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Corporate Social Responsibility And Performance Of Selected Quoted Companies In Nigeria

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ABSTRACT

This work examined the effect of corporate social responsibility on performance in organization using quoted companies in Nigeria as the reference point. This research work is anchored on stakeholder theory and Kohlberg's model of Cognitive Moral Development. Ex-post facto research design was employed. The population of the study comprise of all the quoted companies in Nigeria Stock Exchange. A total of 30 companies were sampled using convenience sampling technique. The data used in this study were sourced from 2020 annual reports and account of the respective companies. Descriptive statistics and simple linear regression analysis were employed to analyze the data formulated. Corporate social responsibility expenditure was used as the independent variable while return on assets, return on equity, return on investment and net profit margin were employed as the dependent variable. The study found that corporate social responsibility expenditure of the companies studied has significant effect on return on assets, return on equity and net profit margin. Therefore, the study concludes that corporate social responsibility has significant effect on performance in organization. The study recommends that corporate organizations in Nigeria should make effort to increase their commitment to social responsibility activities such as community projects and environmental protection in order to enhance their performance.

Keywords: Corporate Social Responsibility, Return on Assets, Return on Equity, Return on Investment and Net Profit Margin

INTRODUCTION

Pressure on corporate social responsibility is growing around the world especially from consumers and growing global interconnectivity. The practice of Corporate Social Responsibility and other ethical issues is now a global phenomenon. There is a growing need for firms operating in various communities to have a great deal of harmony with their host communities. This practice of ensuring that divergent needs of the host communities are reasonably attained in order to ensure smooth and harmonious operations is coined as corporate social responsibility (Amit, Gayatril, Vipul & Shraddha, 2012). This phenomenon is not only nationally accepted but it is globally practised. Globally, there is an enhance need for corporate manager to build new relationship between business and the natural (physical) environment as a means of mitigating the impacts of the past abuses (ill practices) on the environment (Bhattacharya, Korschun, & Sen, 2009). Corporate Social Responsibility is the transparent business practices that are based on ethical values, compliance with legal requirements and respect for people - communities and the environment. Contemporarily, CSR is a concept whereby business organisations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other shareholders as well as the environment (Ukpabi, Ikaba, Enyindah, Orji & Idatoru, 2014).

The competition for and consumption of scarce resources in the global markets put great pressures on companies to achieve desirable ends beyond maximizing shareholder value. These pressures arise from the increased demands of external stakeholders that hold companies accountable for social and

environmental issues. Many companies respond positively to increased stakeholder interest in corporate social responsibility (CSR). Others see a tension between value maximization proposition of the firms and CSR because they become concerned about the legitimacy of corporate involvement in social affairs and the possibility of misappropriating and misallocating scarce resources (Margolis & Walsh, 2003; Garriga & Melé, 2004). Companies need to answer to two aspects regarding their operations i.e. the quality of their management and the nature of their impact on societies in various areas" (Baker, 2009). Inside as well as outside stakeholders are interested in learning about the activities of a company. Shareholders, customers, employees, suppliers, sub-contractors, and community etc. are usually referred to as stakeholders of a company. They pay attention to what the companies do and what they have actually done. This may be in terms of products or services, impact on the environment, the operations in the market or in local communities, or among employees. The companies engage in CSR activities because they can have some kind of business benefits such as a good reputation, customer loyalty etc. good business policy with an ethical reference has more influence on reputation of the organization (Siltaoja, 2006).

The indiscretions of one's ethical principle vary from providing false information and manipulation (Johnson 2004; Carlson, Carlson & Ferguson, 2011). Firms who are in competition with one another have a tendency to play foul, ignoring the virtues of morality and ethics to outpace their rivals. Business firms are being met with a considerable load of pressure, rooting from the operations, up until its marketing leg (Ferrell & Ferrell 2011). The pressure of competition makes business firms focus on their objectives, causing them to compromise their principles that bind them in the virtues of morality and ethics (Kalshoven et al 2011; Elango et al 2010). The aforementioned common practice of some businesses leads to the unprecedented result of compromising the quality of services and products that are being offered as the aggressive competition rivalry pushes the concept of quality to the side-lines (Ferrell & Ferrell 2011).

