821	30.84415584	0.011705895
49	0.041277361	0.002448419	0.054403427	31.49350649	0.011798112
50	0.041983174	-0.039635715	-0.880698429	32.14285714	0.012831845
51	0.04196492	-0.023095902	-0.513186768	32.79220779	0.013179156
52	0.041979946	-0.028472109	-0.632645132	33.44155844	0.013381452
53	0.041976081	-0.028594629	-0.635367496	34.09090909	0.013507837
54	0.04200756	-0.027358587	-0.607902875	34.74025974	0.013560767
55	0.042004109	-0.034701181	-0.771053977	35.38961039	0.013737113
56	0.041985965	-0.030309687	-0.67347578	36.03896104	0.014196016
57	0.040283757	0.054394377	1.208633243	36.68831169	0.014648973
58	0.040283757	0.083258806	1.849995656	37.33766234	0.014826319
59	0.040283757	0.047655191	1.058889747	37.98701299	0.015242194
60	0.040283757	0.01608334	0.357368922	38.63636364	0.015421431
61	0.04195874	0.018240282	0.405295783	39.28571429	0.016316407
62	0.030827408	0.063979907	1.421621994	39.93506494	0.017085948
63	0.038986862	0.047268651	1.050300891	40.58441558	0.01777007
64	0.040810839	-0.010461668	-0.232456377	41.23376623	0.017920325
65	0.03289162	0.035480046	0.788360211	41.88311688	0.01831579
66	0.041517195	0.01827935	0.406163869	42.53246753	0.018350453
67	0.04195874	-0.033941401	-0.754171812	43.18181818	0.018869018
68	0.04195874	-0.035720539	-0.793703937	43.83116883	0.019304387
69	0.030827408	0.029150828	0.647726142	44.48051948	0.02053458
70	0.038327424	0.000464436	0.010319683	45.12987013	0.021009758
71	0.041951834	0.023249602	0.516601961	45.77922078	0.021157682
72	0.041767333	-0.002666982	-0.059259861	46.42857143	0.022429499
73	0.041824456	-0.033679517	-0.748352798	47.07792208	0.023016407
74	0.041824456	-0.026582262	-0.590653061	47.72727273	0.02440301
75	0.041852003	-0.032963636	-0.732446054	48.37662338	0.025319049
76	0.041790284	-0.040269128	-0.894772755	49.02597403	0.025826425
77	0.041835061	-0.018818654	-0.418147095	49.67532468	0.027661727

78	0.042001655	0.289684938	6.436747045	50.32467532	0.028363473
79	0.041991894	0.205362756	4.563123392	50.97402597	0.028444713
80	0.041982134	0.054082436	1.20170196	51.62337662	0.028473061
81	0.041978229	-0.003987113	-0.088592935	52.27272727	0.028881069
82	0.042001655	-0.014339928	-0.318630605	52.92207792	0.030131498
83	0.041962612	-0.024042287	-0.534215286	53.57142857	0.030349171
84	0.041986363	0.084460134	1.876688928	54.22077922	0.030645763
85	-0.006334016	0.006361768	0.141357348	54.87012987	0.030877031
86	-0.006334016	0.006361609	0.141353798	55.51948052	0.03145233
87	0.033564138	-0.033490858	-0.744160819	56.16883117	0.032582641
88	0.033564138	-0.033545135	-0.745366858	56.81818182	0.032782995
89	0.008850832	-0.008600896	-0.191110348	57.46753247	0.032949998
90	0.008850832	-0.008665001	-0.192534765	58.11688312	0.033229515
91	0.012026984	-0.011929752	-0.265076941	58.76623377	0.033527413
92	0.035091018	0.060710924	1.348985781	59.41558442	0.033661805
93	0.040815962	-0.029017849	-0.644771373	60.06493506	0.036781368
94	0.02238099	0.015341264	0.340880123	60.71428571	0.036924993
95	0.02238099	-0.011478065	-0.255040535	61.36363636	0.037722255
96	0.02238099	-0.012179131	-0.27061809	62.01298701	0.037836693
97	0.02238099	0.010569007	0.234841431	62.66233766	0.037991116
98	0.027571824	0.005657692	0.125712889	63.31168831	0.038540836
99	0.041817664	-0.000951088	-0.021133005	63.96103896	0.03879186
100	0.041817664	-0.000958983	-0.021308425	64.61038961	0.039100351
101	0.041673042	0.01546902	0.34371883	65.25974026	0.039190394
