

**EFFECT OF CORPORATE SOCIAL RESPONSIBILITY  
PRACTICES ON PERFORMANCE OF MANUFACTURING  
COMPANIES IN NIGERIA.**

*By*

**Muhammed Lawal, SUBAIR**  
MATRICULATION NUMBER: 16/27/MAC027

SUPERVISOR'S NAME

**Dr. (MRS) RAMAT TITILAYO SALMAN**

**BEING A DISSERTATION SUBMITTED AND PRESENTED TO THE  
DEPARTMENT OF ACCOUNTING AND FINANCE, COLLEGE OF  
HUMANITIES, MANAGEMENT AND SOCIAL SCIENCES, KWARA STATE  
UNIVERSITY, MALETE, NIGERIA.**

**IN PARTIAL FULFIMENT OF THE REQUIREMENTS FOR THE AWARD OF  
MASTER OF SCENCE (M.Sc.) DEGREE IN ACCOUNTING**

**SEPTEMBER, 2018.**

ProQuest Number: 13422079

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



ProQuest 13422079

Published by ProQuest LLC (2018). Copyright of the Dissertation is held by the Author.

All rights reserved.

This work is protected against unauthorized copying under Title 17, United States Code  
Microform Edition © ProQuest LLC.

ProQuest LLC.  
789 East Eisenhower Parkway  
P.O. Box 1346  
Ann Arbor, MI 48106 – 1346

## CERTIFICATION

This dissertation titled “Effect of Corporate Social Responsibility Practices (CSR) on performance of manufacturing companies in Nigeria” by Muhammed Lawal, Subair meets the requirement governing the award of Master of Science (M.Sc.) Degree in Accounting, Kwara State University, Malete and is approved for its contribution to knowledge and literary presentation.

\_\_\_\_\_  
**Dr. (Mrs.) Ramat Titilayo SALMAN**  
*Supervisor*

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Dr. Sanni Mubaraq**  
*Co-Supervisor*

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Dr. Emmanuel Imoloame**  
*Head of Department*

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Prof. Subair S.K**  
*Dean, School of Post-Graduate Studies*

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Internal Examiner**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**External Examiner**

\_\_\_\_\_  
**Date**



## **DEDICATION**

This dissertation is dedicated to Almighty Allah for His blessing, guidance upon me.

## **ACKNOWLEDGEMENT**

First and foremost, all praises and thanks to the God, the Almighty for His shower of blessings throughout my research work to complete this research successfully.

I would like to express my deep and sincere gratitude to my supervisor, Dr. (Mrs.) Ramat.Titilayo Salman for giving me opportunity to do research and providing invaluable guidance through this research. Her dynamism, vision, sincerity and motivation have deeply inspired me.

She has taught me methodology to carry out the research and to present the research work as clearly as possible. It was a great privilege and honour to work and study under her guidance. I am extremely grateful for what she has offered me. I would also like to thank her for her empathy and great sense of humour.

I am also delighted to show a big gratitude and appreciation to all my lectures and mentors in person of Dr. Emmanuel Imoloame (H.O.D), Prof. Mashood Lanre Nassaar, Dr.Mubaraq Sanni (Post-Graduate Coordinator, Accounting and Finance ,KWASU,Malete), Mr Mustapha AbdulRasaq (ACA),Mr AbdulSalam Tunde, Mr Lukman, Dr. Yekeen Muftau, Lukman Oke, Dr. Alabi A, Dr. Musa B. all from KWASU,Malete. In addition, my Indefatigable appreciation also goes to my academic mentors in another institutions like Dr.Olaniyi T.O (Unilorin), Mr Abolarin A.F (KP), Mr Elelu Muyideen Olarewaju, Mr Othman Akeem, Mrs Anifowose Baliqees, Mr Saad Tunde and Mr Yusuf Abiodun (Kwara Polytechnic) for their financial and academic advice to see this programme to a conclusive end. May Allaah Rahma be with them all.

I am extremely grateful to my parent Mall Zubair AbdulRahman Bamidele and my caring mother Hajia Rihanat AbdulRahman Zubair Eleyele for their love, prayers, caring and sacrifice for educating and preparing me for the future. I pray to Allah to grant them long life to enjoy the fruit of their labour. I am very much thankful for my wife ‘‘HajiaHassanat T. Shuaib’’and my children ‘‘AbdulBasith Adio’’and Habeebat Araphat Agbeke, for their love, understanding, prayers and continuous support to complete this research work. Also, my sincere appreciation goes to my family members and also to my friends both at home and abroad.

Finally, many thanks go to all people who has supported me directly or indirectly to complete this research work. May almighty Allah reward them abundantly.(Amen)

## **ABSTRACT**

*Many organizations in Nigeria are driven by the need to make extra profits to the detriment of all the stakeholders. Some do not adequately respond to the needs of host communities, employees' welfare (cheap labour often preferred), environmental protection and community development. In view of the identified challenges, this study examined the effect of corporate social responsibility on performance of manufacturing companies in Nigeria. The specific objectives are; (i)examine the effect of corporate social responsibility (such as educational related CSR, community development related CSR and philanthropy related CSR) on perceived customer service delivery in manufacturing companies of Nigeria; s(ii) the effect of corporate social responsibility (such as educational related CSR, community development related CSR and philanthropy related CSR) on perceived employee performance of manufacturing companies in Nigeria; (iii) the effect of corporate social responsibility (such as educational related CSR, community development related CSR and philanthropy related CSR) on financial performance of manufacturing companies in Nigeria.*

*The study employed primary data obtained through questionnaire administration while secondary data were obtained from the financial statements of nine listed manufacturing companies that were into building materials in Nigeria. Ordered logit regression was used to achieve the first and second objectives while panel least square method of multiple regression analysis was used to achieve the third objective.*

*The findings of the study were as follows: The study revealed that corporate social responsibility has positive and significant effect on customer service delivery of manufacturing companies in Nigeria with coefficient value of 6.48 and at 1% significant level, however, the study also revealed that corporate social responsibility have positive and significant effect on employee performance of manufacturing companies in Nigeria with coefficient value of 4.59 and at 1% significant level and Finally, the study revealed corporate social responsibility has positive and significant effect on operational performance of manufacturing companies in Nigeria with coefficient value of 0.060 and at 1% significant level.*

*In line with findings, the study concludes that there is a positive relationship between corporate social responsibility and performance of manufacturing companies in Nigeria. The study therefore, recommends that in terms of financial performance, the management of manufacturing companies should intensify their involvement in corporate social responsibility so as to improve their performance.*

# TABLE OF CONTENTS

Title Page	i
Certification	ii
Dedication	iii
Acknowledgement	iv
Abstract	v
Table of contents	vi
List of Tables	vii
<b>CHAPTER ONE: INTRODUCTION</b>	
1.1 Background to the Study	1
1.2 Statement of the Problem	4
1.3 Research Questions	6
1.4 Objectives of the Study	6
1.5 Hypotheses of the study	6
1.6 Justification for the Study	7
1.7 Scope of the study	8
<b>CHAPTER TWO: LITERATURE REVIEW</b>	
2.0 Introduction	10
2.1 Conceptual Review	10
2.1.1 Corporate Social Responsibility Practices	10
2.1.2 Corporate Responsibility Measures	13
2.1.3 Emergence of Ethical and Social Responsibility	14
2.1.4 Characteristics of Corporate Social Responsibility	16
2.1.5 Performance Evaluation Method	17
<b>2.2 THEORETICAL REVIEW</b>	19
2.2.1 Legitimacy Theory	19
2.2.2 Stakeholder Theory	20
2.2.3 Political Economy Theory	21
2.3 Empirical Review	22
2.3.1 Experience from Developed countries	22

2.3.2 Experience from Developing countries	23
2.3.3 Experience from Nigerian Studies	25
2.4 Summary and Gaps identified in Literature	30
2.5 Theoretical Framework	39
2.6 Conceptual Framework for corporate social responsibilities practices	41

### **CHAPTER THREE: METHODOLOGY**

3.1 Research Design	42
3.2 Population of the Study	42
3.3 Sample Size and Sampling Technique	43
3.4 Sources of Data Collection	43
3.5 Research Instrumentation	43
3.6 Method of Data Analysis	44
3.7 Research Validity and Reliability	44
3.8 Models Specification	45
3.9 A-priori Expectation	48
3.10 Measurement of Variables	48

### **CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS**

4.1 Introduction	50
4.2 Descriptive Data Analysis	50
4.2.1 Descriptive Statistic Table	50
4.3 Discussion of Findings	63

### **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

5.1 Summary	65
5.2 Conclusion	65
5.3 Recommendations	66
5.4 Suggestion for Further Studies	67
5.5 Contributions to Knowledge	67
5.6 Limitation and Delimitation of the Study	67
References	69
Appendix I	72
Appendix II	76

## **LIST OF TABLE**

Table 4.1: Demographic characteristics of respondents	38
Table 4.2: Validity Tests	39
Table 4.3: Reliability Statistics	40
Table 4.4: Inferential Statistics	40
Table 4.5: Correlation Coefficients	42
Table 4.6: Ordered Logic Regression for CSD	43
Table 4.7: Result of Ordered Logit Regression for EP	45
Table 4.8: Result of Fixed Effect and Random Effect Models for PAT	46
Table 4.9: Result of Fixed Effect and Random Effect Models for DIV	48
Table 4.10: Hausman Test	50
Table 4.11: Fitness of the Models	50

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

The Concept of Corporate Social Responsibility (CSR) differs quite substantially from countries to countries. The effective practice of Corporate Social Responsibility in Nigeria is a serious menace to most of companies as expectations of the public and host community is not adequately met. Many of the initial demand for more responsible business behaviour such as the protection of the environment, improvement in working conditions and developing the host community to meet the interest of the stakeholders. Traditionally, the role of manufacturing companies is fast beyond profit maximization but to provide social responsibilities to their host community stakeholders and public at large in order to boost the country's economy such as community development, philanthropy and educating the public as well the companies' staff to be more productive. Hence, the practice of irresponsible social practice has brought a set back to the Nigeria economy.

Corporate Social Responsibility (CSR) is essentially a US idea where the language and its practice were first emerged. Also, most of the academic literatures originate from US. The main reason for this lies in the specific characteristics of the United State business system. As such, American society is characterized by fairly unregulated market for labour and capital, low level of welfare state provision and a high appreciation of individual freedom and responsibility. Consequently, many social issues such as education, healthcare or community investment have traditionally been at the core of Corporate Social Responsibility. Philanthropy is high on the agenda with, for instance, corporate community contributions by United State companies being something like than ten times higher than those of their British counterparts (Brammer & Pavellin, 2005). In other parts of the world, most notably Europe, the far East, and Australia, however, there has always been a stronger tendency to address social issues through governmental policies and collective action.

