Effect of Corporate Social Responsibility on Financial Performance of Listed Companies in Nigeria

OKECHUKWU UMEANO, UMAR ABBAS IBRAHIM, FAIZA MAITALA
Department of Business Administration,
Nile University of Nigeria,
Plot 681, Cadastral Zone C-OO, Research & Institution Area, Airport Rd, Abuja 900001,
NIGERIA

Abstract: - This study investigates the effect of corporate social responsibility (CSR) on financial performance of companies listed on the Nigerian Exchange (NGX). It addresses the problem of whether engaging in CSR activities helps companies improve their financial performance. Employing an ex-post facto research design, adopting a quantitative approach that rests on a positivist philosophical world view, it applies panel data analysis on CSR expenditure, ROA, ROE, and Tobin's Q, covering 124 companies from 2011 to 2020. Empirical results demonstrate that CSR had no significant influence on financial performance of listed companies when performance was measured as ROA and Tobin's Q but had a significant positive effect when measured as ROE. The implication is that engaging in CSR activities may not always lead to improvement in financial performance. It therefore recommends that companies consider their motivations for engaging in CSR activities and temper such expenses if the motivation is improving financial performance.

Key-Words: - Corporate Financial Performance, Corporate Social Responsibility, Nigerian Exchange, Return on Assets, Return on Equity, Tobin's Q
Received: August 29, 2021. Revised: June 26, 2022. Accepted: July 18, 2022. Published: September 5, 2022.

1 Introduction

Corporate Social Responsibility (CSR) is said to occur when a company voluntarily does well over its legal obligations to stakeholders and society. CSR constitute a voluntary corporate conduct that is acceptable, even beneficial, to the different social constituencies surrounding business organizations [1].

Business organizations engage in various forms of CSR aimed at achieving certain objectives, one of which is good corporate financial performance (CFP). For example, Following the confirmation of the COVID-19 index case in Nigeria on February 27, 2020, listed Companies led by the Nigerian Securities and Exchange Commission contributed to community's effort in mitigating the medical and economic impact of the pandemic on the vulnerable and the less privileged as part of its CSR.

Profit-making business organizations are in business to increase shareholder wealth and profitability is an important objective. CFP is important to the survival and growth of companies, and therefore a subject of concern to the management of for-profit companies. CFP involves achieving set financial objectives, targets, and benchmarks. In working towards the achievement of such financial goals, firms may act in certain ways and deploy certain strategies, one of which is to engage in CSR activity. As [2] pointed out, CSR is one of the ways companies around the world have tried to achieve better financial performance. Many companies believe that CSR activity has helped improve performance because it gives them a good reputation in the eyes of key stakeholders [3].

Many firms around the globe take on one form of CSR activity or the other. The case is the same in Nigeria where some Nigerian companies have sponsored school science, technology, engineering, and mathematics competitions. Oil companies operating in the Niger Delta provide power, water, and other social amenities to the host communities. They build schools, hospitals, and playgrounds for these communities. They also award scholarships and provide vocational training and skill acquisition opportunities to host communities [4] and [5].

Most businesses do these with the ultimate aim of enhancing profitability such as these oil companies who expect that better relationships with host communities and the Nigerian society at large will help improve profitability [6].

The purpose of this study is to investigate the effect of corporate social responsibility on the financial performance of listed companies in

Nigeria. The study is motivated by the need to use the CSR framework to resolve this question in Nigeria. It seeks to find out if engaging in CSR activities, and expending corporate budgets on such activities ultimately lead to improvement in financial performance. In investigating this, this study looks at all the companies listed on the Nigerian Exchange (NGX). Herein lies the gap this study seeks to plug. There is no consensus in the literature in relation to the response of financial performance to CSR activities. As observed by [7] and [8], there is no overarching consensus in the extant literature concerning the relationship between CSR and CFP.

This is important because it will contribute a more holistic view of the problem than had previously been done by other studies, examining this effect in all companies and sectors of the economy. Previous studies had investigated the effect in some individual companies or a sector and studying the entire spectrum of companies will show the entire picture in one frame. It tries to find out if CSR improves, or even plays any significant role in, corporate financial performance in Nigerian companies, with listed companies used as representative of all companies. This study therefore contributes to the body of literature in this area.

Many studies have been conducted on the effect of CSR on CFP but the question is whether CSR improves CFP? Is the answer to this the same in all markets, sectors, and industries? Does the financial performance of companies engaged in CSR activity justify the cost of such activity?