Past research has revealed conflicting findings on the effect of CSR on performance in organization. Results of research conducted Bidhari et al. (2013) showed that the CSR affect performance proxied by return on assets, return on equity and net profit margin. Novrianty, and Ely (2015), Erdur and Kara (2014), Shaista and Sara (2014) and Malik and Nadeem (2014) found that CSR has a significant effect on return on assets and return on equity. On a similar note, Novrianty and Ely (2015), Malik and Nadeem (2014), Iqbal, Ahmad, Hamad, Bashir and Sattar (2014) found that that CSR has a significant effect on net profit margin. But there are also studies that show that there is no positive link between CSR and performance in organization. Yaparto et al. (2013) study shows that CSR has no significant effect on Return on assets, Return on equity and earning per share. Similarly, Babalola (2012) found an inverse relationship between profit after tax and corporate social responsibility.

However, most of the studies were done in an environment outside Nigeria while some studies utilized primary data instead of secondary data. More importantly, most of these studies used firm as against industry level analysis in their studies. This study seeks to address the gap using robust method and by using data from different industry. This study will examine critically the effect of corporate social responsibility on the performance variables (return on assets, return on equity, return on investment and profit margin) of the companies selected for the study. In this study, expenditure on corporate social responsibility programmes/activities of the companies served as the independent variable while performance variables such as return on assets, return on equity, return on investment and profit margin were employed as the dependent variable.

Objectives of the Study

The core objective of the study is to examine the effect of corporate social responsibility on performance in the organization. The specific objectives include to:

1. Determine the effect of corporate social responsibility on return on assets.
2. Examine the effect of corporate social responsibility on return on equity.
3. Determine the effect of corporate social responsibility on return on investment.
4. Ascertain the effect of corporate social responsibility on net profit margin.

Research Hypotheses

The following postulations were formulated to guide this study. The hypotheses are stated in the null form.

Ho_1: Corporate social responsibility has no significant effect on return on assets.
Ho_2: Corporate social responsibility has no significant effect on return on equity.
Ho_3: Corporate social responsibility has no significant effect on return on investment.
Ho_4: Corporate social responsibility has no significant effect on net profit margin.

REVIEW OF RELATED LITERATURE

Corporate Social Responsibility

A vast and growing body of literature has tried to clarify the CSR concept (Matten & Moon, 2008). CSR began as a philosophical debate on whether "business corporations have an obligation to work for social betterment" (Woo and Jin, 2012). Bowen (1953) is acknowledged as the first scholar to have written a manuscript to discuss the topic of corporate responsibilities (Maignan, 2001). Bowen (1953) argued that business has the obligation to "pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society". This seminal contribution offered the starting point of an abundant discussion about the CSR concept (Maignan, 2001), even though the definition has become more and more problematic as various business cases for CSR have been made (Chapple & Moon, 2005).

Today, Carroll's (1979) definition of CSR is the one most widely adopted by researchers (Ramasamy & Yeung, 2009). Carroll (1979) defined the social responsibility of business as that which "encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time". This definition aimed to encompass the various dimensions of responsibilities, from economic to discretionary, that society expects businesses to assume (Carroll, 1979). In addition, Davis and Blomstrom (1975) broadly conceptualized CSR as "the managerial obligation to take action to protect and improve both the welfare of society as a whole and the interest of organizations". More currently, the World Business Council for Sustainable Development (WBCSD) summarized CSR as "the commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce as well as of the local community and society at large" (WBCSD, 1999). Similarly, the European Commission acknowledges a widely held definition, "a concept whereby companies integrate social and environmental concerns into their business operations and with their interaction with their stakeholders on a voluntary basis" (Williams & Zinkin, 2008).

Considering all the various definitions, CSR can be defined as the social involvement, responsiveness, and accountability of companies apart from their core profit activities and beyond the requirements of the law and what is otherwise required by government. At the core of CSR, then, is the idea that it reflects the social imperatives and the social consequences of business activities. Therefore, social responsibilities of corporations are often discussed with the concepts of corporate citizenship, which emphasizes corporations' social roles, and sustainable development, which considers the long-term effects of industrial activities.