The global importance in CSR is on the rise beyond gaining economic profit, more and more organizations respect social issues related to the surroundings where they operate. Environmental protection and human rights, customer relationship management,

developing the local environmental and community, supporting suppliers and increasing supplier diversity, improving education and healthcare conditions in developing countries are among most addressed social issues. Proponents of CSR claim that organizations need to respect interest and contribute to social benefit of society while sustaining operating activities. In contrast, opponents claim that, organizations do not necessarily need to consider the interest of wider society, since the existence of organizations already provides opportunities for society; organization need to focus on their main activities in order to maximize profit.

Recently, Nigeria manufacturing companies has contributes lower rate to development of the country as against the expectation of both individual and general public is not properly achieved. These companies are expected to develop their host community as additional motives of business operations but rather focus on extra-profit actualization and neglecting the corporate social activities. Hence, greater involvement in Corporate Social activities by Nigeria manufacturing firms' would in turn promote the business and help in greater profit maximization, positive business image, stakeholders' wealth maximization and economic growth and development.

Although, engagement in Corporate Social Responsibility (CSR) implies extra cost for the company, the first objective of management is profit maximization; companies need more certainties about the increase in value that the effective practice of CSR brings. Indeed, the quality of the earth has been adversely affected by business organizations; it has also imposed considerable social and economic cost on livelihood and therefore became a serious threat to sustainable development. The increasing level of industrialization has caused a saturated, even a depletion of natural resources; which may likely affect the future equilibrium of the world. Considering the current environmental crisis, businesses must give more to their environment i.e their host community (Crane, Matten & Spence, 2008).

Organizations have the responsibilities to society that extend beyond making profit. It is the obligation of the firm's decision makers to make decisions and act in ways that recognize the relationship between the business and society. It is therefore important for a business to continue in its commitment to behave ethically and contribute to economic

development while improving the quality of life of the work force and the surrounding community at large. This can be achieved through the various Corporate Social Responsibility (CSR) activities that the business chooses to engage so as to enhance present and future operations.

CSR has grown significantly, incorporating a great proliferation of theories, approaches and terminologies, such as social issues management, sustainable development, sustainable entrepreneurship, and business ethics with the aim of addressing issues confronting various organizational performances. Organizations should conduct their affairs in such a way that will promote the interests of the stakeholders and enhance performance (Cecilia & Schants, 2017). Companies are therefore expected to embrace environmental concerns in business operations. Mullerat and Brennan (2015) opined that sustainable and socially responsible business organizations recognized the necessity to operate a green business agenda while accepting environmental stewardship as an indivisible whole of business operations. This acceptance includes a willingness to operate transparently and engage actively; seeking opportunities for improvement through the use of eco-efficient solutions by developing new technologies, employing life-cycle perspectives in resource and product stewardship, and positively addressing biological diversity (Adegbite, Amiolemen, Ologeh & Oyefuga, 2017).

According to Ekwueme (2017) the big corporations once looked upon as the exclusive concern of its owners is now viewed as being responsible to the society. This implies that companies are no longer paying attention to the maximization of shareholders wealth alone but are embracing activities that tend to maximize the benefits accruable to all the stakeholders. This to a larger extent means that companies are responding positively towards issues of sustainability. Thus, White (2015) asserted that the pressure for corporations to reassure the public of their good behavior has increased, organizations are paying attention to their stakeholders as well as their stockholders. However, in Nigeria it has become increasingly concerned that greater influence and progress by firms have not been accompanied by equal efforts and desire in addressing important social issues including problems of poverty, drug abuse, crime, improper treatment of workers, faulty production output and environmental damage or pollution by the industries as it has overtime been reported in the media (Mullerat, Umoh & Brennan, 2015). Hence, this

study examines the effect of Corporate Social Responsibility practices on the performance of listed manufacturing companies in Nigeria.

## **1.2 Statement of the Problem**

Corporate Social Responsibility is a deliberate action where organizations adopt strategies aligning their operations to the interest of stakeholders. However, pursuing Corporate Social Responsibility is a voluntary decision for business in support of its host community even though social pressures have influenced many firms to integrate social responsibility concerns in their strategic plan as the believes of the public.

Today, Nigerian manufacturing sector has been bedeviled with internal (workers and investors) and external (general public) dissatisfaction, culminating to an image problem. According to Campbell (2017), there are instances when corporations in Nigeria exhibit socially irresponsible corporate behavior, such as deceiving customers, swindling investors, putting consumers at risk, poisoning the environment and cheating the government. In Nigeria, the society has become increasingly concerned that the progress by firms has not been accompanied by equal efforts and desire to address important social issues including problems of poverty, improper treatment of workers, faulty production output and environmental damage or pollution by the industries (Richard & Okoye, 2013).

Many organizations in Nigeria are driven by the need to make extra profits to the detriment of all the stakeholders. Some do not adequately respond to the needs of host communities, employees' welfare (cheap labour often preferred), environmental protection and community development (Osemene, 2012). Furthermore, Fauzi (2009) and Osemene (2012) carried out a study on Corporate Social Responsibility and performance of firms and result showed that there is a significant impact of CSR on performance of companies. However, previous studies (such as Omoro, Kinyua and Okiro, 2014 and Iqbal, Ahmad, Hamad, Bashir and Sattar, 2014) discovered that CSR has no effect on financial performance of firms. It is due to these inconsistent results that necessitated the need to re-evaluate other important CSR variables that could determine company performance as well as consider longer time frame since their research covered only four years.

The poor response to educational related Corporate Social Responsibility by Nigerian manufacturing companies has a serious effect on organizational performance in term of productivity as most companies considered investment on educational related, philanthropy related Corporate Social Responsibility as irrelevant which has no positive impact on companies' performance. The proponent of CSR dimension believes that educating both internal and external people surrounding the corporation would in turn improve the productivity, increase the individual standard and move the organization forward. Also, greater investment in capital project to develop the community also serves as one of the important dimensions of CSR where its effectiveness would better promotes the corporation and affects the company's performance.

However, the low turn up by Nigeria manufacturing companies also has serious relationship with firm performance as expectation of public and stakeholders' on most manufacturing companies is to incurred greater investment on community development like capital project as this would has significant effect on performance of the companies. The poor rate of most manufacturing companies in Nigeria specialized in building materials product as against the norm of its host community has seriously affect the performance and country's development because most of these companies engaged in chemical product and these products manufactured was basically conserved from the ground through the extraction means. Therefore, the community where the company is situated is expected to be highly compensated by keeping the community move with modern development.

Finally, lack of philanthropy related Corporate Social Responsibility is also a serious issue of CSR dimension as most of the manufacturing companies neglecting it and focus on making profit without considering rendering financial assistance to the needy area. This is also considered as important aspect of activities expected from companies as positives responses to this CSR dimension would assist in actualizing positive result on both companies operational and financial performance. However, it is on this note that this study intend to examined the effect of Corporate Social Responsibility Practices on performance of manufacturing companies in Nigeria as this study focus on both operational such as customers' service delivery and employees' performance while profitability and dividend per share were used to measure financial performance. More

also, the CSR was also measure with Educational related, Community Related and Philanthropy related as against the previous related studies like Pan,Sha,Zhang and Ke (2014), Omoro, Kinyua and Okiro (2014), Muhammad (2017), Amadi and Ndu (2018) which neglect both educational and philanthropy related Corporate Social Responsibility.

### **1.3 Research Questions**

Based on the above identified problem statement, the following research questions were formulated for the study:

- i. What is the effect of educational related Corporate Social Responsibility practices on firm performance?
- ii. How often does community development related Corporate Social Responsibility practices affect the firm performance
- iii. To what extent does philanthropy related Corporate Social Responsibility practice affects the performance of the firm.

### **1.6 Objectives of the Study**

The general objective of the study is to examine the effect of Corporate Social Responsibility practice on performance of manufacturing companies in Nigeria while the specific objectives are to:

- i. to examine the effect of educational related Corporate Social Responsibility practice on organizational performance
- ii. to evaluate the effect of community development related Corporate Social Responsibility practice on firm performance.
- iii. to assess the effect of philanthropy related Corporate Social Responsibility practice on firm performance.

#### **1.6.1 Hypotheses of the study**

The hypotheses and sub-hypotheses formulated for the study were stated in null form ( $H_0$ ) to include:

- $H_{01}$ : Educational related Corporate Social Responsibility does not have significant effect on firm performance.
- $H_{02}$ : There is no significant effect of community development related Corporate Social Responsibility on performance of manufacturing companies in Nigeria.

Ho<sub>3</sub>: There is Insignificant effect of philanthropy related Corporate Social Responsibility on firm performance.

### **1.7 Justification for the Study**

Most studies (such as Omoro, Kinyua and Okiro, 2014 and Iqbal, Ahmad, Hamad, Bashir and Sattar, 2014)) focused on CSR and financial performance. However, there is need to examine the effect of Corporate Social Responsibility practices on the operational performance of manufacturing companies in Nigeria. Hence, this study focused on CSR and operational performance of manufacturing companies in Nigeria. The study covers operational performance such as customers' satisfaction and employees' performance while profitability and dividend per share were used to measure financial performance.

Furthermore, most of the previous studies Pan,Sha,Zhang and Ke (2014), Omoro, Kinyua and Okiro (2014), Muhammad (2017), Amadi and Ndu (2018) focused on community development related CSR while neglecting the effect of educational related CSR which has become the major aspect of CSR in Nigeria. The previous study Omoro, Kinyua and Okiro (2014), Muhammad (2017), Amadi and Ndu (2018) also ignored the impact of philanthropy related CSR on performance of companies in Nigeria. Hence, their estimates could hardly be free from the bias caused by these omitted variables and therefore little reliance could be placed in their findings. As such, this study is distinct from the previous related studies because, the study considered the philanthropy and educational related Corporate Social Responsibility and also study both operational and financial as a tool for firm performance.

However, this study is of importance to manufacturing manager, the government, policy makers/formulators, researchers and academics. The management of the manufacturing companies in Nigeria charged with the responsibility of deploying capital with an objective of maximizing shareholders wealth. This study is of significant benefit to them by providing information on how CSR affects firm performance.

The study on manufacturing companies is very important to the government and policy makers in Nigeria due to the contribution of manufacturing companies to the Nigeria economy in both term of employment and GDP. Policy makers will be enlightened to make policies relating to CSR and ascertain the appropriate guidelines to be put for

governing the manufacturing companies. The study has also added value to the business community especially manufacturing entrepreneurs who have or are in process of setting up their business. This study has allowed them to practice Corporate Social Responsibility as it improves its both operational and financial performance. This study also added value to the academic community because it has shed more light in the CSR activities on Nigerian manufacturing sector and its impact on the performance as well as for those who want to undertake further research on CSR.

More also, The study is important because it will contribute to theory building on the concept of Corporate Social Responsibility practices and also act as a theoretical reference point for business scholars and investment experts in different countries. Students and academics who wish to carry out further research in this area can review the study literature and establish gaps for further studies. The study is crucial since it helps in building the existing policy frameworks for Corporate Social Responsibility practices in Nigeria. Public participation policy and social value addition policy in the field of sustainability accounting can be advanced from the findings of this study. It will also help to improve corporate outreach policy reforms, specifically the art of giving back to the society in Nigeria. The findings of this study will help the senior business managers tasked with the planning and management of the CSR projects to better their service delivery through emphasis on unique areas that offer more value and high quality in order to fast track the delivery process. The findings of the study can also be co-opted by managers of public companies and NGOs in enhancing community outreach programs.