Information on CSR expenditures is not widely available for unlisted companies, therefore, in studying the CSR-CFP link in Nigeria, use is made of listed companies whose CSR expenditure information is available. The objective of this is to narrow down any effects CSR may or may not have on CFP and ensure that these effects are thoroughly observed and brought out for better corporate decision-making.

This study plugs the gap in the literature on the link between CSR and CFP for Nigerian companies by building on existing empirical and theoretical literature and methodologies used in the study of the subject in other jurisdictions to the Nigerian business environment. The significance of this study lies in the fact that it helps localize the argument over the value of CSR activities to companies in Nigeria. Recent studies have looked at the effect of CSR on CFP of Nigerian banks (see for example [9] and [10] and other companies [11], [12], and [13]), but these works did not address this from all the same angles as this study and did not also go into as much depth, nor study as many companies. A holistic view of the problem is therefore important.

The current study employs panel data analysis to present new empirical insights into the analysis. The study will enable Nigerian firms, especially listed companies, to know the extent to which their CSR activities and initiatives impact on their financial performance. CSR activities often involve carrying out work that would otherwise have been done by the government, and sometimes attract tax incentives. This study adds to knowledge with which the decision by the government to, or not to, give these incentives may be made. It also helps investors see whether CSR is a worthwhile use of their resources by companies' management.

As a preview of the empirical findings, results from the Panel Analysis suggest CSR had no significant influence on financial performance of listed companies when performance was measured as ROA and Tobin's Q but had a significant positive effect when measured as ROE.

The paper is structured in five sections, following this introduction Section 2 presents the review of literature; Section 3 comprises data and methodology; Section 4 will present and discuss the results of the study while the final section presents the conclusions and policy recommendations.

2 Literature Review

The concept of corporate social responsibility CSR stands for when a business bears responsibility beyond just its shareholders but to society and a wider group of stakeholders [14]. It involves ethical and responsible treatment of all stakeholders in the entity's activities [15]. CSR activities promote social good, going beyond legal requirements and the firm's interests [16].

The concept of corporate financial performance covers how much a firm achieves its objective of profitability and maximization of shareholder wealth. These are believed to be the overarching objectives of business organizations [17], and why entrepreneurs make the effort to build companies. Traditional measures of financial performance include measures such as return on assets (ROA), return on equity (ROE), earnings per share (EPS), return on capital employed (ROCE), profit margins, and return on sales (ROS) [18] have been used for decades. Studies such as [19], [20] and

[21] show that improvement in ROA is associated with a rise in stock returns, and a good measure of financial performance. [22] found that ROE is a good measure of change in financial performance. Tobin's Q has also been used by many scholars of corporate profitability, particularly in the study of the effects of a company's social performance on its financial performance [23] and whether and why the impact of CSR on CFP differed at various levels of activity [24].

More contemporary measures of financial performance, such as the value-based ones such as economic value added (EVA), refined economic value added (REVA), market value added (MVA) and shareholder value added (SVA) also help explain financial performance, especially stock returns. They measure value created in the company from the points of view of different stakeholders [25].

Several researchers have studied the relationship between CSR and CFP, with varying results, findings, and conclusions. These studies have looked at different companies, industries, sectors, markets, and jurisdictions.

Studies on the CSR-CFP effect have often shown mixed results. The dynamic relationship between CSR and CFP is an issue of great concern to investors and mangers. Especially given the significance of CSR in addressing the objectives of stakeholders other than shareholders. [7] explored the literature investigating the response of CFP to CSR and found that a general consensus is lacking, as contradictory and inconclusive results are still being reported time and again. The authors opine that inconsistencies arise owing to either theoretical or epistemological weaknesses, conceptualization and obscurities in CSP and CFP measurements as well as methodological issues related to sampling, modeling as well as endogeneity.

[8] utilizing a Panel Vector Autoregression model examined the mutual dependency of CSR and firm performance for 30 listed banks in Bangladesh over the period 2006 through 2018. The authors sought to establish if any the financial merits of corporate philanthropy. Their findings demonstrate that better CFP leads to more CSR expenditure, but CSR expenditure does not necessarily influence CFP.

[26] explored the influence of CSR investment and disclosure on corporate financial performance of banks in Nigeria. Utilizing a panel data set, their empirical estimates demonstrate that CSR investment without due disclosure had a small impact on corporate financial performance. For them, CSR activity needed to be disclosed to stakeholders in order to have any impact on the firm's financial performance

[27] examined the cultural dimension of the impact of CSR activity on business and found CSR reporting to be more prevalent in individualistic societies, those with a low power distance. Reviewing 452 articles covering a period of 25 years (1990-2015), [28] found that the kinds and forms of CSR engaged in by companies in developing countries were shaped by factors and actors in the formal and informal governance systems of these countries, basically by culture in these countries. This probably accounts for the wide differences one can observe in the different forms of CSR activity found in different locales of the world.

