BERKELEY PUBLICATION AND RESEARCH INTERNATIONAL
09.30.2019
Journal of African Sustainable Development Vol. 10 No.2

EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON THE PERFORMANCE OF SOME SELECTED CONGLOMERATES IN NIGERIA

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ABSTRACT

The study examined the impact of corporate social responsibility on the financial performance of Quoted Conglomerates in Nigeria. The research design adopted by the study is correlational and the population constitutes of the eight (8) conglomerate companies quoted on the Nigeria Stock Exchange as at 31st December 2011. Due to the data availability of the companies and the fact that they are few in number, the study uses census approach. The study uses secondary data and the instrument used for the collection of the data is documentation. The data used are extracted from the annual reports of the conglomerates, NSE factbooks and Daily official lists of the NSE official lists of the NSE. The data is for the period of 6 years ranging from 2010-2016. The study used Multiple Regression Model as the techniques of analysis using SPSS 20 software. The study found that two of the independent variables (i.e. ER and CP) have significant positive impacts and other one (i.e. EMS) negative impact. In line with the findings of the study, the study concludes that corporate social responsibility plays a significant role on the profitability of conglomerates in Nigeria. Given the fact that corporate responsibility leads to profit realization, management of

Introduction:

The urge and necessity that the business enterprise has some responsibilities towards society besides generating revenues has been in existence for many centuries. Corporate Social Responsibilities being widely accepted by various industries over the years has been repeatedly studied under different names that include corporate citizenship, social responsibility and strategic philanthropy among many others. Irrespective of the caption, the concept of CSR revolves around the core idea of creating "*shared value*". The purpose of CSR is to create value for the firm, its consumers and the society as a whole, besides generating higher revenues

ISSN: 1334-4977

conglomerate should ensure that the responsibility is inbuilt into their policy statements and back it up with effective budget.

Keywords: *Corporate Social Responsibility, Financial Performance, Conglomerates, Social Performance, Environment*

(Sprinkle & Maines, 2010).

CSR simply means that business enterprises in the cause of discharging their day to day activities for the purpose of profit realization should also take into consideration the effect of their activities on the members of the society in which the companies are residing and the environmental sustainability of their operations.

The origin of CSR in the Nigerian context can be traced back to the presence of unbridled of oil in the southern part of Nigeria (South-South Geo-Political Zone). The discovery of the oil brought a serious conflict between the companies and the environment. On one hand, members of the community are complaining of environmental degradation that led to various types of hardships and on the other, the companies are not willing to accept that they are the major cause of the hardships. These conflicts of interest led to the emergence and implementation of CSR. The overall objective being protecting human rights against corporate abuses and on that basis various legislations designed to regulate business and industry in Nigeria were come up with that includes recognition of public interests by companies (Gunu, 2008).

There is much debate over the years regarding how CSR influences on financial performance of firms. The empirical studies have never been in accord. Some found a positive correlation; others determined a negative one, others found no correlation at all, while others found that, it affects companies differently. Barnett (2007) argues that the impact of CSR varies from one firm to the other. Okwoma (2012) seems to provide support as he tested on effect of CSR on FP of commercial banks in Kenya. Results indicated that CSR is good for the financial health of large and medium sized banks but not small banks. Flammer (2013) tested whether CSR led to superior performance. The results indicated a positive relationship but the influence is less strong when companies engage in higher CSR levels. This advocated for the notion that CSR has decreasing positive effects when the levels of CSR increase.

Most corporate managers believe that business operations should go beyond the simple prospect of money making. Thus, managers should try as much as possible to incorporate the interest of the employee, business partners, customers, shareholders and the society at large into their decision making which offers the best guarantee for consistent profitability. This view in favour of CSR implementation creates difficulty on measuring the real effect of the implementation on consistent profitability of companies. This has become more compounded as various ratios for measuring profitability exists. Against the above backdrop, this study is undertaken with a view to evaluating the effect that implementing CRS has on the financial performance of some selected business conglomerates quoted on the NSE.