Organization Performance

Organisation performance has been the most important issues for every organisation be it profit or non-profit one. It has been very important for mangers to know which factors influence an organisation's performance in order for them to take appropriate steps to initiate them. However, defining, conceptualising and measuring performance have not been easy task. Researchers among themselves have different opinions and definitions of performance, which remains to be a contentious issue among organisational researchers (Barney, 2008). For example, according to Javier (2007), as cited in Nikbin et al (2010), performance is equivalent to the famous 3Es (i.e. economy, efficiency and effectiveness) of a certain programme or activity. However, according to Daft (2009), organisational performance is the organisation's ability to attain its goals by using resources in an efficient and effective manner. Quite similar to Daft (2009), Richardo and Wade (2010) defined organisational performance is the ability of the organisation to achieve its goals and objectives. Organisational performance has suffered from not only a

definition problem, but also from a conceptual problem. This is what Hefferman and Flood (2006) stated that as a concept in modern management, organisational performance suffered from problems of conceptual clarity in a number of areas. The first was the area of definition while the second was that of measurement. The term performance was sometimes confused with productivity. Productivity was a ratio depicting the volume of work completed in a given amount of time. Performance was a broader indicator that could include productivity as well as quality, consistency and other factors.

Organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz & Donnell, 1993). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

Traditionally, the measurement of a firm's performance usually employs the financial ratio method, because it provides a simple description about the firm's financial performance in comparison with previous periods and helps to improve its performance of management. Enekwe, Okwo and Ordu (2013) noted that the measures of firm performance are usually ratios fashioned from financial statements or stock market prices, such as industry-adjusted operating margins or stock market returns. Emekekwue (2008) maintains that there are two aspects of a company's financial performance of interest to investors. First, its financial performance may be assessed by reference to its ability to generate profit. This agrees with Pandey (2005) assertion that it is assumed that profit maximization causes the efficient allocation of resources under the competitive market conditions, and profit is considered as the most appropriate measure of a firm's performance. Hill and Jones (2009) also assert that the key measure of a company's financial performance is its profitability. Thus, ratios of financial efficiency in this respect focus on the relationship between profit and sales and profit and assets employed. Second, the company's financial performance may be assessed in terms of the value of its shares to investors. In this way, ratios of financial performance focus on earnings per share, dividend yield and price/ earnings ratios. The ratios used to measure the overall profit performance of a firm are termed profitability ratios. Pandey (2010) maintains that profitability ratios are determined on the basis of either sales or investment. Osisioma (2000) noted that the ratios are aimed at bringing to light the profitability of a firm's operation, the management efficiency as measured by the returns on capital employed and the intensity of capital usage – the rapidity with which invested capital is turned over.

Different dimensions have been adopted by authors to determine corporate performance. Some of them are profitability, return on assets (ROA), gross profit, return on investment, (ROI), return on sales (ROS), return on equity (ROE), sales growth, export growth, revenue growth, market share and stock price (Emekekwue, 2008).

Return on Assets: Return on assets is a measure of performance widely used in the corporate governance literature for accounting-based measures. Okafor (1983) defined return on assets as a function of how profitable a firm is in totality of its entire assets. It shows the efficacy of the board and executives in terms of deploying all the assets of the firm to its maximum use and proper utilization. It is a measure which assesses the effectiveness of assets deployed and shows investors the earnings the company has realized from its investment in capital assets. Efficient use of a company's assets is best reflected by its rate of return on its assets. The return on assets shows the shareholders how much the managers are committing the fund of the firm into net income. It is a profitability ratio for net income of a company.

Return on Equity: This refers to the amount of net income returned as a percentage of shareholders equity. Return on Equity measures the return earned on both preferred and common stockholders' investment in the financial institution annually. It shows the ability of generating profits from every unit of shareholders' equity. ROE measures the performance of the firm relative to shareholder investment. The net worth of a firm belongs to equity owners, and the ratio of profit after tax to net worth is the return on equity. Okafor (1983) asserted that the return on equity is the most vital single ratio, since it gives a final confirmation of the evaluation results of most of the other ratios. In a competitive market, a high return on equity can only be realized if a firm has maintained optimum activity ratios, employed optimum

financial leverage and controlled cost over time. Return on equity measures a company 's profit by showing how much profit a firm realizes with the investment of the shareholders. Return on equity is used to compare the profit of a firm and that of other companies in the same industry. Return on equity represents profitability of shareholders of the firm after meeting all expenses and taxes (Van Horne & Wachchowwicz, 2005).

Return on Investment: Return on investment or ROI is a profitability ratio that calculates the profits of an investment as a percentage of the original cost. Return on investment is a performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. ROI measures the amount of return on an investment relative to the investment's cost. Return on investment isn't necessarily the same as profit. ROI deals with the money you invest in the company and the return you realize on that money based on the net profit of the business. Return on Investment (ROI) is the benefit to an investor resulting from an investment of some resource. A high ROI means the investment gains compare favorably to investment cost. As a performance measure, ROI is used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments (Joshua, 2015). In other words, it measures how much money was made on the investment as a percentage of the purchase price. It shows investors how efficiently each dollar invested in a project is at producing a profit. Investors not only use this ratio to measure how well an investment performed, they also use it to compare the performance of different investments of all types and sizes (Pandey, 2010).