[29] investigated the relationship between CSR initiative and firms' performance in Ghana. His empirical finding suggest that CSR initiative by firms in Ghana is positively associated with the firms' operational competitive performance.

[30], [3], [2], [26], [31], [23], [32], [33], [34], and [35] found that CSR had a positive effect on CFP. Many of these studies found that these positive effects were dependent on high CSR results [36], company stability [37] and ownership structure [38].

Other studies such as [39], [40], [41], and [42] found mixed results, especially when the CSR effect on CFP was studied across sectors and industries. Other scholars, such as [43] also noted differences in the effects depending on the types of CSR activity the firm engaged in. Studies such as [10], [44], and [45] found that CSR had no significant effect on CFP CSR on CFP. [46] found that this may be because the financial costs of CSR reduces financial performance of companies who engage in it.

In studying this effect, these studies employed different methodologies. For instance, [47], [39], and [14] conducted regression analyses while [23] used Structural panel vector auto-regression, [46] used a generalized method of moments (GMM) panel VAR approach, and [9] did some descriptive analysis.

The heterogeneous results found by many scholars may be confusing and raise serious doubts about the existence of a link between CSR and CFP. However, one must bear in mind that these results were from studies that examined the CSR-CFP link in different industries in countries with different economic characteristics and cultures. It is therefore important to study this CSR-CFP link in the Nigerian environment. This will also answer the question of whether CSR influences CFP in Nigerian companies, whether certain findings in this area apply to the Nigerian business environment; whether the purchasing habits of the Nigerian public is influenced by CSR efforts of the companies that make and sell the goods and services? Or whether there are other influences such as culture, ethnicity, religion, or biases that direct the choice of one service or product over the other? Are Nigerian buyers generally disposed to considering CSR efforts in making buying decisions?

3 Methodology

3.1 Research Design

This study employs an ex-post facto research design, adopting a quantitative approach which rests on a positivist philosophical world view. This philosophy depends on quantifiable observations leading to statistical analyses [48].

Of the 161 companies listed on the NGX at the end of 2021 [49], 37 were excluded from the study because they did not report CSR expenditure over the period leaving the 124 companies who reported CSR activity over the period 2011-2020. These include some of the largest companies in the Nigerian economy.

This population may however, not be fully representative of Nigerian companies, as the market capitalization of the NGX only makes up about 9% of Nigeria's GDP [50], implying that a lot of activity goes on outside the bourse. Many large companies in Nigeria remain private, despite efforts by the Securities & Exchange Commission [51] and the NGX [52] to get them to go public.

3.2 Data

The study investigates the influence of CSR on CFP of listed Nigerian companies over a period of ten years – 2011 to 2020. CSR expenditure data of the listed companies is sourced from the companies' published annual financial statements collected from their websites, the NGX website and annual fact books. The data was compared to data from the SEC's statistical database for accuracy. Data for ROE, ROA, and Tobin's Q were gotten or calculated from numbers in published financial statements. Size and growth were calculated from total assets of the companies. The absence of processed CSR data for Nigeria in the mould of KLD and JSE SRI meant that raw CSR expenditure data were used, but deflated by dividing with total assets. According to [53], this is the reason studies in developing countries most often use CSR expenditure.

3.3 Model Specification

A panel regression analysis is conducted to examine the data gathered on CSR expenditure and ROA, ROE, and Tobin's Q. CSR is measured by the amount of CSR expenditure incurred by a company over the period. The generated data were analyzed using a panel regression technique, estimating a pooled regression, then the fixed and random effect model. This approach was used by researchers such as [47], [39], [14], [54], and [55]. A drawback of this methodology is the possibility of the effect of endogeneity on the study. This is a situation where the explanatory variables are correlated with the error terms. Some studies use methods such as dynamic modeling of the CFP-CSR relationship with GMM to overcome the endogeneity problem [38]. However, this study has tried to specify the variables in such a way as to overcome the problem.

Mean CSR expenditures of the listed companies were calculated over the period and deflated by dividing by total assets. The mean ROA, ROE, and Tobin's Q over the period, of the companies and sectors were also calculated and used in the regression models. These were controlled for the effects of company size and growth.

Company size is measured as the natural log of total assets of the company. It is necessary to control for size since larger companies tend to have better financial performance that smaller ones [40]. Company growth is measured as the yearly increase in total assets of the company over the ten-year period. Therefore, it is calculated as the current total assets less the previous year's divided by the previous year's.