Statement of the Problem

Conglomerates face the problem of managing conflicts with the immediate environment in which the business units are established and in an effort to address that most of the conglomerates embark on Corporate Social Responsibility (CSR).

The need for established social responsibilities and ethical frameworks in business has become a main priority in our current society. The prominence of CSR initiatives today hint that executives' perceptions of such policies have shifted from an unnecessary addition to a critical business function.

Over a long time, "shareholder first" which came from free market economics were prevalent, corporate social responsibility had not receive deserved attention. Currently, the world is facing worsening the imbalance in income distribution, extreme poverty, environmental pollution, corruption, crime and many other social issues. While the reality had proved that: the market without restraints can't effectively solve the above issues, on the contrary may exacerbate them; the governments and other social organizations also lack of capacities to solve all of these problems.

Although, series of arguments based on researches are found in literature as to the relevancy or irrelevancy of CRS on the hosting environment, there is no unanimous agreement on the subject matter due to peculiarities of settings and the variations of methodology adopted by the studies. Some of the studies argue in favour of CSR as it leads to profitability increments, societal and environmental stabilities. Others argue that it is a waste and unnecessarily leading to diversion of companies' resources to projects that have no explicit bearing on profit motive.

Against the above backdrop, there is every need to evaluate empirically the effect of adopting CSR on the financial performance of quoted conglomerates in Nigeria.

Research Questions

The following research questions are raised for the purpose of this study:

i. To what extent does the societal expenditure by conglomerates affect their financial performance?
ii. To what extent does the environmental expenditure by conglomerates affect their financial performance?

Objectives of the Study

The major objective of the study is to evaluate the effect of CSR on the financial performance of conglomerates in Nigeria. Other specific objectives are:

i. To evaluate whether societal expenditure affect financial performance of conglomerates in Nigeria.
ii. To evaluate whether environmental expenditure affect financial performance of conglomerates in Nigeria.

Statement of Hypotheses

The following research hypotheses are hereby postulated to guide the study:

$H0_1$: Societal expenditure by conglomerates has no significant effect on their financial performance;

$H0_2$: Environmental expenditure by conglomerates has no significant effect on their financial performance.

Significance of the Study

This study will be significant to accountants, corporate drivers, business consultants, shareholders, government regulators, interested groups, third party assessors, academics and the concerned civil society.

Scope of the Study

The study examines the effects of corporate social responsibility on the performance of quoted conglomerates in Nigeria. The study covered the period of five years (5yrs) ranging from 2012-2017. The time frame is chosen due to time availability of data. The variables of measurement are, Return on Asset (ROA) which is to be used in measuring financial performance, while societal

expenditure (SE), environmental expenditure (EE) and employees' expenditure are to be used in measuring CSR. The Scope focus on ten (10) Conglomerates firms operating in Lagos. These are: Lafarge Africa (WAPCO industries), GlaxoSmithKline Nigeria, Nestle Nigeria, Nichols, Transnational Corporation of Nigeria, NCR (Nigeria), Greif Nigeria (VANLEER), Caverton offshore support, R.T. Briscoe, Phama-Deko, Nigeria-German Chemical, Total Nigeria, Roads Nigeria, Meyer and Chams.

Materials and Methods

Materials

Concept of Corporate Social Responsibility (CSR)

From the perspective of McComb (2002), he views corporate social responsibility as the capability of a firm, organization or companies to associate itself with value ethics such as community relations, employee relations, accountability, transparency and compliance with host country rules and regulations in relating to the community in which the operate. In a similar line of argument Hill, Ainscough, Shank, and Manullang (2007), are of the view that CSR should be seen as the way in firms influence in a positive direction in terms of economic, moral and legal obligations with respect to the quality of life in their host communities. In a summarized version Baker (2004), defined corporate social responsibility as the capacity of companies to manage business activities so as to create positive impact on the host community.