### **1.7 Scope of the study**

The study focused on Corporate Social Responsibility practices and performance of listed manufacturing companies in Nigeria. Hence, the selection of building and materials manufacturing companies quoted on the Nigerian Stock Exchange. The choice of building and materials manufacturing companies was because some of the selected companies involved in chemicals products that are conserved from the ground through extraction process. The study covered the activities of selected manufacturing companies over a period of nine years (2007 - 2016). The justification for choice of 2007 is based on the fact that secondary data on Corporate Social Responsibility practices became

prominent in financial statements of companies in 2007 while 2016 was also chosen because as at the time the study was carried out, the 2017 financial statement of most of the selected companies were yet to be released.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter comprises of various conceptual issues on Corporate Social Responsibility practices and firm performance. It also consists of theoretical underpinning that serves as the basis for the various and empirical evidence from various authors.

#### **2.1 Conceptual Review**

##### **2.1.1 Corporate Social Responsibility Practices**

There is no universally accepted definition of Corporate Social Responsibility Practices. It is usually described in terms of a company considering, managing and balancing the economic, social and environmental impacts of its activities (Parliamentary Joint Committee (PJC), 2016). World Business Council for Sustainable Development (WBCSD), (2013) defined Corporate Social Responsibility practices as business' commitment to contribute to sustainable economic development working with employees, their families, the local community, and society at large to improve their quality of life.

According to CSR Europe (2003), Corporate Social Responsibility Practices is the way in which a company manages and improves its social and environmental impact to generate value for both its shareholders and its stakeholders by innovating its strategy, organisation and operations. Organisation for Economic Co-operation and Development (OECD), (2003) noted that corporate responsibility involves the search for an effective "fit" between businesses and the societies in which they operate. The function of business in society is to yield adequate returns to owners of capital by identifying and developing promising investment opportunities and, in the process, to provide jobs and produce goods and services that consumers want to buy.

However, corporate responsibility goes beyond this core function. Businesses are expected to obey the various laws which are applicable to them and often have to respond to societal expectations that are not written down as formal law. Amnesty International Business Group (UK) (2002) asserted that companies need to recognize that their ability

to continue to provide goods and services and to create financial wealth will depend on their acceptability to an international society which increasingly regards protection of human rights as a condition of the corporate license to operate.

Corporate Social Responsibility practices is a strategy for demonstrating good faith, social legitimacy and a commitment that goes beyond the financial bottom line. Ademosu (2008) described Corporate Social Responsibility practices as what an organization does to contribute to the social, economic, political or educational development of the community where it is located, but which it is not compelled to do by any law.

The Corporate Responsibility Coalition (CORE) (2013) reiterated that companies have a responsibility to safeguard human rights within their direct sphere of operations as well as within their wider spheres of influence. Unilever (2003) defined social responsibility as the impact or interaction we have with society in three distinct areas: (i) voluntary contributions, (ii) impact of (business's direct) operations, and (iii) impact through the value chain. Mohr, Lois, Webb, Deborah and Harris, (2017) described Corporate Social Responsibility practices as a company's commitment to minimizing or eliminating any harmful influence and maximizing its long-run beneficial impact on society. Similarly, Aaronson (2003) defined CSR as business decision making linked to ethical values, compliance with legal requirements, and respect for people, communities, and the environment around the world.

According to Marrewijk (2013), the concept of CSR covers three dimensions of corporate action: economic, social and environmental management. According to Baker (2010), Corporate Social Responsibility Practices is about how companies manage the business processes to produce an overall positive impact on society. This definition covers stakeholder, social, environment, and economic activities. Corporate Social Responsibility Practices is viewed as a form of corporate self-regulation integrated into a business model. Conferring to Campbell (2017), Corporate Social Responsibility practices refers to an organization's voluntary effort in integrating their stakeholders' social and environmental expectations and/or concerns into their daily operations and their interaction with the stakeholders.

CSR emphasizes community participation by business enterprises. It proposes that a private firm has responsibilities to society that extend beyond making a profit. It is the obligation of the firm's decision makers to make decisions and act in ways that recognize the relationship between the business and society. It is therefore important for a business to continue in its commitment to behave ethically and contribute to economic development while improving the quality of life of the work force and the surrounding community at large.

Corporate Social Responsibility Practices is the overall relationship of the organization with all of its stakeholders that include customers, employees, communities, owners/investors, government, suppliers and competitors. (Khoury, Rostani and Turnbull, 1999). Dahlsrud (2016) identified five dimensions of Corporate Social Responsibility practices as; environmental, social, economic, stakeholder, and voluntary.



**Figure 2.1: Corporate Social Responsibility Practices Pyramids**

**Source: Saylor (2013)**

As the Corporate Social Responsibility practices pyramid indicates, businesses have four levels of responsibilities to achieve excellence in corporate stewardship: They are

- i. **Economic Responsibility:** A business must be profitable to remain economically responsible and to remain in business. By being profitable, businesses give back to the society by providing jobs to employees and producing goods and services wanted by customers. The goal of company at this level of the CSR Pyramid is to maximize profits for shareholders and owners (Saylor, 2013).

- ii. **Legal Responsibility:** A business is obliged to obey the law to achieve legal responsibility. Businesses are required to be profitable within the defined legal structure. Government agencies and regulators establish laws and regulations for businesses to follow. Global stakeholders require businesses to meet country, state and city legal responsibilities (Iqbal, Ahmad, Hamad, Bashir & Sattar, 2014).
- iii. **Ethical Responsibility:** Although economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities embrace those activities and practices that are expected by societal members even though they are not codified into law. Business decision makers must use fairness, equality and respect to achieve desired organizational goals. Global Stakeholders expects a company to be morally and ethically responsible. Example recycling of materials (Saylor, 2013).
- iv. **Discretionary Responsibility:** Philanthropy encompasses those corporate actions that are in response to society's expectation that businesses must be good corporate citizens. This includes actively engaging in activities that promotes human welfare or goodwill. The distinguishing feature between philanthropy and ethical responsibilities is that the formal is not expected by the community. Society desires that businesses contribute time, money and resources for the welfare of the community but they do not regard the firm ethical if they do not provide the desired level. Therefore, philanthropy is more discretionary in nature. These activities are purely voluntary, guided by business' desire to engage in social activities that are not mandated by law and not generally expected out of business.

It is no longer good enough to be profitable, a business must also meet high levels of moral, ethical and discretionary standards. Research supports the notion that organizations that socially experience high levels of performance (Saylor, 2013).

### **2.1.2 Corporate Social Responsibility Measures**

The term CSR is in itself is not a measurable variable, which has led to the construction of the Corporate Social Performance (CSP) concept (Donald, 2014). CSP therefore operationalizes CSR through a number of measurable variables, which can be used in testing the CSR/firm performance relationship. Specifically, (i) Corporate action – such

as philanthropy, social programmes and pollution control; (ii) corporate reputation ratings or social indices produced by researchers and social rating institutions; and, (iii) social disclosure about social concern are the three broad classes of measurable variables that have been identified by Sotorrio and Sanchez (2008) and Van Beurden and Grossling (2008). Other measurable variables under the scope of CSR include employee welfare and poverty (Roberts, 2012).

### **2.1.3 Emergence of Ethical and Social Responsibility**

According to Edoga (2015) though every society is concerned with ethical and social responsibilities, but the emergence as corporate concepts in marketing has been traced to 1950. At this stage in the development of marketing, marketing people were concerned with adjusting to consumer behavior, the modern marketing concept, quantitative methods, and marketing management. However, it was from the mid-1960s that more serious concern was shown on ethical and social responsibilities (Adedayo, 2013).

Serious indictments and criticism were made by the affluent and educated society against business organizations as a result of unethical practices and lack of responsibility. In fact, even after the adoption of the modern marketing concept (after the Second World War in 1945) marketers erroneously believed that their role was limited to the satisfaction of consumers and the consequent generation of profits for their organizations (Olaolu, 2015). Businessmen and marketers did not give attention to the interests and needs of the general public. For instance, they were not concerned with the effects which their products had on the environment. When businessmen and marketers were criticized and condemned on their bad business practices many launched a counter-attack and denied all the allegations made against them at first. However, a few executives that were prudent changed their minds and started preaching to their colleagues. Soon ethical and social responsibilities became a major concern and programme of business organizations (Levitt,2008). Furthermore, in the light of the above submission Stanton (2014) identified the practical reasons for the emergence of ethical and social responsibilities in business (and marketing) as to:

- i. reverse the declining public confidence in business resulting from bad and unorthodox practices and lack of regard for the welfare of the society.

- ii. pay the price of economic freedom and flexibility. Social problems affect both the firm and its customers, and it is therefore in the interest of business if these problems are attended to.
- iii. balance the power-responsibility equation. Marketers exert a great deal of influence on consumers and the economic policy of a nation. Lack of social responsibility on the part of marketers may lead to the erosion of their social power.
- iv. enable the marketing department represent the company very well and so present a good corporate image before the customers and the public at large.

#### 2.1.4 Characteristics of Corporate Social Responsibility Practices

According to CSR Europe (2003), Corporate Social Responsibility practices is the way in which a company manages and improves its social and environmental impact to generate value for both its shareholders and its stakeholders by innovating its strategy, organisation and operations.

Organisation for Economic Co-operation and Development (OECD), (2003) noted that corporate responsibility involves the search for an effective "fit" between businesses and the societies in which they operate. The function of business in society is to yield adequate returns to owners of capital by identifying and developing promising investment opportunities and, in the process, to provide jobs and produce goods and services that consumers want to buy.

The European Foundation for Quality Management (EFQM) presents some common characteristics for CSR as:

- i. Meeting the need of current stakeholders without compromising the ability of future generations to meet their own demand.
- ii. Adopting CSR voluntarily, rather than as legal requirement, because it is seen to be in the long-term interests of the organization.
- iii. Integrating social, environmental and economic policies in day to day business.

According to Richard and Okoye (2013), the three dimensions of CSR with specific examples of areas particular to each dimension are:

**Economic Responsibility:** Integrity, corporate governance, economic development of the community, transparency, prevention of bribery and corruption, payments to national and local authorities, use of local suppliers, hiring local labour and similar areas.

**Social Responsibility:** Human rights, training and developing local labour, contributing expertise to community programs and similar areas.

**Environmental Responsibility:** Precautionary approaches to prevent or minimize adverse impacts support for initiatives, promoting greater environmental responsibility, developing and diffusing environmentally friendly technologies and similar areas.

Lohman and Steinholtz (2004) cited in Osemene (2012) view the CSR concept as a combination of three separate agendas, namely Corporate Sustainability, Accountability and Governance.