Net Profit Margin: The net profit margin is the unit of sale measured by the profit margin. This accounting based performance measure can be tagged as forward looking because profit for the period is measured against sales for the current period. Profit margin is calculated as profit after tax divided by turnover or net sales. The essence is that it provides information on the percentage of profit that sales are able to generate. As a firm matures, its net profit margin should stabilize and increase. Net profit margin is the ratio of net profits to revenues for a company or business segment. Typically expressed as a percentage, net profit margins show how much of each naira collected by a company as revenue translates into profit. Net income or net profit may be determined by subtracting all of a company's expenses, including operating costs, material costs (including raw materials) and tax costs, from its total revenue.

Theoretical Framework

This research work is anchored on stakeholder theory. The inventor of Stakeholder Theory is R. Edward Freeman and his publications are Strategic Management – A Stakeholder Approach in 1984. Freeman (1984) argued in his seminal work introducing the term stakeholder theory that "systematic attention to stakeholder interests is critical to firm success". The traditional definition of a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984). The definition has given a new idea of redefining an organization that what it should be like and Friedman & Miles (2006) explained that an organization is a composition of stakeholders, and purpose of an organization should be to be able to handle its own interests, viewpoints and requirements. It depends on the type of firm that stakeholders may include suppliers, customers, shareholders, community and environmental groups etc.

Simply put, stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it Kotler and Keller, (2006). Therefore, they're stakeholders in the company and their voices must contribute to corporate decisions. The five cardinal stakeholders mainly include but not limited to shareholders, workers, customers, suppliers, and community (Kotler and Armstrong, 2008). It is therefore, upon the organizations before, during or after carrying out the CSR to be as transparent as possible; because this is an important value for those promoting stakeholder ethics. On the other hand Baker and Hart, (2008) assert that what's certain is that stakeholder theory obligates corporate directors to appeal to all sides and balance everyone's interests and welfare in the name of maximizing benefits across the spectrum of those whose lives are touched by the business. CSR is likely to loose its value if the stakeholders are not fully involved or left unawares to the facts.

The objective of CSR, both as an academic branch in business studies and as a managerial tool for practitioners, is to become aware of this relationship and understand how business activity influences

society and vice-versa (Lantos, 2001). If CSR is applied properly in any organization, it will build a strong bond between the organization and its stakeholders in terms of more commitment, trust, customer loyalty and investments by the suppliers and stockholders thereby improving organizational growth (Maignan and Ferrell, 2004; Bhattacharya and Sen, 2004). A firm's involvement and initiatives in social and environmental areas possess a great amount of importance in organizational growth. It shows the concern of a firm towards the internal and external environment and imposes a healthy effect in building a good image of the firm.

The main core of the stakeholder theory is the belief that stakeholder relationships are the most important factor that managers have to take care of. However, CSR addresses those responsibilities that a business needs to fulfill. We may conclude that both the concepts are interrelated but the level of abstraction differs on the subject of CSR. The Stakeholder Theory is an effective gauge to measure the growth of a firm (Quazi, 2003). The stakeholder model focuses primarily on the interests and concerns of the organization's stakeholders over economic interests. From the stakeholder model perspective, the focus becomes how to please and build mutually beneficial relationship with the beneficiary community. Based on this assumption, it can be argued that the underlying philosophy for CSR activities under the stakeholder model can produce positive attitude among employees thereby increasing their participation levels. In this study, the researcher will be examining the influence of the stakeholder model of CSR activities on organizational growth.

Empirical Review

Yang (2012) carried an empirical study on the relationship between corporate social responsibility and financial performance of Chinese listed companies. The aims of this research are to understand the development of CSR in China over the past few years and measure the effects of CSR on firm performance by examining the standalone CSR reports for the period 2008-2009. Probit regression was employed in analyzing the data. The independent variables used in the study are return on assets (ROAt), market return (Mktt), percentage change of sales (%ΔSalest) and Tobin's Q (TobinQt). The result indicated that Chinese companies have been making progress in their CSR practices. The results of this study show that the prior financial performance is positively associated with CSR disclosure and the CSR disclosure has a significant and positive effect on the firm financial performance.