From organizational perspective, the European Commission (2001) defined CSR as a "concept which makes companies decide voluntarily to contribute to a better society and a cleaner environment by integrating social and environmental concerns in their business operations and in their interaction with their stakeholders". University of Miami (2007), define corporate social responsibility "as a means of analyzing the inter-dependent relationships that exist between businesses and economic systems, and the communities within which they are based". According to the European Environmental Agency (2012), "CSR is mainly a chosen and deliberate process whereby businesses desegregate social and environmental concerns in their business and their interaction with stakeholders".

From a different angle, Lohman and steinholtz (2004) stated that "CSR concepts is a combine of three separate agenda namely sustainability, corporate accountability and corporate governance". Society is key to any company and

continue to realise benefits, they must be held at priority. Lohman and steinholtz (2004) stated that the customer is the main CSR driver to the company.
According to Moir (2001), CSR is the abiding commitment by businesses to act morally and justly and contribute to economic development while bettering the quality of life of their workforce and their families as well as the local community and society in general. Werther and Chandler (2006) suggested that CSR involves the relationship between companies and the physical and social environments in which they operate. These are just a few, yet diverse, definitions of CSR. However, this study adopted the definition given by McComb (2002).

Concept of Financial Performance

Financial performance is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. Different measures have been used to determine financial performance of a firm which includes return on sales reveals how much a company earns in relation to its sales, return on assets determines an organization's ability to make use of its assets and return on equity reveals what return investors take for their investments.
The empirical literature examines how financial factors, such as profitability, liquidity, efficiency have an influence on the firms' financial performance and growth. Debt leverage is measured by the ratio of total debt to equity (debt/equity ratio). It shows the degree to which a business is utilizing borrowed money. Companies that are highly leveraged may be at risk of bankruptcy if they are unable to make payments on their debt; they may also be unable to find new lenders in the future. Leverage is not always bad, however; it can increase the shareholders' return on their investment and make good use of the tax advantages associated with borrowing Khamrui, (2012).
The size of the firm affects its financial performance in many ways. Large firms can exploit economies of scale and scope and thus being more efficient compared to small firms. In addition, small firms may have less power than large firms; hence they may find it difficult to compete with the large firms particularly in highly competitive markets. On the other hand, as firms become larger, they might suffer from inefficiencies, leading to inferior financial performance Khamrui, (2012).

Review of Related Empirical Studies

The following studies were reviewed in order to ascertain what has been covered so far by other researchers and the gaps that are left unfilled.

Querol-Areola (2017) carried out a study entitled "The Relationship of Corporate Social Responsibility and Financial Performance under Corporate Governance Aspects in Selected Southeast Asian Companies". This study examines the Corporate Social Responsibility and Financial Performance relationship among selected companies in the ASEAN countries of Indonesia, Malaysia, Philippines and Thailand during a 10-year period ending 2015. Financial performance was determined using financial ratios of Return on Assets, Return on Equity, Return on Capital Employed, Gross Margin, Net Profit Margin, Earnings per Share, Price to Earnings Ratio, Price to Book Value Ratio, Price to Cash Flow Ratio and Dividends Yield Ratio. Corporate Social Performance was determined using author-created sustainability scoring based on the presence or absence of identified Corporate Social Responsibility reporting factors for the year.

The relationship of Corporate Financial Performance and Social Performance was statistically determined using Pearson Product Moment Correlation, with other variables namely company size and level of risk. The study revealed mixed results whereby the CSR and Financial Performance of selected companies in the Southeast Asian countries of Indonesia, Malaysia, Philippines and Thailand exhibited positive, negative and neutral correlation at various significance levels. Consistent with previous studies, the Southeast Asian corporate situation illustrates a mixed relationship between Financial Performance and Corporate Social Responsibility performance following the theories described under the Stakeholder theory, the Shareholder theory and some aspects of New Corporate Governance. The study further suggests that regardless of financial situation, Southeast Asian companies are encouraged to perform well in the environment, social and governance standards.