### **2.1.5 Performance Evaluation Methods**

According to Erasmus (2008), performance is considered as the best possible way of as to how a firm generates its' revenues through utilization of its assets. This of essence connotes the ability of the firm to utilize the assets or capital at its disposal in generating returns over and over again. This can be measured with return on asset, return on equity and return on capital employed, which require accounting information for computation. According to Kagoyire and Shukla (2016) performance is the firm's ability to efficiently operate, be more profitable, to grow and survive for a long period of time. All organizations strive to utilize it resources effectively to achieve a high performance level especially in financial terms. Thus, performance is the outcome of any of many different activities undertaken by an organization ( Fujo & Ali, 2016).

In broader sense, performance refers to the degree to which objectives are being or have been accomplished or it is used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Metcalf& Tetrad, 2016). However, this study links performance to financial objectives, as the latter is expressed in quantitative and monetary terms, hence measurable. As such, financial performance is the extent to which a firm can achieve its financial objectives so as to be termed successful.

The firm's future financial performance is influenced by growth (Rajan, 2008). Higher growth also means an increase in future prospect for investors. Economic growth helps a firm to better position itself on the markets, hence a good competitive advantage against its competitors. Growth prospect may be considered as an asset that adds firm's value, but cannot be collateralized and are not subject to taxable income. It therefore suggested that firms with high-growth prospects will prefer using internally generated funds which is not risky as compared to debt and equity. Rising of external finance is costly due to information asymmetry which might hamper future growth prospect and also reduce future earnings.

Similarly, Muraleetharan (2013) opines that, profitability is a measure of the amount by which a firm's revenues exceeds its relevant expenses. Potential investors are interested in dividends and appreciation in market price of stock, so they pay more attention on the profitability ratios. Managers on the other hand are interested in measuring the operating performance in terms of profitability. Hence, a low profit margin would suggest ineffective management and investors would be hesitant to in the company. Profitability is the most important factor for managers. Firms with high profitability level are more likely to have better performance. Putting profitability measurement systems in place can be an important way of keeping track on the progress of the firm by giving vital information about what is happening now, but also enables firm to achieve greater performance.

Thus, performance is the firm's ability to efficiently operate, be more profitable, to grow and survive for a long period of time. All organizations strive to utilize its resources effectively to achieve a high performance level especially in financial terms (Kagoyire & Shukla, 2016). Thus, financial performance is the outcome of any of many different activities undertaken by an organization (Fujo& Ali, 2016). In conclusion, The notion of performance is a controversial issue in finance largely because of its multi-dimensional meanings (Birru, 2016)

Measuring is considered to be a simple task despite its specific complications with many researchers preferring to use market measures and others opting for accounting measures (Waddock, 1997). Accounting as a measure usually use historical information of firms' performance which may be subject to managerial manipulation and as such it becomes difficult to compare firms' performance using accounting information especially if different firms use different accounting procedures. When using accounting measures, different sectors of economy features or characteristics and risk associated with such sectors need to be taken into account. To measure the profitability of firms there are variety of ratios used of which Return on Asset, Return on Equity and Net Interest Margin are the major ones (Murthy and Sree, 2003; Alexandru *et al.*, 2008).

In addition, the valuation of firm performance can be done through various approaches either by accounting or economics approaches. But traditionally, most of corporation in Nigeria measured their performance through accounting approach from either

profitability ratio, liquidity ratios, financial efficiency, solvency and repayment capacity. This research work valued the financial performance of manufacturing companies using PAT and DPS while operational performance was valued using customer service delivery and employee performance. PAT is a financial ratio that refers to how much profit a company earned after taxes has been deducted. A business that has a high PAT is more likely to be one that is capable of generating cash internally. Thus, the higher the pat the better the company is in terms of profit generation. According to Ayodeji (2011), growth prospects seek to measure persistent increase in the firm's earnings, dividend, equity investment, market capitalization and assets. Basically earnings per share will answer earnings growth, dividend per share will account for dividend growth, market price per share will specify equity investment growth, market capitalization per share will measure market capitalization growth, and assets per share and/ or return on asset will indicate assets growth.

## **2.2 Theoretical Review**

In an attempt to provide a sound theoretical underpinning for the study, this study is hinged on three theories, viz: legitimacy theory, stakeholder theory and political economy theory.

### **2.2.1 Legitimacy Theory**

Legitimacy theory was propounded by Suchman (1995). The theory posits that businesses are bound by the social contract in which the firms agree to perform various socially desired actions in return for approval of its objectives and other rewards and this ultimately generates its continued existence. Legitimacy is defined as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Van der Laan, 2009). Organizations exist to the extent that the particular society considers that they are legitimate, and if this is the case, the society confers upon the organization the state of legitimacy. Social contract exists between corporations and individual members of society (Mathews, 1993).

Legitimacy theory directly relies upon the concept of “social contract”. Specifically, it is considered that an organization’s survival will be threatened if society perceives that the organization has breached its social contract. Where society is not satisfied that the organization is operating in an acceptable or legitimate manner, the society will effectively revoke the organization’s contract to continue its operations. This might be evidenced through consumers reducing or eliminating demand for the business products of the organization, factor suppliers eliminate the supply of labour and financial capital to the organization, or constituents lobbying the government for increased taxes, fines or laws to prohibit those actions which do not conform to the expectations of the society.

The theory implies that there is interaction between groups and society. Organizations are one part of society and they exist if they are considered legitimate by groups in society. Depending on an organization’s perception of its state or level of legitimacy, it may employ legitimation’s strategies (Laan, 2009) either to establish, extend, maintain or defend their legitimacy (Tilling, 2004) and control for potential, existing or perceived legitimacy gaps following legitimacy threats (Vourvachis, 2008). Legitimacy theory has developed from the broader political economy perspective. The study focus attention on the nexus between the organization and its operating environment despite the fact that they are different (Van der Laan, 2009).The theory is relevant to this study because organizations seek to operate within what is considered acceptable standard in society which is the essence of CSR.

### **2.2.2 Stakeholder Theory**

This study has its theoretical basis on stakeholder theory which refers to the notion that each group has a vested interest in the manner in which an organization is operated. According to Akinsulire (2011), the traditional view is that the organizations are run so as to maximize the shareholders’ wealth. However, there is another view that an organization is a coalition of various groups such as shareholders, employees, lender, customer, suppliers, community and government. Lasher, Hedges and Fagerty (2006) opined that these interested groups can be called stakeholders of the company. Conflicts of interest may sometimes arise among stakeholders. Conflict of interest occurs when

things that benefits a group robs another group of their benefits. These conflicts can affect managers' actions and therefore impacts on share prices.

The stakeholder theory proposed an increased level of environmental awareness which creates the need for companies to extend their corporate planning to include the non-traditional stakeholders like the regulatory adversary groups in order to adapt to changing social demands (Trotman, 1999). The basic proposition of the stakeholder theory is that the firm's success is dependent upon the successful management of all the relationships that a firm has with its stakeholders. Therefore this theory is importance to this study because it reflects customer satisfaction, employer performance, profitability and shareholders' wealth maximization of the firm. Hence, considering the majority of stakeholders' in a firm.

### **2.2.3 Political Economy Theory**

Political economy theory was propounded by Alfred in 1890. The political economy has been defined by Deegan (2007) as the social, political and economic framework within which human life takes place. Political economy theory explicitly recognizes the power conflict that exist within society and the various struggles that occur between various groups within the society. The perspective embraced in political economy theory is that society, politics and economics are inseparable and economic issues cannot meaningfully be investigated in the absence of considerations about the political, social and institutional framework in which the economic activity takes place. It is argued that by considering the political economy a researcher is better able to consider broader (society) issues which impact on how an organization operates, and what information it elects to disclose.

Following from the above point, Guthrie and Parker (1990) in Deegan (2007) explain the relevance of accounting within a political economy perspective. They state that the political economy perspective perceives accounting report as social, political and economic documents. They serve as a tool for constructing, sustaining, and legitimizing economic and political arrangements, institutions and ideological themes which contribute to the corporation's private interests. Political economy theory relies on the concept that society, politics and economics are indivisible and economic events cannot

be studied in comprehensive manner without reference to political, social and institutional framework in which the event occurs. A study of political economy allows researchers to contemplate broader issues about the information companies elect to disclose in their annual reports (Kenth & Stewart, 2008).

### **2.3 Empirical Review**

Various studies are reviewed and critiqued for the purpose of having a deeper understanding of the subject matter of the study as a whole. This review is segmented into review of foreign studies and those of Nigerian studies.

#### **2.3.1 Experience from Developed Countries**

Cormier, Magnan and Velthoven (2005) examined the determining factors of corporate environmental disclosure of 385 German business entities for the years 1992-1998 by means of a multi-theory that includes economic incentives, public pressures and institutional theory. The study found that risk, ownership, fixed assets, age, and firm size determined the extent of environmental disclosure of the selected sample.

Fauzi (2009) did a research on firms listed on the New York Securities Exchange (NYSE) to determine the relationship between CSR and corporate financial performance (CFP) using a sample of 101 companies. He did this using a regression model with financial performance as the dependent variable and CSR index as the independent variable. The study found that CSR has no effect on CFP. He however found that leverage (a control variable in the model) has a moderating effect on the interaction between CFP and CSR.

Lee and Park (2010) examined the socially responsible activities of airline companies in Europe. Secondary data was employed for the study and data was obtained from the audited annual reports of the selected companies. The results of the study revealed that Corporate Social Responsibility Practices is a significant determinant of performance in the selected firms.

Similarly, Pan, Sha, Zhang and Ke (2014) examined the relationship between Corporate Social Responsibility practices (CSR) and Corporate Financial Performance (CFP) using panel data for 228 Chinese mineral listed firms from 2010 to 2013 with Pooled Least

Squares regression analysis. The study considered five different sublevel CSR issues—shareholder responsibility, employee responsibility, environmental responsibility, public responsibility, and supplier, customer and consumer responsibility—in capturing the effects of CSR elements on CFP. The estimation results showed the different effects of each sublevel CSR issue on CFP. Overall, shareholder, employee responsibility, environmental responsibility, supplier, customer and consumer responsibility have significant relationships with CFP, which are the stakeholders who have the closest linkage with firm operations. Meanwhile, public responsibility outside the firm does not show significant interaction with CFP, which is why many mineral firms ignore the public interest and this leads to conflicts. Shareholder responsibility has the most significant positive effect on CFP. Supplier, customer and consumer responsibility and environmental responsibility usually have negative effects on CFP as costs increase.

Orlitzky, Schmidt and Rynes (2015) examined corporate social and financial performance: A Meta-Analysis which yielded encouraging data suggesting a positive link between Corporate Social Responsibility practices and companies profits. Summing up their results, the researchers said, they conducted a meta-analysis of 52 studies (which represent the population of prior quantitative inquiry) yielding a total sample size of 33,878 observations. The meta-analysis established a greater degree of certainty with respect to the corporate social performance and corporate financial performance relationship than is currently assumed to exist by many business scholars. So the research generally indicates that Corporate Social Responsibility Practices does offer potential benefit to corporate profits.