In conducting the analysis, the study considered two methods – panel regression and GMM, and opted for panel regression. Panel regression was chosen because it yields the best regression results given the kind of data collected for the variables. GMM was not chosen because of the type and quantity of data used in the study. GMM is best estimated where there is a small T (time span) and Large N (number of cross sections). In this study, T is 11 and N is 12. The pooled and fixed or random effect panel regression was therefore thought more appropriate.

In a Pooled Panel regression method all the observations are pooled ignoring the dual nature of time series and cross-sectional data. Pooled Regression does not control for heterogeneity bias, and is known to generate inconsistent and biased estimates because it does not capture sector specific heterogeneity across units. However, using a Fixed Effect model, all the individuals or time periods are allowed to have their own intercepts. The method captures sector heterogeneity using the constant terms which is fixed over time. In the random model it is assumed that the sample has been drawn randomly from a large population. Or sector heterogeneity is assumed to be random and is captured by a random error term.

The regression model has CSR expenditures as independent variable, and ROA, ROE, and Tobin's Q as dependent variables.

H_01: CSR expenditure has no significant effect on ROA of companies on the NGX

H_02: CSR expenditure has no significant effect on ROE of companies on the NGX

H_03: CSR expenditure has no significant effect on Tobin's Q of companies on the NGX

This is applied as follows:

$$ROE_{it} = b_0 + b_1CSREXP_{it} + b_2Size_{it} + b_3Growth_{it} + e \quad (1)$$

$$ROA_{it} = b_0 + b_1CSREXP_{it} + b_2Size_{it} + b_3Growth_{it} + e \quad (2)$$

$$Tobin'sQ_{it} = b_0 + b_1CSREXP_{it} + b_2Size_{it} + b_3Growth_{it} + e \quad (3)$$

4 Data Presentation and Analysis

Observation of collected data showed that larger companies did tend to spend larger amounts on CSR. This is reasonable and logical, but also means that the results could be skewed by outlier CSR expenditure figures from very large companies. To deal with this, the study divided CSR expenditure by total assets and also controlled for company size in the regression model, as did [39] and [40].

Table 1 shows the distribution of listed companies who engaged in CSR activities

Table 1. Listed Companies with CSR Expenditures 2011 – 2020

Industrial Sectors	**Number of unique companies**	**Percentage of unique companies**
Agriculture	4	3.2%
Conglomerates	5	4.0%
Construction/Real Estate	3	2.4%
Consumer Goods	16	12.9%
Financial Services	45	36.3%
Healthcare	6	4.8%
ICT	6	4.8%
Industrial Goods	11	8.9%
Natural Resources	2	1.6%
Oil and Gas	9	7.3%
Services	17	13.7%
All Companies	**124**	**100.0%**

Table 2. Descriptive Statistics of the variables

	ROA	ROE	TOBINQ	GROWTH	SIZE)
Mean	37.71062	48.57511	1.587298	1.341469	19.02017
Median	3.523670	8.520455	1.531079	0.086539	18.91798
Maximum	1341.281	1378.402	4.341976	71.60272	27.36432
Minimum	-162.9019	-468.1971	0.327378	-0.387161	14.36569
Std. Dev.	191.8349	222.4951	0.800327	8.577792	2.077104
Skewness	5.714115	4.169588	0.614118	7.228759	0.661708
Kurtosis	34.99818	22.29715	3.077982	55.02732	6.400064
Jarque-Bera	5291.404	2025.475	6.942113	12027.93	61.01274
Probability	0.000000	0.000000	0.031084	0.000000	0.000000

Table 2 presents the common sample descriptive statistics. A cursory look at the table reveals that the mean ROA and ROE are a high 37.71 and 48.58 percent, respectively indicating that these companies performed quite well over the period. The disparity in performance ranged from 0.00 to a maximum of 1341.281 and 1378.402 for ROA and ROE respectively. Also it is shown that the standard deviations of ROA and ROE are larger than the means, showing the marked deviations in size and profitability of companies listed on the Exchange. This is not the case with Tobin's Q. There is evidence of significant skewness and leptokurtosis. The positive skewness in ROA, ROE and EPS is as expected because the companies had a positive performance over the period. The Jarque-Bera probability suggests that all the variables are not normally distributed.