Oikonomou (2011) carried out a study entitled "empirical investigations of the relationship between corporate social and financial performance". This study attempts to investigate the wealth-protective effects of socially responsible firm behaviour by examining its association with equity risk for an extensive panel data sample of S&P 500 companies. Special consideration is given to downside risk and investor utility. The main findings are that corporate social responsibility is negatively but weakly related to systematic firm risk and corporate social irresponsibility is positively and strongly related to financial

risk. However, the risk–return trade-off appears to be such that no clear utility gain or loss can be realized by investing in firms characterised by specific levels of social and environmental performance. Overall volatility conditions are shown to play a moderating role in the nature and strength of the corporate social performance-risk relationship.

Mukherjee (2017) carried out a study entitled "Mandated CSR expenditure: the Indian experience. In the study, India as an example of the success or otherwise of taking decisions related to CSR largely out of the hands of management was used. The study analysed the impact that the mandatory CSR regulation may have on investors' perceptions about what the resulting increased expenditure on CSR will have on corporate profitability, and then the work investigates how the companies perceive the mandatory CSR regulation. The study uses the flow of information relating to the introduction of mandatory CSR expenditure in India as a means of measuring investor perceptions of the impact that the resulting increase in CSR expenditure will have on company profitability. The used both event study and regression analysis and find that when mandatory CSR spending was first mooted in mid-2008, investors expected that more CSR expenditure would increase future corporate profitability. However, by the time the legislation was passed in August 2012, these expectations had changed to the opposite view.

The study also investigates the drivers and barriers of CSR expenditure, determine the attitudes of corporations towards CSR activities and the impact of making CSR spending mandatory. The study surveyed 223 Indian corporations and find that the attitudes of companies on CSR spending largely vary with age, size and type of ownership of firms. The results of this study indicate that the expenditure on CSR in India is very much dependent on the availability of funds. Also, the study provides an explanation for why a large number of Indian companies failed to comply with the requirement under the legislation to allocate 2% of profit towards CSR.

In addition, the study tests both the relationship between CSR expenditure and financial performance, both before and after the legislation was introduced. The study used panel regressions to analyse the direction of the relationship between CSR spending and firm performance, and then the difference in difference regression analysis to examine the overall impact of mandatory CSR regulation on firm performance. The findings suggest that the legislation has fallen short of expectations both in terms of the volume of CSR expenditure that has been

generated, and the purposes to which it has been directed. In particular, it was found that the law has weakened the previously positive relationship between CSR and profitability which can have a perverse effect on the willingness of companies to spend in this area. It was concluded that great care has to be taken when implementing mandatory CSR if it is to be effective.

Bråtenius (2015) study is on The Impact of CSR on Financial Performance - An event study of abnormal stock returns of Swedish companies as a reaction to the release of the Folksam Index of Corporate Social Responsibility. The study aims to investigate whether CSR engagement has a direct impact on financial performance in the form of stock returns. This is examined by using a specific case, namely the release of Folksam's Index of Corporate Social Responsibility report, and is conducted through an event study. The time frame covered is the years of 2006 to 2009, 2011 and 2013, in which the report has been released. The publisher of the report, Folksam, is one of Sweden's largest investment and insurance companies, and the report assesses the CSR engagement within environmental and human rights, for all companies on OMX Stockholm stock exchange, which therefore form the total population examined. To identify the reactions of investors on the report release, three samples are chosen from the total population. These are the 31 top-ranked companies, the 31 bottom ranked companies, as well as those companies identified as "zero-performers", defined as those who received no points at all in the ranking, implying no CSR engagement.

The event study methodology used follows a classical approach, by using the market model for estimation of normal and abnormal returns. The estimation window covers the 126 days prior to the event window, and the event window covers the day before the event to the third day after the event day, i.e. day -1 to 3. Thereafter, cumulative abnormal returns, as well as abnormal returns, are calculated to assess the potential impact of the report on stock returns. 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. Moreover, the results show that the number of companies not engaging in CSR at all has decreased.

Gunu (2008) studied the influence of corporate social responsibility on the performance of banks by using Zenith bank as the case study. The study

considered CSR as the independent variable while profit after tax (PAT), total assets (TA), dividend (DIV) and gross earnings (GRE) as the individual dependent variables. The study used secondary data from financial statements of Zenith Bank within the period of 2002-2006 and by means of simple regression analysis the study finds that corporate social responsibility is significantly related to PAT, DIV, TA and GRE. It was recommended that organisations should make efforts to be socially responsible in order to ensure harmony in the communities in which they are operating.