Xiong, Lu, Skitmore, Chau and Ye (2016) studied the nexus between social performance and financial performance of Chinese companies for their global influential social and environmental impacts together with increasing awareness of Corporate Social Responsibility practices (CSR). A two-step longitudinal design, including cross-lagged correlation analyses and longitudinal path analyses, is applied to examine the overall and decomposed links. It is found the virtuous cycle does exist in the overall and in most decomposed links within the context of large construction companies in China.

Mackey, Mackey and Barney (2016) carried out their investigation on the causal relationship between CSR and profitability of firms in China. Secondary data were obtained from documentary sources particularly the audited annual reports of the firms for the various years. The outcome of the regression analysis carried out revealed a positive relationship between CSR investments and the profitability of the firms in China.

Lyon (2017) undertakes a research in New Zealand to investigate the relationship between CSR reporting and financial performance using two industries-production and service industries. Using a spearman's rank-order correlation, the study finds a positive relationship between CSR reporting and financial performance. The study concludes that the industry in which a firm operates affects the relationship between CSR reporting and FP and that the production industry stands to benefit financially from reporting more CSR. Thus, Industry type is regarded in literature as a moderating variable.

Esteban-Sanchez, Cuesta-Gonzalez and Paredes-Gazquez (2017) examined the effect of Corporate Social Responsibility Practices on financial performance of 154 financial entities in 22 developed countries, most of them notably affected by financial crisis, from 2005 to 2010. The study employed static data panel models. The results show that banks with better employee relationships and corporate governance had better CFP. Nevertheless, the crisis negatively moderated this effect in the latter, suggesting failures in corporate governance mechanisms. Contrary to what was expected, the product responsibility dimension did not positively influence financial performance. The study found evidence that, during the crisis, better relations with the community could be valued positively by investors, which, in turn, increases financial performance.

Fiori, Donato and Izzo (2018) investigated the impact of the voluntary disclosure about Corporate Social Responsibility practices on firms stock prices of Italian listed companies. In order to analyze the data generated through financial statement of the listed firms, a panel data regression was employed. The results of the study revealed that in Italy firms stock prices are not affected by CSR reports even if firms show a greater attention to these issues.

### **2.3.2 Experience from Developing Countries**

Elijido-Ten (2009) examined the influence of the stakeholder on the improvement of environmental accountability and reporting in Malaysia. Using primary data obtained through questionnaire administered for the study, the findings of the study revealed that the level of environmental awareness is still low in Malaysia. Arias and Petterson (2009) investigated the relationship between CSR's promotion and corporate performance in the multinational corporations. The study employed a critical review of scholarly and peer-reviewed literature in an exploratory fashion. The result of the study revealed that multinational corporations continue their investment in CSR activities because it promotes improved reputation and facilitates customer loyalty. They concluded their study by reporting that in most cases, investment in CSR activities would enhance profitability of corporations.

Mutasim and Salah (2012) conducted their study on the effect of CSR on the profitability of the industrial companies in Jordan. Primary data were obtained through the administration of questionnaire to fifty respondents in the industrial companies. The result of the study revealed a positive relationship between CSR activities and profitability of the selected industrial companies.

Belinda (2014) carried out a study on Corporate Social Responsibility practices in South Africa mobile telecommunication companies. Using primary data obtained via questionnaire, the findings of the study revealed that most customers believe that companies are morally obligated to be socially responsible.

Omoro, Kinyua and Okiro (2014) tested the relationship between investment in Corporate Social Responsibility practices and sustained growth of commercial banks in Nairobi County in Kenya and regression analysis technique was used to estimate the coefficients. The study used a cross sectional survey design and the predictive simple regression model was subjected to a sample of 13 commercial banks over a period of five years (2006-2010). The study revealed that 11.0% of banks' sustained growth can be explained by investing in CSR activities. This implies that there exists a positive relationship between investment in CSR and banks' sustained growth. It was evident from the study

that banks' management can use investment in CSR activities to create a platform for improvement on their brand value, promotion and enhance social insurance.

Cavazotte and Chang (2016) examined the relationship between Corporate Social Responsibility Practices and the financial performance of companies listed on São Paulo Stock Exchange. The study employed secondary data obtained from financial statement of listed companies São Paulo Stock Exchange between 2001 and 2007. Applying Two-Stage Least Squares (2SLS) equation model to minimize endogeneity and reverse causality problems, the results indicate that overall internal CSR was associated with revenue contemporarily, one and two years after the investments. Corporate outlays on healthcare, pension plans, employee education and profit-sharing all had positive effects on revenue in the years that followed such investments.

Maldonado-Guzman, Pinzon-Castro and Lopez-Torres (2016) analysed the existing relationship between CSR and business performance of 397 Mexican SMEs. Using Confirmatory Factor Analysis (CFA), the results obtained showed the existence of a positive and significant relationship between CSR and business performance. Mensah (2017) examined the effect of Corporate Social Responsibility practices on organizational commitment of employees of rural and community banks in Ghana. A self-reported questionnaire was used to collect the data from 145 employees of 50 Rural and Community Banks (RCBs) across Ghana. Using descriptive statistics, the study found a strong positive relationship between engagement in Corporate Social Responsibility practices and employee commitment. Engagement in Corporate Social Responsibility practices explained 54.1% of the total variation on employee commitment. However, this relationship is insignificant when educational level and years of working with the bank is controlled for. Gender however does not confound this relationship.

Qun, Abdullah and Alvi (2018) evaluated the relationship between employee perception of Corporate Social Responsibility practices (CSR) and employee's outcome in Pakistan for SMEs. The quantitative method was used to collect data from 300 SME's. While regression analysis was performed for mediation analysis. The results showed that organizational justice partially mediated between employee's perception of Corporate Social Responsibility practices and employee's outcomes.

Agyemang and Ansong (2018) examined the influence of Corporate Social Responsibility practices on financial performance of small and medium-sized enterprises (SMEs) in Ghana by using access to capital and firm reputation as mediating variables. The study collected primary data from 423 SMEs within the Accra Metropolis. Partial least squares estimation technique was used to analyze the data. The study revealed a mechanism through which Corporate Social Responsibility practices results in financial performance of firms.

### **2.3.3 Experience from Nigerian Studies**

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.

Osemene (2012) examined the corporate social responsibilities in mobile telecommunications in Nigeria. Primary data was employed for the study through questionnaire administered to the staff of the selected mobile telecommunications companies. The results of the study revealed Corporate Social Responsibility practices impacts positively on the telecommunication permanent staff, environment and stakeholders.

Babalola (2012) conducted a study on the impact of Corporate Social Responsibility practices on firms' profitability in Nigeria using secondary data. The result of the study revealed that the amount expended on Corporate Social Responsibility practices vary from one firm to another; and that in the whole, the firms invested less than ten percent of their annual profit on Corporate Social Responsibility practices. The study also reported a negative relationship between CSR investment and profit after tax of the firms.

Adeboye and Olawale (2012) examined Corporate Social Responsibility practices (CSR) and business ethics as effective tools for business performance in Nigerian banks. The

study also attempt to ascertain whether social responsibility of banks and their ethical practices lead to the achievement of organizational goals. The research was conducted on a set of purposive sample of 100 employees randomly drawn from two Nigerian banks i.e. First Bank plc and Guaranty Trust Bank plc. The two hypotheses formulated were tested using t-statistic at .05 alpha level. The study showed that there is no significant difference between employees of First Bank and Guaranty Trust Bank on Corporate Social Responsibility Practices and business ethics as regard business performance. However, ethical standard of doing business and financial performance differ significantly.

Adeyemo, Oyebamiji and Alimi (2013) examined the factors influencing Corporate Social Responsibility practices in Nigerian manufacturing companies. The study employed primary data for the study. With the aid of multiple regression analysis, the result of the study identified factors that influenced CSR practices as employees demand, competition, government policy, customer demand and organizational culture.

Nsikan, Umoh and Bariate (2015) investigated Corporate Social Responsibility Practices and mobile telecommunication in Nigeria. The study employed primary data obtained through questionnaire and analyzed through regression analysis and Chi-square technique. The results showed that significant relationship existed between CSR and competitive advantage.

Oke, et al. (2017) carried out study on the impact of CSR (in terms of four CSR dimensions identified by Carroll, 1991) on Banks' performance. The study employed secondary data that is, audited financial statements of ten Nigerian Deposit Money Banks representing the sample size. Using inferential statistics (regression analysis), the study found no significant relationship between CSR and Banks' performance.

Muhammad (2017) examined the impact of Corporate Social Responsibility Practices on financial performance of listed deposit money banks in Nigeria for a period of 2006 to 2013 (8years). Nine out of seventeen Banks were selected as sample of the study. The study uses secondary data from fact book and financial statements of Nigerian Stock Exchange (NSE) while total expenditure on Corporate Social Responsibility Practices serves as the independent variables; the dependent variables of financial performance

were proxied by Return on Assets (ROA), Earnings per share (EPS) and Liquidity (LQT). The result reveals that CSR has a significant positive impact on ROA and EPS. CSR was also found to have a negative impact on LQT.

Amadi and Ndu (2018) evaluated Corporate Social Responsibility Practices and Corporate performance of selected deposit money banks in Nigeria. Using data from the annual reports of five topmost DMBs in Nigeria (FBN, Zenith Bank, GT bank, UBA and Access bank), and the panel data regression technique for data analysis, it was found that there is positive and significant association between CSR and MS; and that there is no significant association between CSR and Liquidity.

Dickson and Levi (2018) examined the effect of Corporate Social Responsibility practices on organizational performance of selected firms. The descriptive survey research design was adopted for this study in which a structure questionnaire was used to elicit information from the target respondents who are top managers of MTN Nigeria and NB Plc. Primary data was collected and processed in the study. 40 copies of questionnaire were administered to respondents and results showed that there is relationship between Corporate Social Responsibility practices just as it depicts that there is relationship between employee's performance and customer satisfaction, tax payment and return on investment respectively.