102	0.041705578	0.028729589	0.63836629	65.90909091	0.040354977
103	0.041705578	0.032457418	0.721197978	66.55844156	0.040485518
104	0.041691327	0.036717479	0.815855755	67.20779221	0.040858681
105	0.041735142	0.018577239	0.412782904	67.85714286	0.040866576
106	0.041783754	0.062516108	1.389096645	68.50649351	0.041391142
107	0.041779564	0.066389745	1.475168152	69.15584416	0.042013722
108	0.041848856	0.069736603	1.549534743	69.80519481	0.042086861
109	0.042016296	0.075664955	1.681261653	70.45454545	0.043150212
110	0.041965575	0.059805136	1.328859335	71.1038961	0.04372578
111	0.041965575	0.0540403	1.200765725	71.75324675	0.045579334
112	0.04189327	0.064692141	1.437447709	72.4025974	0.050707476
113	0.041860092	-0.021325512	-0.473849018	73.05194805	0.051795301
114	0.041860092	-0.001505115	-0.033443375	73.7012987	0.053675512
115	0.041860092	-0.016033667	-0.356265189	74.35064935	0.054800462
116	0.041967984	-0.019538485	-0.434141601	75	0.056367097
117	0.041967984	-0.011090952	-0.246438959	75.64935065	0.056781499
118	0.041599023	-0.010953259	-0.243379446	76.2987013	0.057142062
119	0.041852544	-0.013407832	-0.297919598	76.94805195	0.058637395
120	0.042002273	-0.009219278	-0.204850697	77.5974026	0.059127881
121	0.042024788	-0.02493884	-0.554136525	78.24675325	0.059177343
122	0.041995083	-0.041104548	-0.91333565	78.8961039	0.059796545
123	0.041996514	-0.040731186	-0.905039595	79.54545455	0.059978236
124	0.042017598	-0.041612866	-0.924630376	80.19480519	0.060199023

125	0.042017598	-0.041445219	-0.920905289	80.84415584	0.060312382
126	0.042008976	-0.033175323	-0.737149689	81.49350649	0.064038977
127	0.03448253	-0.024292977	-0.53978557	82.14285714	0.065201436
128	0.03448253	-0.020286515	-0.450762696	82.79220779	0.068371665
129	0.035577788	-0.019261381	-0.427984408	83.44155844	0.070435167
130	0.03448253	-0.022776635	-0.506092719	84.09090909	0.074162996
131	0.041903787	-0.041310528	-0.917912469	84.74025974	0.074890698
132	0.04187522	-0.013511748	-0.300228595	85.38961039	0.077721867
133	0.037134064	-0.023573297	-0.523794409	86.03896104	0.078408806
134	0.041772179	-0.004990811	-0.110894926	86.68831169	0.086111044
135	0.041968794	-0.010516464	-0.233673931	87.33766234	0.086255513
136	0.041976602	-0.009393962	-0.208732139	87.98701299	0.087938948
137	0.042027904	0.035693963	0.793113423	88.63636364	0.090268526
138	0.042010314	-0.023659861	-0.525717835	89.28571429	0.094678134
139	0.041994515	-0.011863017	-0.263594093	89.93506494	0.094807316
140	0.041958385	-0.004121692	-0.09158325	90.58441558	0.095801942
141	0.041783754	-0.020626072	-0.458307603	91.23376623	0.096005876
142	0.041783754	-0.023467964	-0.521453927	91.88311688	0.096064569
143	0.04200813	-0.020998372	-0.46658004	92.53246753	0.101770712
144	0.041985582	0.048282944	1.072838293	93.18181818	0.104299863
145	0.041985582	-0.037323379	-0.829318752	93.83116883	0.106585412
146	0.04200813	0.076053914	1.68990425	94.48051948	0.108169309
147	0.041925822	0.003653512	0.08118037	95.12987013	0.111585459
148	0.041779174	-0.03612505	-0.8026921	95.77922078	0.117681252
149	0.041779174	-0.033506806	-0.744515183	96.42857143	0.118062044
150	0.041765932	-0.033380603	-0.741710968	97.07792208	0.123542563
151	0.041808424	-0.035186888	-0.781846298	97.72727273	0.126446497
152	0.041607189	-0.030006446	-0.666737819	98.37662338	0.206966407
153	0.041681989	-0.003141153	-0.069795863	99.02597403	0.247354651
154	0.041736981	-0.028557824	-0.634549705	99.67532468	0.331686593