Table 3. Result of Correlations analysis between the variables

	ROA	ROE	TOBINQ	GROWTH	SIZE
ROA	**1.00**				
ROE	**0.81**	**1.00**			
TOBINQ	**0.26**	**0.11**	**1.00**		
GROWTH	**-0.02**	**-0.16**	**0.07**	**1.00**	
LOG(SIZE)	**0.12**	**0.05**	**0.09**	**0.06**	**1.00**

Table 3 presents correlations of the independent and control variables. The correlation result revealed a strong positive relationship between ROA and ROE (0.81). This is expected, as both measures of profitability use the same numerator – net income. However, there is low negative correlation between ROA and ROE and Tobin's Q (0.26 and 0.11, respectively). This points to the value inclusion of Tobin's Q brings as one of the proxies of CFP as it shows performance from a different perspective than ROA and ROE. The result also shows reasonably low correlations between company size and the explanatory variables. This suggests that larger size may not necessarily mean better performance, just as growth in total assets also does not mean better financial performance.

Table 4. Coefficient estimates & T-statistics of regression of effects of CSR on CFP

	ROA	ROE	Tobin's Q
Independent Variable			
CSR	-1128.141 (-0.101092)	34431.43 (2.445000)	-48.48865 (-1.472488)
Control Variables			
Size	-23.37462 (-1.744636)	-14.14687 (-0.836740)	-0.089997 (-2.276398)
Growth	-1.042615 (-0.054780)	-4.369543 (-1.819300)	0.003726 (0.663462)
Constant	481.0467 (1.870529)	280.9155 (0.865611)	3.366544 (4.436282)
F-statistic	1.773274	1.676638	15.97280
R^2	0.225889	0.216241	0.724399

Note: (Two-tailed test, 5% significance, T-statistics in parenthesis)

Table 4 presents results of the Panel estimation for ROA, ROE and Tobin's Q. The study employs a fixed effect model panel regression model which allows differing intercepts across sectors but assumes the effects are fixed over time. This is in agreement with [40]. A random effect model is also estimated to capture industry heterogeneity (see Appendix). Both Pooled regression, Fixed effect and Random effect were thus estimated followed by the Redundant Fixed effect and Hausman Test to compare between the models. While the Redundant Fixed effect test demonstrated preference for the fixed effect regression over the pooled regression. The Hausman test showed the fixed effect model was preferred.

The coefficient of determination, R^2 shows the explanatory power of the Tobin Q model was higher explaining 72% of variation in the dependent variable while the ROA an ROE were 22% respectively. To choose between fixed effect and random effect model, the Hausman test was employed. To choose between a fixed effect and pooled regression, the study utilized Wald test and examined significance of the dummy variables.

Using the Chi-Square test p-value, the study rejects H_0 suggesting that fixed effect was better than the pooled regression, thus confirming heterogeneity bias.

It is expected that CSR expenditure has a positive and statistically significant influence on ROE.

However, it is also observed that CSR expenditure has a negative albeit insignificant impact on ROA and Tobin's Q. Empirical results demonstrate a negative relationship between CSR and ROA. The value is -1128.14 and indicates that a one percent change in CSR expenditure will lead to a 1128 decrease in ROA.

This relationship is however not statistically significant. Results show a t-statistic of -0.101092 for ROA, meaning that CSR had no statistically significant effect on ROA of companies listed on the NGX. R^2 of 0.225889 indicates that the model explains on 22.59 percent of the variability in ROA of these companies. Table 4 also shows a t-statistic of 2.445000 which indicates that CSR had a statistically significant effect on ROE of the companies. However, an R^2 of 0.216241 indicates a low explanatory power of the model.

Finally, Table 4 shows t-statistics of -1.472488 for Tobin's Q of the companies, indicating that there CSR had no statistically significant effect on their Tobin's Q. An R^2 of 0.724399 indicates that the model had a relatively strong explanatory power on CFP as measured by Tobin's Q.

The findings show that CSR only had a significant effect when CFP was measured as ROE and no effect when it was measured as ROA and Tobin's Q. These mixed results are in agreement with the findings of [39], [40] and [42].

Findings in this study showed that CSR had no statistically significant positive effect on financial performance of listed companies when CFP is measured as ROA and Tobin's Q, but had a significant positive effect when measured as ROE.

These mixed effects indicate the need for companies to study the expected impact of CSR activities on their performance before applying company resources to them. Not doing this may mean a waste of resources and a diminution of the ability to fulfil the corporate objective of maximizing shareholder wealth.

Regulation can help promote more CSR activities among listed companies on the NGX.

Table 5. Summary of Results

S/N	Hypothesis	Relationship	Decision
1	$H_0$1: CSR expenditure has no significant effect on ROA of companies on the NGX	-ve	CSR had no significant effect on ROA of listed companies
2	$H_0$2: CSR expenditure has no significant effect on ROE of companies on the NGX	+ve	CSR had a significant positive effect on ROE of listed companies
3	$H_0$3: CSR expenditure has no significant effect on Tobin's Q of companies on the NGX	+ve	CSR had no significant effect on Tobin's Q of listed companies
	Control Variables		
1	Firm Growth	-ve/-ve	No significant effect on all three measures of CFP
2	Firm Size	-ve	Had a significant effect on only Tobin's Q of the companies.