Giovanni, Francesca and Izzo (2014) examined corporate social responsibility and firms performance using listed companies in Italy. The purpose of study is to investigate the impact of the voluntary disclosure about Corporate Social Responsibility on firms' stock prices of Italian listed companies in order to analyze if it can somehow contribute to increase the stock market prices. The empirical analysis test the relation, during a period of three years, between corporate social responsibility (CSR) reports and firms stock prices, considering a sample of Italian listed companies. The analysis shows an absence of correlation between CSR parameters and firms stock price, in fact all the coefficients estimated on CSR (employment, environment and community) have a very low t-statistic.

Babalola (2012) investigated the impact of corporate social responsibility on firms' profitability in Nigeria. Data were sourced from ten (10) randomly selected firms' annual report and financial summary between "1999-2008". The study made use of correlation, regression, and analysis of variance (ANOVA) to analyze the relationship between the two variables. Findings from the analysis show that the sample firms invested less than ten percent of their annual profit to social responsibility. The data further revealed that all the sample firms invested less than ten percent of their annual profit to social responsibility. However, the Empirical analysis above depicts that negative relationship exists between firm's performance measure with profit after tax and investment in social responsibility which shows that there is inverse relationship between the two variables (PAT and CSR).

Novrianty, and Ely (2015) examined the effect of corporate social responsibility on financial performance. This study was conducted to examine the effect of CSR on financial performance as measured by profitability ratios consisting of return on assets (ROA), return on equity (ROE), net profit margin (NPM) and earnings per share (EPS). The population used in this study was the company mining and basic industry chemicals listed in Indonesia stock exchange during the period 2009-2012, while the

sample used in this study using purposive sampling technique. 24 companies were sampled. This study used a quantitative approach and the method of multiple linear regression analysis of the data. The results of this study indicate that simultaneous CSR and control variables consisting of leverage (DER) and size has effect on ROA, ROE, NPM and EPS. CSR has partially significant effect on ROA and NPM and no significant effect on ROE and EPS.

Singh (2014) examined the impact of corporate social responsibility disclosure on the financial performance of firms in UK. The work covered three industries of UK, viz., industry of extraction of crude petroleum and natural gas, industry of mining of metal ores and preparations and industry of manufacture of basic pharmaceutical products and pharmaceutical preparations. The study measured corporate social responsibility disclosure in terms of published CSR keywords on the annual reports of the firms over five years ranging from 2008 till 2012. The financial performance of the firms is measured as return on assets (ROA), Tobin's Q, and total shareholder returns (TSR). A linear regression is then performed on the data to validate the impact of corporate social responsibility disclosure on the financial performance of firms. The results have shown no significant impact of CSR disclosure on the financial performance, both in short-term scenario and long-term scenario for the chosen industries in UK.

Other empirical literatures are summarized in the table below.

Author/Year	Coverage	Title	Variables	Method	Remarks/Findings
Changiz, V. (2014).	207 Iranian manufacturing and service firms.	Impact of corporate social responsibility practices on organizational performance: An ISO 26000 perspective.	organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues and community involvement, and development and organizational performance	Structural equation modeling	**The study** revealed that a number of significant relationships between CSR practices and organizational performance of Iranian organizations. The result found that community involvement and development plays an important role in enhancing organizational performance of organizations.
Shaista, S., & Sara, J. (2014).	Six companies listed on Pakistani Index	Impact of CSR on organizational performance.	Perceived CSR and Perceived Stakeholder Relationship, Return on assets and turnover.	Correlation and regression analysis	The findings depict a highly positive correlation between ROA and turnover out of all while the standard deviation for turnover is also abnormal. Regression results are not significant and appear to be rejecting the proposed model.
Bratenius, A. L. H., & Melin, E. J. (2015).	2006 - 2013	The impact of CSR on financial performance.	CSR and financial performance	T-test and Wilcoxon signed-rank test	Overall, the results show that a top ranking does not have an effect on stock returns, whereas a bottom ranking has a negative impact. The negative impact has been consistent over all years, and has increased over time. This indicates that even though top-performers within the area of CSR are not rewarded, companies are still punished for poor CSR performance
Okwemba, E. M., Mwalati, S. C., Egessa, R., Musiega, D., & Maniagi, G. M. (2014).	Banking Industry Kenya,	Effect of corporate social responsibility on organisation performance: Banking Industry Kenya, Kakamega County	Environmental activities, ethical activities, philanthropic activities, customer satisfaction, competitiveness, customer relation, corporate image, sales growth, customer retention, new product, government policies and bank priority.	Correlation and multiple regression	The study found that philanthropic responsibility of a bank has an impact on bank performance. The positive significant correlation coefficient shows that any increase in philanthropic responsibility will increase the performance of the bank. The intervening variables government policy and priority both had significant impact on organisation performance.
Kipruto, D. (2014).	Commercial banks in Kenya	The effect of corporate social responsibility on financial performance of commercial banks in Kenya.	Financial performance proxied by net profit before tax, CSR and investment	Descriptive statistics, regression and correlation analysis	The study revealed that not all commercial banks report their CSR involvement. Out of the 44 commercial banks studied, only eight provided the necessary and complete data that was appropriate for the study. The study findings were that expenses on social course have an effect on financial performance of commercial banks in Kenya.
Conesa, I. M., Soto-Acosta, P., Manzano, M. P., & Jorge, M. L.	552 Spanish SMEs	Corporate social responsibility and its effect on organizational innovation and firm performance: An empirical research in	CSR, organizational innovation and firm performance	Structural equation modelling	Results show that CRS is positively associated with organizational innovation and firm performance and that organizational innovation mediates the relationship between CSR on firm performance. These findings indicate that CSR is an important driver for firm performance mainly by enhancing