## 2.4 Summary and Gaps Identified in Literature

Author's	Topic	Sample	Methodology	Variables	Findings	Gaps identified
Pan, Sha, Zhang and Ke (2014)	Relationship between Corporate Social Responsibility practices (CSR) and Corporate Financial Performance (CFP)	228 Chinese minerals companies quoted from 2010-2013.	Secondary data was used for data collection relating to objective of the study as this was analyzed using based on regression analysis approach (pool least square regression).	<b>Dependents variables</b> ROA ROCE ROI <b>Independents variables</b> Shareholders Employee Suppliers Customers Consumers	The study reveals that there is a positive relationship between CSR elements and CFP	Lack of CSR dimension such as: Educational, community developments and philanthropy related. The study only considered financial performance.
Orlitzky, Schmidt and Rynes (2015)	Corporate social and financial performance	33,878 observation was examined using	Mental analysis approach was used for data analysis	<b>Dependents variables</b> ROA ROCE ROI	the study reveal that effective practice of corporate	Lack of CSR dimension such as: Educational, community developments and philanthropy related. The study only

		quantitative enquiry as population studies.	obtained from respondents through primary source approach.	<b>Independents variables</b> Customer relations, employee welfare, productivities	social responsibility offer potential benefit to corporate profit	considered financial performance.
Xiong, Lu, Skitmore, Chau and Ye (2016)	Nexus between social performance and financial performance of Chinese companies	Chinese construction companies	Cross sectional and longitudinal path analysis variables	<b>Dependents variables</b> ROA ROCE ROI <b>Independents variables</b> Customer relations, employee welfare, productivities	The study found that virtuous cycle does exist in the overall and there is a link between the social performance and	Lack of CSR dimension such as: Educational, community developments and philanthropy related. The study only considered financial performance.

					financial performan ce .	
Esteban- Sanchez, Cuesta- Gonzalez and Paredes- Gazquez (2017)	The effect of Corporate Social Responsibili ty Practices on financial performance	154 financial entities in 22 developed country (2005-2010)	The study adopts statistical data panel models and Expo facto approach	Products responsibilitie s dimension such as product image, customer delivery etc. and financial performance measure such as liquidity ratios, profitability ratios etc.	The study found that during the crisis better relations with the communit y could be valued by investors which in turn increase financial performan ce	Methodological Gaps(No studies has ever used mixed method) Theoretical Gap Model Gap Variable Gap

Fiori, Donato and Izzo (2018)	Impact of the voluntary disclosure about Corporate Social Responsibility practices on firms stock prices	Italian listed companies	Secondary data through audited financial statements using panel data regression	<b>Dependents variables</b> On firm stock price <b>Independents variables</b> Customer relations, employee welfare, productivities	The result revealed that firm stock price are not affected by CSR report.	Methodological Gap Theoretical Gap Model Gap Variable Gap
Cavazotte and Chang (2016)	Relationship between Corporate Social Responsibility Practices and the financial	Listed companies on Sao Paulo stock exchange	Secondary data source of audited financial statements of listed companies (2001 – 2007)	<b>Dependent Variables</b> Revenue generation <b>Independent Variables</b> Investment cost such as	The study revealed that investment on internal CSR has strong	Methodological Gap Theoretical Gap Model Gap Variable Gap

	performance		using two stage list square	health care, pension plan, employee education and profit sharing	relationshi p and positive significan ce with company' s revenue generation	
Qun, Abdullah and Alvi (2018)	Relationship between employee perception of Corporate Social Responsibili ty practices (CSR) and employee's outcome	300 Small and Medium Enterprises in Pakistan	Quantitative method using expo facto of audited financial statements of quoted SME's using regression analysis	<b>Dependent variables</b> Education, welfare, productivities <b>Independent Variables</b> Employee perception on CSR practice such as community	The result of the study shows that organizati onal justice partially mediated between employee perception	Methodological Gap Theoretical Gap Model Gap Variable Gap

				investments, educational investments	on CSR practice and employee' s outcome	
Adeyemo, Oyebamiji and Alimi (2013)	Factors influencing Corporate Social Responsibili ty practices in Nigerian manufacturi ng companies	Quoted manufacturi ng companies in Nigeria stock Exchange index	Primary data source was used for data collection using multiple regression analysis	<b>Dependent variables</b> Employee demand Competition Government policy Customer demand Organizational culture	The result of the findings revealed that certain factors influenced CSR practice among manufactu ring companies	Methodological Gap Theoretical Gap Model Gap Variable Gap
Nsikan,	Corporate	Mobile	Primary data	<b>Dependent</b>	The result	Methodological

Umoh and Bariate (2015)	Social Responsibility Practices and organizational performance	telecommunication in Nigeria	source through structured questionnaire using regression analysis and Chi-square techniques	<b>Variables</b> Competitive advantages such as customer, profitability and image building <b>Independent Variables</b> CSR dimension such as educational and community development	shows that there is a significant relationship between CSR practice and organizational performance	Gap Theoretical Gap Model Gap Variable Gap
Oke, et al. (2017)	The impact of CSR (in terms of	Nigerian Deposit Money	Secondary data source through audited	<b>Dependent variables</b> Bank	The study revealed that there	Methodological Gap Theoretical Gap

	four CSR dimensions identified by Carroll, 1991) on Banks' performance	Banks	financial statements	performance <b>Independent variables</b> CSR dimensions	is no significant relationship between CSR practice and bank performance	Model Gap Variable Gap
Muhammad (2017)	Corporate Social Responsibility Practices on financial performance of listed deposit money banks	Selected nine (9) banks for a period of 2006 – 2013.	Secondary data through audited reports quoted on Nigerian Stock Exchange Market	<b>Dependent variables</b> Financial performance such as ROA, EPS, LQT <b>Independent variables</b> Corporate social responsibility	The result revealed that CSR practice has a significant positive impact on ROA and EPS while a negative	Methodological Gap Theoretical Gap Model Gap Variable Gap

				practice	impact on LQT	
Dickson and Levi (2018)	Effect of Corporate Social Responsibility practices on organizational performance of selected firms.	MTN Nigeria and NB Plc. (Management staff)	Primary data source through structure questionnaire	<b>Dependent variables</b> Employee performance, customer satisfaction, tax payment and ROI <b>Independent variables</b> CSR dimensions	The result shows that there is a strong relationship between corporate social responsibility practice and organizational performance	Methodological Gap Theoretical Gap Model Gap Variable Gap

**Author's Compilation, (2018)**

From the extant review of empirical literature above, a number of gaps are evident in the current literature. The tradition of inconsistencies in research findings of the previous studies such as mixed, inconclusive and contradictory evidence despite that, most of these studies concentrated on firm's performance neglecting the operational performance of firms. Furthermore, the observed prevalent use of conceptual review of literature to examine the Corporate Social Responsibility practices and firm performance. This study therefore pursued a more holistic and rigorous empirical study that takes an integrative and holistic perspective in examined the effect of CSR practices on financial and operational performance of manufacturing companies in Nigeria. Most of the previous studies focused on community development related CSR neglecting the effect of educational related CSR which has become the major aspect of CSR in Nigeria. Furthermore, the previous studies ignored the impact of philanthropy related CSR on performance of companies in Nigeria. Hence, their estimates could hardly be free from the bias caused by these omitted variables and therefore little reliance could be placed in their findings. However, previous studies also accounted for only a single methodology of either primary or secondary data source while this study focus on using both primary data source to obtain information related to corporate social responsibility practices from targeted respondents of sampled manufacturing companies and secondary data source through audited annual report quoted in Nigerian Stock Exchange Market (Fact Book, 2016) to obtain information related to CSR investment cost and its dimension used by sample manufacturing companies.

There is also the need to examine the effect of Corporate Social Responsibility Practices on the performance of manufacturing companies using specific Corporate Social Responsibility practices measures such as educational, community and philanthropy related Corporate Social Responsibility Practices. This gap was adequately addressed in this study. Hence, this study contributes to the existing knowledge.

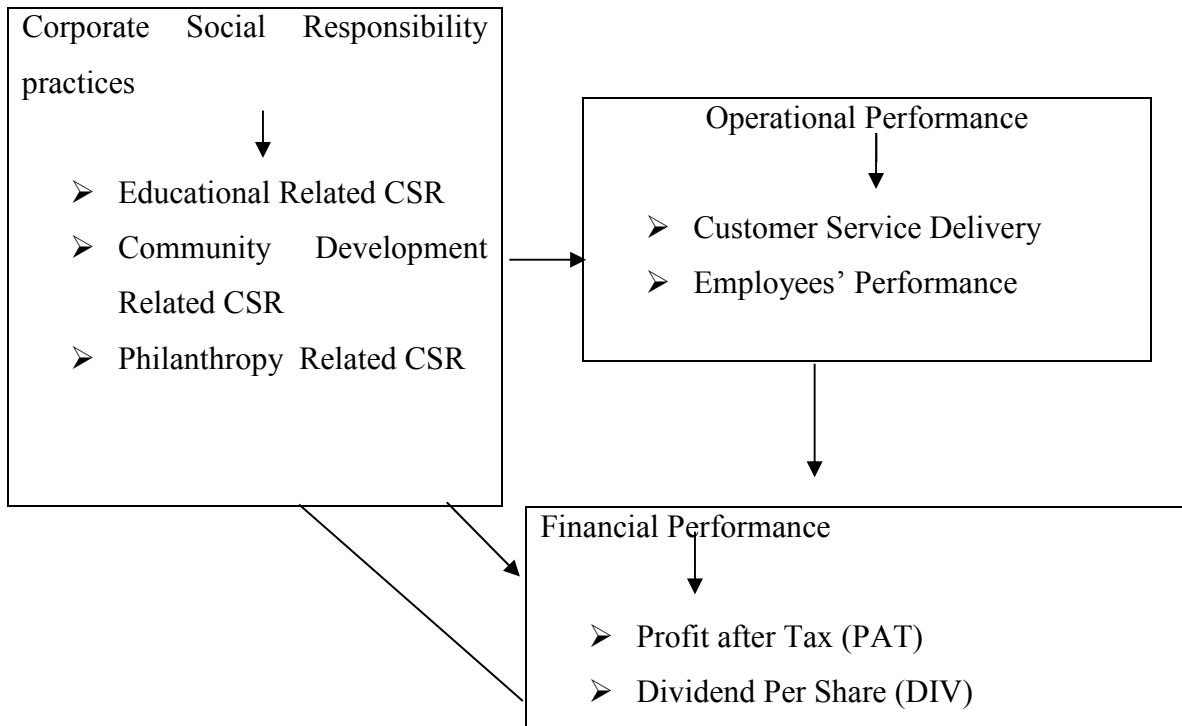
## **2.5 Theoretical Framework**

The theoretical framework for this study was that legitimacy theory is a fundamental determinant of firms' performance. This was hypothesized by the legitimacy theory propounded by Suchman (1995) but was initially originated with Davis's (1973) iron law

of responsibility. The theory states that business is a social institution that must use its power responsibly; otherwise, society may revoke it. However, corporations that lose legitimacy face a variety of difficulties, ranging from punitive legislation to difficulties in hiring of qualified personnel. Therefore, the improvement of CSR activities is expected to lower cost of production, reduce managerial inefficiency and thereby enhancing firm and managerial performance. Furthermore legitimacy theory assumes that social contract exists between corporations and individual members of society.

Legitimacy theory directly relies upon the concept of “social contract”. It is considered that an organization’s survival will be threatened if society perceives that the organization has breached its social contract. This might be evidenced through consumers reducing or eliminating demand for the business products of the organization, factor suppliers eliminate the supply of labour and financial capital to the organization, or constituents lobbying the government for increased taxes, fines or laws to prohibit those actions which do not conform to the expectations of the society. Conclusively, this legitimacy theory is considered relevant to the study as it is believed that if any corporations ignore social expectations, they are likely to lose control over their internal decision making and external dealing. This notion could be applied to the study because legitimacy problems occur when the societal expectation for corporate behaviour differs from societal perceptions of a corporation’s behaviour.