Uadiale and Fagbemi (2011) examined the impact of CSR activities on financial performance in developing economies. The study considered employee relations (ER), company performance (CP) and environmental management system (EMS) to be the independent variables, while the individual dependent variables were measured with Return on Equity (ROE) and Return on Assets (ROA) in Nigerian companies. The study used a sample of forty audited financial statements of quoted companies in Nigeria. The results showed that CSR has a positive and significant relationship with the financial performance measures.

Methodology

The research design adopted by the study is correlational. It involves investigating relationship between two or more variables with the hope of establishing whether effect or lack of effect exist between the variables under study.

The population of this study consists of the fifteen (15) conglomerate companies quoted on the Nigeria Stock Exchange as at 31st December 2012. Due to the data availability of the companies, the following conglomerates are purposively selected: Lafarge Africa (WAPCO industries), GlaxoSmithKline Nigeria, Nestle Nigeria, Nichols, Transnational Corporation of Nigeria, NCR (Nigeria), Greif Nigeria (VANLEER), Caverton offshore support, R.T. Briscoe, Phama-Deko, Nigeria-German Chemical, Total Nigeria, Roads Nigeria, Meyer and Chams.

The study used secondary source of data collection. The data was extracted from the annual reports of the conglomerates, NSE factbook and Daily official lists of the NSE. The data is for the period of 5 years ranging from 2012-2017. Secondary data is considered appropriate given the fact that the study is correlational in nature and is basically attempting to establish effect or lack of it under the study variables.

Data was statistically analyzed to establish the measures of central tendency that include the mean, and standard deviation highlighting the key findings. Inferential statistics was used to establish the relationship between the variables of the study. Analysis of variance (ANOVA) and Pearson Product Moment Correlation Coefficient (PPMCC) was used to determine if there is significance relationship among the variables. In an attempt to estimate the goodness of fit of the models R^2 will be used to determine the extent to which the dependent variable is predicted by variation in the independent variables. Apart from using the R^2, descriptive statistic and Correlation Matrix, will also be used in order to explain the relationships. All these analyses are to be done by using International Business Machine (IBM) software. Linear Regression models are used because they are simple but powerful analytical tool that provide results in predicting numeric output when properly structured. They also allow examining the effect of many different predictor factors on some expected outcome in a linear relationship of constructs.

The study will adopt a linear regression model to test the relationship between the variables in expenditures on project execution measured by societal expenditure (SE), environmental expenditure (EE) and employees' protection expenditure (EPE) as the independent variables and CSR integration as the dependent variable. The empirical model is thus:

The model for the study is specified thus:

$CSRPRACT_{it} = f(SE_{it}, EE_{it}, EPE_{it})$

The above equation can be written in more detail form as follows:

$$CSRPRATit = \beta 0 + \beta 1EEit + \beta 2SEit + \beta 3EPEit + Uit$$

Where

CSRPRACT = corporate social responsibility practices of SPDC

SE = *Societal Expenditure*

EE = *Environmental Expenditure*

EPE = *Employees Protection Expenditure*

β0 = intercept/constant term

β1, β2, β3 = coefficients of determination

Uit = error term

Tests of Significance

Whereby Y is the dependent variable, β0 is the regression constant or Y intercept β1….β3 are the coefficients of the regression model. Coefficient of determination

was used to establish whether the model is a good predictor. The test of significance was the ANOVA test.

The decision rule is that if F > Fa (k-1, n-k), Ho is rejected where Fa(k-1, n-k) is the critical F value at the 5% level of significance and (k-1) is numerator degree of freedom while (n-k) is the denominator degree of freedom. Alternatively, if the p value of F is sufficiently low, the Ho is rejected. The null hypothesis is rejected if there is evidence that the estimates for alpha are zero or close to zero. In addition, the F-value should not be statistically significant. Furthermore, to test the significance of the coefficients of individual variables, the t- test is employed. The null hypothesis and the alternative hypothesis of the two-tailed t test are stated as follows:

Ho: $\alpha_1, = 0$ and Hi : $\alpha_1 \neq 0$.