(2014).		SMES.			organizational innovation.
Asamoah, E. S. (2015).	Mobile Telecom sector Ghana	The effect of corporate social responsibility on the competitiveness of firms in the mobile telecommunication industry in Ghana.	Corporate social responsibility and competiveness	Descriptive statistics and Kruskal Wallis H Test	The study found that the performance of the companies CSR practices was high in the areas of community support, environmental issues, and ethics. The companies engaged in CSR for various reason including enhancing the reputation of the company's, for positive image and branding of the company, to gain some competitive advantages, to improve business performance.
Malik, M. S., Ali, H., & Ishfaq, A. (2015).	Banks in Multan City, Pakistan	Corporate social responsibility and organizational performance: Empirical evidence from banking sector.	CSR activities, organizational culture and organizational performance	Correlation, regression and analysis of variance	The study found relationship between awareness of corporate social responsibility activities and organizational performance. In addition, the study found relationship between organizational culture and organizational performance for the banking sector of Pakistan.
Nalini, K. (2015).	104 companies in India	Impact of corporate social responsibility on the financial and non financial performance of select BSE listed companies.	Aggregate CSR, Employee CSR, Customer and Supplier CSR, Community CSR, Environment CSR, size, financial and non financial performance	Regression, correlation, T-test and principal component analysis	The study also revealed a positive relationship between all CSR variables and the firm performance except in case of Environment CSR where there was no significant relationship between the variables.
Osisioma, H., Nzewi, H., & Nwoye, P. (2015).	Selected firms in Nigeria 2007 - 2011	Corporate social responsibility and performance of selected firms in Nigeria.	social responsibility cost and corporate profitability	Product moment correlation	Findings revealed a significant relationship between social responsibility cost and corporate profitability. Therefore, the study concluded that social responsibility was vital to organizational performance.

The empirical review reveals conflicting findings on the effect of CSR on performance in organization. However, most of the studies were done in an environment outside Nigeria while some studies utilized primary data instead of secondary data. More importantly, most of these studies used firm as against industry level analysis in their studies.

METHODOLOGY

In this study, ex-post facto research design was used because the research study involves collection of data from published work such as financial report. A total of 30 companies quoted on the Nigerian stock exchange were examined. The data used in this study were generated from the 2020 annual reports and statements of account.

The models used in this study is a modification of the model formulated and adopted by Erdur and Kara (2014), Malik and Nadeem (2014) and Novrianty and Ely (2015). The functional form specification of the model is given below. It shows that corporate social responsibility as proxied by CSR expenditure is functionally related to return on assets, return on equity, return on investment and net profit margin.

The linear regression models is stated in a functional form as;

ROA = f(CSRE) (1)

ROE = f(CSRE) (2)

ROI = f(CSRE) (3)

NPM = f(CSRE) (4)

Where

CSRE = Corporate Social Responsibility Expenditure

ROA = Return on Assets

ROE = Return on Equity

ROI = Return on Investment

NPM = Net Profit Margin

This equation can be restated in an econometric form as:

$ROA = ao + a_1CSRE + \mu$ (5)

$ROE = ao + a_1CSRE + \mu$ (6)

$ROI = ao + a_1CSRE + \mu$ (7)

$NPM = ao + a_1CSRE + \mu$ (8)

Where
ao = Autonomous or intercept
a_1 = Coefficient of parameter CSRE
μ = Stochastic variable or error term
The research work will make use of the econometric procedure in estimating the effect of corporate social responsibility on performance in organization. The method of analysis is that of simple linear regressions with aid of e-view software.