## Conceptual Framework for Corporate Social Responsibility practices



**Figure 2.6 Source: Author's Conceptualization, (2018)**

A social responsible firm that engages in all three cores CSR such as educational related CSR, community development related CSR and philanthropy related CSR will ensure employees' satisfaction and further enhance their productivity. Furthermore, investments in CSR enhances prompt service delivery and hence influence customer satisfaction. The effective management of this operational performance will enable firm to meet funding risk, that is, the ability to take advantage of profitable investment which will increase the profitability and thus achieve the shareholders' wealth maximization through prompt payment of dividend.

## **CHAPTER THREE**

### **METHODOLOGY**

This chapter provides details of the research design and methodology applied in carrying out this research work. It discusses the research design, population of the study, sampling size and sampling techniques, sources of data, method of data analysis, data description and a priori-expectation.

#### **3.1 Research Design**

For the purpose of this study, both cross sectional and Ex-post Facto research design was adopted. Cross sectional research design was adopted because of the data source through a well structured questionnaire as a primary means of data collection. The choice of this research design is because of specific objective one and two (customer service delivery and employee performance) which could not be easily be obtained in the annual audited financial statement of the sample companies but through a tarred and well structured questionnaire while Ex-post facto research design was used for the study purposely to answer the specific objective three relating to firm's financial performance. The choice of this research design was based on the data used already in existence in the sample firm's firms' financial statement which cannot be manipulated by the researcher. These research designs were considered as the most appropriate for this study because it allows for testing of relationships between and among variables and making of predictions regarding these relationships. This study also measures the relationship between Corporate Social Responsibility practices and performance of firms in Nigeria.

#### **3.2 Population of the Study**

The population for the study consists of all the nine manufacturing companies that are classified under building material manufacturing companies in Nigeria. The choice of building and materials manufacturing companies was because some of these companies engage in chemical products that were conserved through extraction process from the ground.

### **3.3 Sample Size and Sampling Technique**

The sample size for the study also consists of all nine manufacturing companies that are into building materials quoted in Nigerian Stock Exchange as at December, 2016. The choice of these quoted building materials manufacturing companies is because of availability of audited annual report of companies on Nigerian Stock Exchange. These companies are Dangote PLC, Cutix Ltd, Lafarge, Berger paints, Portland, Meyer, Aluminium Extrusion, Cap Ltd and Cement Company of Northern Nigeria. However, the copies of questionnaire were distributed to the selected companies' accountants using purposive sampling technique. Purposive sampling technique was chosen so as to get the sound judgment from companies' accountants who possess quality information on Corporate Social Responsibility practices. Although, there are about more than fifteen (15) accountants in each of sample companies but only five (5) accountants from each company that constitute management were chosen for the study and ten(10) representatives from each research development.

### **3.4 Sources of Data Collection**

The data employed for this study are primary and secondary in nature. Secondary data was obtained from audited annual report of all building materials manufacturing companies quoted on Nigerian Stock Exchange while primary data was obtained through the questionnaires administered to officials of research department and staff of accounting department of the selected companies. However, fifteen respondents from each sample of nine companies result to 135 copies of questionnaire were distributed while 125 were fully completed, returned and these was used for analysis.

### **3.5 Research Instrumentation**

The research instruments used for this research work are both primary and secondary source. The primary source involves use of questionnaire structured for the management staff of the sample manufacturing companies to capture and answered the research questions. Fifteen (15) questionnaires were given to each selected companies. Data collected through questionnaire was edited, coded and classified into different components to facilitate a better and efficient analysis as CSR practice has different

components and for the purpose of this study, components for educational concerns, community involvement, employee concerns, and customer concerns were used to analyze CSR practice. Also, secondary data was also used to obtain information related to financial performance of the sample manufacturing firm and this was analyzed with the use of multiple regression analysis as the main statistical method.

### **3.6 Method of Data Analysis**

Descriptive and inferential statistics were used to analyze the data and necessary interpretations were made based on the outcome of these tools. The descriptive method described the summary of socio-demographic characteristics of the respondents. Normality test was conducted prior to testing of hypotheses in order to determine if the data collected were normally distributed or not. This was done with the use of Skewness and kurtosis. Also, reliability test was also conducted to measure the degree to which a research instrument yields consistent results across time and across the various items of the instrument. Cronbach Alpha was also employed in determining the consistency of the items of scale used in the questionnaire whilst the hypotheses formulated were tested using Ordered logit regression technique after the assumption required for the usage of this technique has been met. Ordered logistic regression was used to achieve the first and second specific objectives which were obtained from the administered questionnaire. Ordered logit regression was employed and considered as most appropriate for this study because the dependent variables have more than two response categories and the responses are ordered. The data obtained from the financial reports of the sampled manufacturing companies were analyzed with the use of panel least square method of multiple regression analysis. Panel data analysis is most appropriate because the secondary data for this study were collected over time and over nine manufacturing companies.

### **3.7 Research Validity and Reliability**

Ideal test must include some distinctive features as objectivity, ease of performance, applicability, validity and reliability. Validity and reliability are two most important features in every test. For the purpose of this research work, a reliability test was conducted using Cronbach's Alpha and confirmatory factor analysis (Kaiser-Meyer-

Olkin (KMO) and Bartlett’s tests) to determine the quality of tests and to confirm that the outcome of the processed data is not spurious, confirming if the result are with the acceptable ranges of all the variables used. The questionnaire was also given to some experts on the field to evaluate for reliability and validity.

### 3.8 Models Specification

The model used to achieve the objective was adapted from the study of Odetayo, Adeyemi and Sajuyigbe (2014) which was specified as:

$$PAT = f(CSR) \dots \dots \dots \text{equation (1)}$$

$$CSR = f(PHRCSR) \dots \dots \dots \text{equation (2)}$$

$$AT = f(PHRCSR) \dots \dots \dots \text{equation (3)}$$

$$PAT_{it} = \beta_0 + \beta_1 PHRCSR_{it} + \mu_{it} \dots \dots \dots \text{equation (4)}$$

Where:

$\beta_0$  = Constant

PAT = Profit after Tax which was used to proxy the performance of manufacturing firm.

CSR = Corporate Social Responsibility practices

PHRCSR= Philanthropy Related Corporate Social Responsibility practices.

$\mu_{it}$  = Error term

The model was modified to capture various Corporate Social Responsibility practices initiatives such as educational related Corporate Social Responsibility practices, community development focused Corporate Social Responsibility practices and philanthropy related Corporate Social Responsibility practices. Specifically, adding the aforementioned CSR into equation (2) would result in equation as:

$$CSR = f(PHRCSR, EDRCSR, CDRCSR) \dots \dots \dots \text{equation (5)}$$

However, putting CSR in equation (5) into equation (1) will result in

$$PAT = f(PHRCSR, EDRCSR, CDRCSR) \dots \dots \dots \text{equation (6)}$$

Therefore, the model can be specify as equation (7) as follows

$$PAT_{it} = \beta_0 + \beta_1 PHRCSR_{it} + \beta_2 EDRCR_{it} + \beta_3 CDRCSR_{it} + \mu_{it} \dots \dots \dots \text{equation (7)}$$

Where:

$\beta_0$  = Constant

PAT = Profit after Tax

CSR = Corporate Social Responsibility practices

EDRCR = Educational Related Corporate Social Responsibility practices,

CDRCR = Community Development focused Corporate Social Responsibility practices  
and

PHRCR = Philanthropy Related Corporate Social Responsibility practices.

$\mu_{it}$  = Error term

The second & third models were used to examine the impact of Corporate Social Responsibility practices on operational performance of manufacturing companies which serve as the major gap of the study as these was formulated in order to achieve the specific objective, the study goes further to analyze the effect of CSR on customer service delivery where service delivery was proxy by customer satisfaction which stated in the model below

$$CSD = f(CSR) \dots \dots \dots \text{equation (8)}$$

$$CSR = f(PHRCR, EDRCR, CDRCSR) \dots \dots \dots \text{equation (9)}$$

$$CSD = f(PHRCR, EDRCR, CDRCSR) \dots \dots \dots \text{equation (10)}$$

$$CSD_{it} = \beta_0 + \beta_1 PHRCR_{it} + \beta_2 EDRCR_{it} + \beta_3 CDRCSR_{it} + \mu_{it} \dots \dots \dots \text{equation (11)}$$

Where:

$\beta_0$  = Constant

CSD = Customer Service Delivery

CSR = Corporate Social Responsibility practices

EDRCR = Educational Related Corporate Social Responsibility practices,

CDRCR = Community Development focused Corporate Social Responsibility practices  
and

PHRCR = Philanthropy Related Corporate Social Responsibility practices.

$\mu_{it}$  = Error term

The model was used to analyze the effect of Corporate Social Responsibility practices on employee performance of manufacturing companies in Nigeria that were into building and materials. The model is specified as:

$$EP = f(\text{CSR}) \dots \dots \dots \text{equation (12)}$$

$$\text{CSR} = f(\text{PHRCSR}, \text{EDRCSR}, \text{CDRCSR}) \dots \dots \dots \text{equation (13)}$$

$$EP = f(\text{PHRCSR}, \text{EDRCSR}, \text{CDRCSR}) \dots \dots \dots \text{equation (14)}$$

$$EP_{it} = \beta_0 + \beta_1 \text{PHRCSR}_{it} + \beta_2 \text{EDRCSR}_{it} + \beta_3 \text{CDRCSR}_{it} + \mu_{it} \dots \dots \dots \text{equation (15)}$$

Where:

$\beta_0$  = Constant

EP = Employee Performance

CSR = Corporate Social Responsibility practices

EDRCSR = Educational Related Corporate Social Responsibility practices,

CDRCSR= Community Development focused Corporate Social Responsibility practices and

PHRCSR= Philanthropy Related Corporate Social Responsibility practices.

$\mu_{it}$  = Error term

The study went ahead to analyse the effects of Corporate Social Responsibility practices on the financial performance of manufacturing companies using dividend per share as a proxy for firms' performance. The use of the DIV here is germane because it represents what each shareholder earns per every single share held in a firm. Thus, using dividend per share (DIV) as the dependent variable, the DIV is written as being determined by educational related Corporate Social Responsibility practices, community development focused Corporate Social Responsibility practices and philanthropy related Corporate Social Responsibility practices in a functional form and econometric form as:

$$\text{DIV} = f(\text{CSR}) \dots \dots \dots \text{equation (16)}$$

$$\text{CSR} = f(\text{PHRCSR}, \text{EDRCSR}, \text{CDRCSR}) \dots \dots \dots \text{equation (17)}$$

$$\text{DIV} = f(\text{PHRCSR}, \text{EDRCSR}, \text{CDRCSR}) \dots \dots \dots \text{equation (18)}$$

$$\text{DIV}_{it} = \beta_0 + \beta_1 \text{PHRCSR}_{it} + \beta_2 \text{EDRCSR}_{it} + \beta_3 \text{CDRCSR}_{it} + \mu_{it} \dots \dots \dots \text{equation (19)}$$

Where:

$\beta_0$  = Constant

DIV = Dividend per Share

CSR = Corporate Social Responsibility practices

EDRCR = Educational Related Corporate Social Responsibility practices,

CDRCR = Community Development focused Corporate Social Responsibility practices  
and

PHRCR = Philanthropy Related Corporate Social Responsibility practices.