The t statistic is defined as:

$$t = \frac{(\alpha_1 - \alpha_0)}{S \alpha_1}$$

Where

α is the estimate,

$S \alpha_1$ is its standard error and

α_0 is set equal to zero.

Under the null hypothesis, it has a t distribution with n − k degree of freedom, n is the number of observations and k is the number of parameters. The decision rule is that if the computed t is greater than the tabulated 't' at 5% level of significance, the null hypothesis is rejected implying that the coefficient estimated is significantly different from zero.

The following table 3.1 presents the variables used in the respective models above and their measurements.

S/N	*Variable*	*Symbol*	*Measurement of Variables*
1	*Return on Assets*	*ROA*	*Profit after Tax/Total Asset*
2	*Societal Expenditure*	*SE*	*Log of Expenditure amounts on Society*
3	*Environmental Expenditure*	*EE*	*Log of Expenditure amounts on Environment*
4	*Employees Relation Expenditure*	*ERE*	*Log of Expenditure amounts on Employees*

Findings, Discussion of Results and Analysis

As earlier stated, the study used regression model in order to provide basis for testing the three hypotheses. Multiple regression model has been employed to predict the relationship between the independent variables (i.e. CP, ER and EMS) and the dependent variable (i.e. ROA).

Table 1: Descriptive Statistics of the Variables

	Mean	Std. Deviation	N
ROA =Profit After Tax/Total Assets	.067473	.0572253	48
Employee Relations (Employee Expenditure)	.916667	.2793102	48
Company Performance to the Community (Societal Expenditure)	.458333	.5035336	48
Environmental Management System (Environmental Expenditure)	.604167	.4942040	48

Source: Output from SPSS

From table 1 above, the variable with the highest mean value is employee relations with a value of 0.9167; it is then followed by environmental management system with a value of 0.6042. The least value in terms of mean is ROA with a value of 0.0675. In terms of standard deviation which deals with variables variability, the highest value of 0.5035 is found in Company performance to the community, and then followed by environmental management system with a value of 0.4942. The variable with least variability value is ROA.

Table 2: Correlation Matrix of the Variables Correlations

		ROA=Profit After Tax/Total Assets	Employees Relation	Company Performance to the Community	Environmental Management System
Pearson Correlation	ROA =Profit After	1.000	.265	.045	-.328
	Tax/Total Assets	.265	1.000	-.025	-.090
	Employees Relation	.045	-.025	1.000	.317

	Company Performance to the Community Environmental Management System	-.328	-.090	.317	1.000
Sig. (1-tailed)	ROA =Profit After Tax/Total Assets	.	.035	.380	.011
	Employees Relation	.035	.	.432	.272
	Company Performance to the Community	.380	.432	.	.014
	Environmental Management System	.011	.272	.014	.
Observations		48	48	48	48

Source: Output from SPSS

Table 2 showing correlation results of the variables under study. The highest correlation value is found as a result of correlation between ROA and environmental management system which appeared negative with a value of 33%. It is then followed by a positive correlation of 32% which happened to be between company performance to community and environmental management system. The least correlation value of 2.5% is found between employee relations and company performance to community which is also negative. A negative correlation implies that when the value of one variable increased the value of the other decreased. In the case of positive it means that the variables are moving in tandem. The two highest correlation values earlier mentioned appeared significant at 5% level of significance but the least correlation value happened to be not significant at all.