5 Conclusion

The present study contributes to the analytical literature investigating the effect of CSR, as represented by CSR expenditure, on CFP of listed companies in Nigeria, as represented by the companies' ROA, ROE, and Tobin's Q. It found that CSR had no statistically significant effect on CFP as measured by ROA and Tobin's Q but had a positive effect on CFP as measured by ROE. This is a mixed effect and agrees with several other such studies in other jurisdictions. Table 5 shows a summary of the results.

Given the result of this study, it is recommended that listed companies in Nigeria, re-evaluate their CSR activities and the objectives of engaging in them. If the sole objective is financial performance, then a re-think may be necessary, and they may have to decide to stop expending resources on CSR activities as the study shows that they do not have strong positive effect on financial performance, unless when measured as ROE.

References:

[1] Ejewe, G. (2007). Multinational oil companies' CSR initiatives in Nigeria: The scepticism of stakeholders in host communities. *Managerial Law Vol 49 No.5/6*, 218-235.

[2] Park, S. and Oh, W. (2015). The Relationship between Corporate Social Responsibility and Corporate Financial Performance in Korea. *Emerging Markets Finance and Trade* 51(3), 85-94.

[3] Chernev, A., and Blair, S. (2015). Doing Well by Doing Good: The Benevolent Halo of Corporate Social Responsibility. *Journal of Consumer Research*, 1412-1425.

[4] Imoh-Ita, I. (2015). Corporate Social Responsibility of Mobil Producing Unlimited and Julius Berger Nigeria Limited in Akwa Ibom State. *British Journal of Humanities and Social Sciences Vol. 13 (1)*, 73-83.

[5] Shell Petroleum Development Company. (2020, December 28). *www.reports.shell.com/sustainability-report*. Retrieved from Shell Petroleum Development Company Web site: https://reports.shell.com/sustainability-

report/2017/managing-operations/our-activities-in-nigeria.html

[6] Nwosu, U. W. (2017). Corporate Social Responsibility of Exxon-Mobil in Akwa Ibom. *International Journal of Peace and Conflict Studies (IJPCS), Vol. 4, No 2*, 164-179.

[7] Bruna, M. G., & Lahouel, B. B. (2022). CSR & financial performance: Facing methodological and modeling issues commentary paper to the eponymous FRL article collection. *Finance Research Letters, 44*. doi:https://doi.org/10.1016/j.frl.2021.102036

[8] Kabir, M. A., & Chowdhury, S. S. (202). Empirical analysis of the corporate social responsibility and financial performance causal nexus: Evidence from the banking sector of Bangladesh. *Asia Pacific Management Review*. doi:DOI: 10.1016/j.apmrv.20

[9] Adedipe, O. A. and Babalola, A. (2014). Corporate Social Responsibility: Panacea to Corporate Growth. *Journal of Economics and Sustainable Development.*

[10] Ibrahim, U. A. and Umeano, O. (2019). Assessing the effect of corporate social responsibility on financial performance of a company. *European Journal of Management Issues 27(3-4)*, 73-81.

[11] Usman, A. B. and Amran, N. A. (2015). Corporate social responsibility practice and corporate financial performance: evidence from Nigeria companies. *Social Responsibility Journal, Vol. 11 No. 4*, 749-763.

[12] Mohammed, N. A., Zakaree, S. and Oladele, O. K. (2016). Corporate Social Responsibility Disclosure and Financial Performance of Listed Manufacturing Firms in Nigeria. *Research Journal of Finance and Accounting Vol.7, No.4*, 47-58.

[13] Shabbir, M. S. and Okere, W. (2020). The relationship between corporate social responsibility, environmental investments and financial performance: evidence from manufacturing companies. *Environmental Science and Pollution Research, Vol 27*, 39946–39957.

[14] Wang, H., Tong, L., Takeuchi, R. and George, G. (2016). Corporate Social Responsibility: An Overview and New Research Directions: Thematic Issue on Corporate Social Responsibility [From the Editors]. *Academy of Management Journal*, 534-544.

[15] Hopkins, M. (2003). *The Planetary Bargain: Social Responsibility Matters.* London: Earthscan Publications Ltd.

[16] McWilliams, A. and Siegel, D. (2001). Corporate Social Responsibility: A Theory of the Firm Perspective. *The Academy of Management Review*, 117-127.