DATA PRESENTATION AND ANALYSIS

In this section, the data sourced through Annual reports and accounts of the sampled companies were presented.

Descriptive Statistics

This measure the individual characteristics of the variables used in this study. The result of the descriptive statistics is presented in the table below.

Table 1 Result of the Descriptive Statistics

	ROA	ROE	ROI	NPM	CSRE
Mean	0.049793	0.230897	0.153414	0.286414	357.9283
Median	0.031000	0.210000	0.155000	0.271000	316.6000
Maximum	0.149000	0.406000	0.281000	0.613000	2205.000
Minimum	0.002000	0.020000	0.056000	0.023000	114.9000
Std. Dev.	0.042521	0.104742	0.065389	0.117527	380.5482
Skewness	1.110597	0.047875	0.179958	0.474915	4.089729
Kurtosis	2.970373	2.200543	2.151053	4.082885	20.57570
Jarque-Bera	5.962619	0.783362	1.027385	2.507068	454.1024
Probability	0.050726	0.045920	0.598282	0.025494	0.000000
Sum	1.444000	6.696000	4.449000	8.306000	10379.92
Sum Sq. Dev.	0.050625	0.307183	0.119721	0.386751	4054874.

Source: Computed from E-views 8

This table present the summary of statistics used in the analysis. It provides information about the mean, median, maximum and minimum value, standard deviation, skewness, Kurtosis and Jarque Bera of the variables used in the study. The result in table 4.1 provided some insight into the nature of the selected Nigerian quoted companies that were used in this study. The mean rate for return on asset stood at 0.049793 while those of return on equity, return on investment, net profit margin and CSR expenditure stood at 0.230897, 0.153414, 0.286414 and 357.9283 respectively. Some of these variables recorded values of standard deviation that is lower than the values of their respective means. This implies that there is a small variation between these variables in the respective companies.

Another important statistics is skewness which measures the asymmetry of the distribution of series around its mean, the result of the descriptive statistics shows that all the variables are positively skewed. The positive values for the skewness reveals that the data are skewed right this means that the right tail is long relative to the left tail. Lastly, in table 4.1, the Jarque-Bera (JB) which test for normality or the existence of outliers or extreme values among the variables shows that all the variables with the exception of return on investment are normally distributed.

Test of Hypotheses

In other to examine the effect of the dependent variable (ROA, ROE, ROI and NPM) and the independent variables (CSR expenditure) and to also test our formulated hypotheses, we used a simple linear regression analysis. The interaction based simple linear regression results are presented and discussed below (see appendix two for detailed results).

CSR Expenditure and Return on Assets

Ho: Corporate social responsibility has no significant effect on return on assets.
Hi: Corporate social responsibility has no significant effect on return on assets.

Table 2 Simple Linear Regression Result

Variables	T-Statistics	Prob.
C	4.481383	0.0001*
CSRE	2.011453	0.0309*
R-squared	0.541435	
Adjusted R-squared	0.487032	
F-Statistics	42.00131	
Prob. (F-Statistics)	0.000947	

Source: Computed from E-View Version 8.1

Based on t-statistics value of 2.011453 and p-value of 0.00309, corporate social responsibility expenditure was found to have a positive effect on return on assets and the relationship was statistically significant since its p-value was less than 5% level. This result therefore suggests that we should reject our null hypothesis which states that corporate social responsibility has no significant effect on return on assets. This means that corporate social responsibility has a significant effect on return on assets.

CSR Expenditure and Return on Equity

Ho: Corporate social responsibility has no significant effect on return on equity.

Hi: Corporate social responsibility has a significant effect on return on equity.