Regression Results

The following table presents regression results between the dependent and the independent variables under study. The table includes T-values and P-values of the variables. The preliminary analysis of the data is first conducted and thereafter the multiple regression analysis is conducted. The results are presented and interpreted below:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.963[a]	.928	.912	1021955.23462
a. Predictors: (Constant), employee protection exp, societal exp, environment exp				

The model summary table show that there is a significant strong positive correlation between the dependent and independent variables as indicated by a strong R of 0.963. Similarly, the R^2 which is a measure of the strength of association or variance in the dependent variable that can be explained by the independent variable also reveals a statically strong significant positive relationship of 0.928. This implies that a 1% increase in CSR will lead to 96.3% increase in financial performance of conglomerates firms listed on NSE. Also the value of R^2 adjusted of 91.2% implies that the variation in CSR is explained by societal expenditure, environment expenditure and employee protection expenditure taken into account the sample size and number of independent variables. Therefore, the estimated result can be used for forecasting because of appropriate correlation among the independent variable.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	175358.470	3	584526.820	55.968	.000[b]
	Residual	135770.416	13	104439.955		
	Total	188935.880	16			
a. Dependent Variable: CSR project fund						
b. Predictors:(Constant), employee protection exp, societal exp, environment exp						

From the ANOVA table the F value is 55.96 and is significant because the significance level is 0.000 which is less than P = 0.05. This implies that over all

regression model is statistically significant. The regression model result implies that all independent variables are highly significant in explaining that there is a positive and significant relationship between the dependent variable and independent variables.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-9010635.966	2370467.034		-3.801	.002
	societal exp	1.941	3.601	.155	.539	.599
	environment exp	-53.436	38.385	-.478	-1.392	.187
	employee protection exp	25.851	6.441	1.273	4.013	.001
a. Dependent Variable: CSR project fund						

The coefficient of determination for societal expenditure (SE) of conglomerate firms operating in Nigeria is positive (1.941) and is insignificant (0.599) with respect to corporate social responsibility of firms operating the sector. The p-value of 0.599 is greater than the t-statistic value of 0.539. This implies that a naira increase in CSR will lead to 1.941 increase in societal expenditure to the host communities. Therefore, the null hypothesis is accepted that Societal expenditure by conglomerates has no significant effect on their financial performance.

The coefficient of determination for environment expenditure (SE) of conglomerate firms operating in Nigeria is negative (-53.436) and is insignificant (0.187) with respect to corporate social responsibility of firms operating the sector. The p-value of 0.187 is greater than the t-statistic value of -1.392. This implies that a naira decrease in CSR will lead to 53.436 decrease in environment

expenditure to the host communities. Therefore, the null hypothesis is accepted that Environmental expenditure by conglomerates has no significant effect on their financial performance.

The coefficient of determination for employee protection expenditure (EPE) of conglomerate firms operating in Nigeria is positive (25.851) and is highly significant (.001) with respect to corporate social responsibility of firms operating the sector. The p-value of .001 is less than the t-statistic value of 4.013. This implies that a naira increase in CSR project funds allocation will lead to 25.851 increase in employee protection expenditure to the host communities. Therefore, the null hypothesis is rejected and the alternative hypothesis accepted that Employees expenditure by conglomerates has a significant effect on their financial performance.

Conclusion

The study examined the impact of corporate social responsibility on the financial performance of Quoted Conglomerates in Nigeria. The study used Multiple Regression Model as the techniques of analysis using SPSS 20 software. The study found that two of the independent variables (i.e. ER and CP) have significant positive impacts and other one (i.e. EMS) negative impact. In line with the findings of the study, it was concluded that corporate social responsibility plays a significant role on the profitability of conglomerates in Nigeria.

Recommendations

Based on summary and conclusion, the study recommends the following to the various stakeholders.

1. Conglomerate should ensure that the responsibility is inbuilt into their policy statements and back it up with effective budget.
2. The study recommends that at the annual general meeting shareholders should compel the management of their companies to have well-structured corporate social responsibility structure.
3. As corporate social responsibility has cost implications linked up with it, there is the need for the employees to become more effective and efficient in discharging their functions. By being effective and efficient the companies can be able to produce products at less cost which by extension means part of the money saved could be used in attaining responsibility issues.

4. The government should come up with clearly defined regulation on how to go about social responsibility issues of the companies and should ensure its full implementations.

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