[17] Worthington, A. and West, T. (2001). The Usefulness of Economic Value-Added (EVA) and its Components in the Australian Context. *Accounting, Accountability and Performance Vol 7 No. 1*, 73-90.

[18] Qiu, Y., Shaukat, A., & Tharyan, R. (2014). Environmental and social disclosures: link with corporate financial performance. *British Accounting Review* 48(1)

[19] Wijaya, D. P., and Sedana, I. B. (2020). Effects of Quick Ratio, Return on Assets and Exchange Rates on Stock Returns. *American Journal of Humanities and Social Sciences Research (AJHSSR) Vol. 4, Issue 1*, 323-329.

[20] Marito, B. C., and Sjarif, A. D. (2020). The Impact of Current Ratio, Debt to Equity Ratio, Return on Assets, Dividend Yield, and Market Capitalization on Stock Return (Evidence from Listed Manufacturing Companies in IndonesiaStock Exchange). *Scientific Journal of PPI-UKM, Vol. 7 No. 1*, 10-16.

[21] Anwaar, M. (2016). Impact of Firms Performance on Stock Returns (Evidence from Listed Companies of FTSE-100 Index London, UK) . *Global Journal of Management and Business Vol. 16, No. 1*, 30-39.

[22] Suardana, I. B., Astawa, I. N., & Martini, L. K. (2018). Influential factors towards return on assets and profit change. *International Journal of Social Sciences and Humanities Vol. 2, No. 1*, 105-116.

[23] Kang, C., Germann, F. and Grewal, R. (2016). Washing Away Your Sins? Corporate Social Responsibility, Corporate Social Irresponsibility, and Firm Performance. *Journal of Marketing*, 327-347.

[24] Kim, W. S., and Oh, S. (2019). Corporate social responsibility, business groups and financial performance: a study of listed Indian firms. *Economic Research Vol. 32, No 1*, 1777-1793.

[25] Arabsalehi, M. and Mahmoodi, I. (2012). The quest for the superior financial performance measures. *International Journal of Economics and Finance Vol. 4 No. 2*, 116-126.

[26] Oyewumi, O. R., Ogunmeru, O. A. and Oboh, C. S. (2018). Investment in corporate social responsibility, disclosure practices, and financial performance of banks in Nigeria. *Future Business Journal Vol 4, Issue 2*, , 195-205.

[27] Adnan, S. M., Hay, D. and van Staden, C. J. (2018). The influence of culture and corporate governance on corporate social responsibility disclosure: A cross country analysis. *Journal of Cleaner Production Vol. 198*, 820-832.

[28] Jamali, D. and Karam, C. (2018). Corporate Social Responsibility in Developing Countries as an emerging field of study. *International Journal of Management Reviews Vol. 20, 1*, 32-61.

[29] Famiyeh, S. (2017). Corporate social responsibility and firm's performance: Empirical evidence. *Social Responsibility Journal, 13*(2), 390–406.

[30] Rodriguez-Fernandez, M. (2016). Social responsibility and financial performance: The role of good corporate governance. *Business Research Quarterly*, 137-151.

[31] Senyigit, Y. B. and Shuaibu, M. A. (2017). The Effect of Corporate Social Responsibility on Financial Performance: Evidence from the banking industry in emerging economies. *Journal of Business Studies Quarterly, Vol 9, Number 1*, 22-31.

[32] Habaragoda, B. S. (2018). Corporate Social Responsibility(CSR) and Firm Performance: Impact of Internal and External CSR on Financial Performance. *International Journal of Information, Business and Management, Vol. 10, No.3*, 156-169.

[33] Ashraf, M., Khan, B. and Tariq, R. (2017). Corporate Social Responsibility Impact on Financial Performance of Bank's: Evidence from Asian Countries. *International Journal of Academic Research in Business and Social Sciences Vol. 7, No. 4*, 618-632.

[34] Rahman, M. and Chowdhury, S. (2020). Corporate Social Responsibility and Firm Financial Performance: Bangladeshi Listed Pharmaceuticals Companies. *Journal of Emerging Technologies and Innovative Research Vol. 7, No. 1*, 213-222.

[35] Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P. and Saaeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, 341-350.

[36] Franco, S., Caroli, M. G., Cappa, F., and Del Chaippa, G. (2019) Are you good enough? CSR, quality management and corporate financial performance in the hospitality industry. *International Journal of Hospitality Management.* DOI:10.1016/j.ijhm.2019.102395

[37] Wu, L., Shao, Z., Yang, C., and Ding, T. (2020). The impact of CSR and financial distresson financial performance – Evidence from Chinese listed companies of the manufacturing industry. *Sustainability*, 12(17). DOI:10.3390/su12176799.