Table 3 Simple Linear Regression Result

Variables	T-Statistics	Prob.
C	8.766302	0.0000*
CSRE	2.452898	0.0042*
R-squared	0.617540	
Adjusted R-squared	0.529218	
F-Statistics	32.05117	
Prob. (F-Statistics)	0.000241	

Source: Computed from E-View Version 8.1

Based on t-statistics value of 2.452898 and p-value of 0.0042, corporate social responsibility expenditure was found to have positive and significant effect on return on equity and this relationship was statistically significant since its p-value was less than 5%. This result therefore suggests that we should reject our null hypothesis which states that corporate social responsibility has no significant effect on return on equity. This means that corporate social responsibility has a significant effect on return on equity

CSR Expenditure and Return on Investment

Ho: Corporate social responsibility has no significant effect on return on investment.

Hi: Corporate social responsibility has a significant effect on return on investment.

Table 4 Simple Linear Regression Result

Variables	T-Statistics	Prob.
C	8.283202	0.0000*
CSRE	1.539323	0.1354
R-squared	0.080679	
Adjusted R-squared	0.046630	
F-Statistics	2.369515	
Prob. (F-Statistics)	0.135364	

Source: Computed from E-View Version 8.1

Based on t-statistics value of 1.539323and p-value of 0.1354, corporate social responsibility expenditure was found to have positive effect on return on invetsment which is statistically insignificant since its p-value was greater than 5% level. This result therefore suggests that we should accept the null hypothesis which states that corporate social responsibility has no significant effect on return on investment. Therefore, we conclude that corporate social responsibility has no significant effect on return on investment.

CSR Expenditure and Net Profit Margin

Ho: Corporate social responsibility has no significant effect on net profit margin.
Hi: Corporate social responsibility has a significant effect on net profit margin.

Table 5 Simple Linear Regression Result

Variables	T-Statistics	Prob.
C	8.902213	0.0000*
CSRE	3.716677	0.0007*
R-squared	0.618668	
Adjusted R-squared	0.527678	
F-Statistics	33.13625	
Prob. (F-Statistics)	0.000028	

Source: Computed from E-View Version 8.1

Based on t-statistics of 3.716677 and p-value of 0.0007, corporate social responsibility expenditure was found to have a positive effect o net profit margin and this relationship was statistically significant at 5% level. This result therefore suggests that we should reject the null hypothesis and accept the alternative hypothesis which states that corporate social responsibility has a significant effect on net profit margin.

DISCUSSION OF FINDINGS

This study analyzed the effect of corporate social responsibility on performance in organization. Corporate social responsibility expenditure was used as the independent variable while return on assets, return on equity, return on investment and net profit margin were employed as the dependent variable. Two important statistical tests namely descriptive statistics and simple linear regression analysis were carried out. The descriptive statistics which test for normality the variables shows that all the variables with the exception of return on investment are normally distributed.

The result of the simple linear regression shows that corporate social responsibility has a significant effect on return on assets. This agrees with the findings of Yang (2012) that the CSR disclosure has a significant and positive effect on the firm financial performance. This also agrees with the findings of Novrianty, and Ely (2015), Malik and Nadeem (2014), Erdur and Kara (2014), Shaista and Sara (2014) that CSR has a significant effect on return on assets.

Also, corporate social responsibility proxied by CSR expenditure was found to have a significant effect on return on equity. The finding agrees with the findings of Malik and Nadeem (2014) and Erdur and Kara (2014) that CSR has a significant effect on return on equity. The finding disagrees with the findings of Novrianty, and Ely (2015) that CSR has no significant effect on return on equity. Furthermore, the study found that corporate social responsibility has no significant effect on return on investment.

Finally, corporate social responsibility was found to have significant effect on net profit margin. This finding agrees with the findings of Novrianty, and Ely (2015), Malik and Nadeem (2014), Iqbal, Ahmad, Hamad, Bashir and Sattar (2014) that CSR has a significant effect on net profit margin. This disagrees with the findings of Babalola (2012) that there is an inverse relationship between profit after tax and corporate social responsibility.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect of corporate social responsibility on performance in organization. Corporate social responsibility expenditure was used as the independent variable while return on assets, return on equity, return on investment and net profit margin were employed as the dependent variable. Two important statistical tests namely descriptive statistics and simple linear regression analysis were carried out. The study found that corporate social responsibility expenditure of the companies studied has significant effect on return on assets, return on equity and net profit margin. Base, on the findings, the study concludes that corporate social responsibility has significant effect on performance in organization.

The study recommends that corporate firms in Nigeria should make effort to increase their commitment to social responsibility activities such as community projects and environmental protection in order to enhance performance peaceful coexistence with people within its environment. Management of companies in Nigeria should try as much as possible to be proactive in their approach to social responsibility issues rather than being reactive in order to avoid business distraction from their host communities.

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