[38] Jahmane, A., & Gaies, B. (2020). Corporate social responsibility, financial instability and corporate financial performance: Linear, non-linear and spillover effects – The case of the CAC 40 companies. *Finance Research Letters Vol. 34*, 101483.

[39] Lim, C. (2017). Relationship between Corporate Social Responsibility and Corporate Financial Performance. *Walden Dissertations and Doctoral Studies*.

[40] Feng, M., Wang, X. and Kreuze, J. (2017). Corporate social responsibility and firm financial performance: Comparison analyses across industries and CSR categories. *American Journal of Business, Vol. 32 No. 3-4*, 106-133.

[41] Ibida, N. J.-F. and Emeka-Nwokeji, N. (2019). Effect of Corporate Social Responsibility (CSR) on financial performance of oil and gas companies in Nigeria. *Journal of Accounting, Business and Social Sciences Vol 2 No.1* , 56-73.

[42] Chetty, S., Naidoo, R. and Seetharam, Y. (2015). The impact of corporate social responsibility on firms' financial performance in South Africa. *Contemporary Economics*, 193-213.

[43] Nirino, N., Miglietta, N., & Salvi, A. (2019), "The impact of corporate social responsibility on firms' financial performance, evidence from the food and

beverage industry", . *British Food Journal, Vol. 122 No. 1*, 1-13.

[44] Awaysheh, A., Heron, R. A., Perry, T. and Wilson, J. I. (2020). On the relation between corporate social responsibility and financial performance. *Strategic Management Journal Vol. 41, No. 6*, 965-987.

[45] Matuszak, Ł. and Różańska, E. (2017). An examination of the relationship between CSR disclosure and financial performance: The case of Polish banks. *Journal of Accounting and Management Information Systems Vol. 16 No. 4*, 522-553.

[46] Gaies, B. and Jahmane, A. (2022). Corporate social responsibility, financial globalization and bank soundmness in Europe – Novel evidence from a GMM panel VAR approach. *Finance Research Letters.* DOI:10.1016/j.frl.2022.102772.

[47] Ioannou, I. and Serafeim, G. (2018). The Impact of Corporate Social Responsibility on Investment Recommendations: Analysts' Perceptions and Shifting Institutional Logics. *Strategic Management Journal*, 1-47.

[48] Dudovskiy, J. (2021, November 9). *Research Philosophy*. Retrieved from Business Research Methodology: https://research-methodology.net/research-philosophy/

[49] Nigerian Exchange Ltd. (2021, July 2). *Nigerian Exchange Website Listings Page*. Retrieved from Nigerian Exchange Web site: http://www.nse.com.ng/Listings-site/listing-your-company/main-board

[50] TheGlobalEconomy. (2020, December 27). *theglobaleconomy.com/Nigeria*. Retrieved from The Global Economy. https://www.theglobaleconomy.com/Nigeria/stock_market_capitalization/

[51] SEC, O. (2019, April 5). *Office of the Chief Economist (OCE) Policy Brief.* Retrieved from Securities & Exchange Commission Nigeria Web site: sec.gov.ng › uploads › 2019/04 › OCE-Policy-Brief-05

[52] Jalo-Waziri, H. (2013, August 16). *Overview of the NSE Journet to Date and Strategic Objectives*. Retrieved from Nigerian Stock Exchange Web site: http://www.nse.com.ng/NSEPresentation/NSE%20Telco%20Presentation%20CT_15082013.pdf

[53] Oware, K. M., and Mallikarjunappa, T. (2022). CSR expenditure, mandatory CSR reporting and financial performance of listed firms in India: an institutional theory perspective. *Meditari Accountancy Research, Vol. 30 No. 1*, 1-21.

[54] Madueño, J. H., Jorge, M. L., Conesa, I. M. and Martínez-Martínez, D. (2016). Relationship between corporate social responsibility and competitive performance in Spanish SMEs: Empirical evidence from a stakeholders' perspective. *Business Research Quarterly*, 55-72.

[55] Luo, X., Wang, H., Raithel, S. and Zheng, Q. (2015). Corporate social performance, analyst stock recommendations, and firm future returns. *Strategic Management Journal. Research Collection Lee Kong Chian School of Business*, 123-136.

Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

Okechukwu Umeano carried out the data gathering and conducted regression
Umar Abbas Ibrahim contributed to methodology
Faiza Maitala contributed to methodology

Sources of Funding for Research Presented in a Scientific Article or Scientific Article Itself

We did not receive any funding from any source(s) for this work.