$\mu_{it}$  = Error term

### **3.9 A-priori Expectation**

- (i) It is expected that there will be a positive impact of Corporate Social Responsibility practices on the financial performance of Nigerian manufacturing companies to support legitimacy theory.
- (ii) It is expected that there will be a positive impact of Corporate Social Responsibility practices on operational performance of Nigerian manufacturing companies in conformity with stakeholder theory.

Mathematically, this can be written as:  $\beta_1$  and  $\beta_2 > 0$

### **3.10 Measurement of Variables**

There are two variables in this study which are dependent and independent variables. The dependent variable is the firm's performance in the main objective for model 1. The performance used for measures the manufacturing companies specialized on chemical and cement products that were group under building and materials companies in the Nigerian Stock Exchange Fact book, 2016 (Profit after tax and Dividend per share) were employed to proxy the firm's performance. The reason for the use profit after tax (PAT) is that, apart from the fact that it was adopted in the work of Odetayo, Adeyemi and Sajuyigbe (2014), it reflect the actual performance of the companies after all the expense have been duly deducted from the profit. This shows the actual profit realizeable form the business operations by the companies rather than the gross profit for the year. Moreso, the dividend per share was also used to measure the performance as this reflect the stand of the firm after all the shareholders' contributed to the firm were settled based on their

investment in the business. This choice of this is that dividend per share shows the stand of adequate reliance of the external investors on the business activities which is expected to be paid back for by the companies after the yearly business operations. These are paid for on the agreed form between the companies and shareholders. The independent variable is the Corporate Social Responsibility practices which were measured with CSR dimensions such as educational, community and philanthropy related Corporate Social Responsibility. The independent variable for this study is the Corporate Social Responsibility practices which were measured with CSR dimensions such as educational, community and philanthropy related Corporate Social Responsibility. The choice of those CSR dimensions were because they are most CSR provided by the firm under consideration to their host community.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

#### 4.1 Introduction

This chapter contains the findings and results of the application of the variables using technique mentioned in chapter three. Specifically, the data analysis was in line with the objective of the study which was to determine the effect of Corporate Social Responsibility Practices on performance of manufacturing companies in Nigeria using building materials listed in Nigeria stock exchange market index (Factbook, 2016.)

#### 4.2 Descriptive Data Analysis

**Table 4.1: Demographic characteristics of respondents**

<b>Tabulation of Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	70	56
Female	55	44
Total	125	100.00
<b>Tabulation of Age group of respondent</b>	<b>Frequency</b>	<b>Percent</b>
Below 25	15	12
25-35	38	30
36-45	65	52
45 above	7	6
Total	125	100.00
<b>Tabulation of Marital Status</b>	<b>Frequency</b>	<b>Percent</b>
Single	42	34
Married	83	66
Total	125	100.00
<b>Tabulation of Educational Background</b>	<b>Frequency</b>	<b>Percent</b>
B.Sc./HND	75	60
M.Sc./Ph.D/Professional	32	26
Others	18	14
<b>Total</b>	<b>125</b>	<b>100</b>
<b>Tabulation of Years of Experience</b>	<b>Frequency</b>	<b>Percent</b>
1-5	48	38
6-10	70	56
11 and above	7	6
<b>Total</b>	<b>125</b>	<b>100</b>

**Source: Author's Computation, (2018).**

The demographic characteristics of 125 respondents are displayed in Table 4.1. The result illustrates that 70 respondents representing 56% are male while 55 respondents representing 44% are female. Also, people at 36-45 constitute majority of the respondents with 52% representing 106 respondents while 12%, 30% and 6% representing 15,38 and 7 of respondents fall within the age brackets below 25, 25-35 and 45 above respectively. Similarly, 34% representing 42 of the respondents are Single while 66% representing 83 of respondents are married. Also, the educational background of the respondents is included in the table. It shows that most of the respondents about 75 representing 60% has B.Sc./HND, 32 respondents representing 26% of them have M.Sc. or PhD or Professional qualifications while 18 respondents representing 14% have other certificate that was not specified.

Finally, 48 of the respondents representing (38%) have 1 to 5 years of working experience while 70 of the respondents representing (56%) have 6 to 10 years of working experience. The table also revealed that 7 of the respondents representing (6%) have 11 and above years of experience. The results of the survey indicate that the respondents have the versatile requisite experience to provide the required answers to the questionnaire.

**Table 4.2: Validity Tests**

Variables	KMO	Bartlett's Test of Sphericity		
		Chi-square	Df	P-value
Operational Questions	.602	754.017	164	0.001

**Source: Field Survey, (2018).**

As regards the construct validity in term of convergent validity, confirmatory factor analysis was performed. Kaiser-Meyer-Olkin (KMO) and Bartlett's tests were conducted. The KMO is a measure of sampling adequacy and ranges between 0 and 1. The Barlett's test of sphericity value should be significant (i.e. the Sig. value should be .05 or smaller). The results of this test are shown in table 4.3. This shows that all measurement items of each sample are significant at level 0.01 based on the Barlett's test of sphericity. The

KMO value of each construct is 0.602. The implication of this result shown in Table 4.2 is that the measurement scales used in this study are valid.

**Table 4.3: Reliability Statistics**

Variables	Cronbach's Alpha	No. of Items
Customer Service Delivery	0.81	4
Employees' performance	0.76	6
Educational Related Corporate Social Responsibility practices	0.86	6
Community Development focused Corporate Social Responsibility practices	0.77	5
Philanthropy Related Corporate Social Responsibility practices	0.81	5

**Source: Field Survey, (2018).**

The results of the reliability analysis in table 4.3 indicate that the instrument is stable and consistent in measuring Corporate Social Responsibility practices. It can be seen that the Cronbach's alpha test of each factors influencing (Customer Service Delivery, Employees' performance, Educational Related Corporate Social Responsibility practices, Community Development focused Corporate Social Responsibility practices and Philanthropy Related Corporate Social Responsibility practices) CSR display satisfactory levels of reliability with Cronbach's alpha values higher than the minimum threshold (Cronbach's alpha > .70).

**Table 4.4: Inferential Statistics**

Statistics	Variables	DIV	PAT	EDRCRSR	CDRCRSR	PHRCRSR
Mean		1.045298	5.630584	12.46426	12.82256	15.47225
Median		0.230850	0.460000	13.23400	13.44775	16.06090
Maximum		19.60000	172.5300	18.26460	17.97730	23.92010
Minimum		0.005220	0.010000	4.820280	5.198500	9.402860
Std. Dev.		2.959970	21.51690	3.367068	3.094007	3.331590
Skewness		5.095807	6.058824	-0.036904	-0.181352	0.023293
Kurtosis		29.38577	42.95088	1.633444	1.749582	1.735590
Jarque-Bera		5133.833	11183.68	12.01791	10.87688	10.27247
Probability		0.001020	0.000000	0.002457	0.004346	0.005880

**Source: Author's Computation, (2018).**

The normality test was conducted to examine the appropriateness or otherwise, of the ordinary least square (OLS) estimator. Table 4.4 shows the descriptive statistics for all the variables and their return series covering the same sample size of nine manufacturing

companies. The large margins between the minimum and maximum values of all the series indicate evidence of significant variations of the trend of the series over the period covered in the study.

Regarding the statistical distribution of the series, dividend per share (DIV), profit after tax (PAT), and philanthropy CSR (PHRCR) show evidence of positive skewness implying that the right tail is extreme. On the other hand, educational CSR (EDRCR) and community development CSR (CDRCR) indicate negative skewness denoting extreme left tail.

In relation to kurtosis, DIV and PAT are leptokurtic (i.e. evidence of fatter tail and more peakedness than the normal distribution) while educational CSR (EDRCR), community development CSR (CDRCR) and philanthropy CSR (PHRCR) are platykurtic (i.e. evidence of thinner tail than the normal distribution but they are less peaked than the normal distribution). The distribution of a series is leptokurtic when the kurtosis is greater than three and it is platykurtic when the kurtosis is less than three. A variable is said to be normally distributed on the basis of the skewness and kurtosis when the value is three. Since none of the variables considered satisfies the condition of normality, it is observed that they are not normally distributed.

This is buttressed by the Jarque-Bera statistics which is significant (probability value of the statistics is less than 5%) for all the series indicating that all the series are not normally distributed. The null hypothesis for the Jarque-Bera test is the series are normally distributed. When the probability value (p-value) of the Jarque-Bera statistics is less than the conventional level of significance (10%, 5% or 1%), the series are normally distributed and OLS estimator will be appropriate. Otherwise, the series are not normally distributed and OLS estimator becomes inappropriate.

The series of all the variables are not normally distributed and OLS estimator collapses. Therefore, the pool regression for panel data is ignored and fixed effect and random effect based upon the panel data methodology were appropriately employed in this study.

**Table 4.5: Correlation Coefficients**

Variables	EDRCSR	CDRCSR	PHRCSR	DIV	PAT	Variance inflation factor(VIF)
EDRCSR	1					1.64
CDRCSR	0.28	1				1.54
PHRCSR	0.2651	0.1557	1			1.78
DIV	0.132	-0.0308	0.0226	1		1.13
PAT	0.0972	0.346	-0.059	-0.2636	1	3.68

**Source: Author's Computation, (2018).**

The study examined the existence of multicollinearity among the variables used for the panel regressions. The existence of multicollinearity is a problem that invalidates the estimates of regression estimators. To assess this, a pair-wise correlation was conducted. This shows the nature of relationship between each pair of the variables used. The result of the correlation is presented in Table 4.5. It shows that CDRCSR and DIV, PHRCSR and PAT as well as PAT and DIV have negative correlation coefficients (negative relationship) while all other variables are positively correlated. However, the correlation coefficient is less than 0.5 for all the variables.

Moreover, the Variance Inflation Factor (VIF) test was employed to also test the presence of multicollinearity. The rule of thumb is that, when the VIF value is greater than 5 there is the problem of multicollinearity otherwise there is no problem of multicollinearity. The result of the VIF shows that the values of the VIF, 1.64, 1.54, 1.78, 1.13 and 3.68 for EDRCSR, CDRCSR, PHRCSR, DIV and PAT respectively are less than 5. Therefore, there is no problem of multicollinearity in the model.

This means there is no strong interdependence among the variables. Hence, multicollinearity does not exist among them. Since there is no multicollinearity, the fixed effect and random effect regressions are employed without dropping any of the variables.

**Table 4.6: Result of Ordered Logic Regression for CSD**

Independent Variable	Dependent variable: Customer Service Delivery (CSD)	
	Coefficients of ordered logit (1)	Marginal effect (2)
CDRCSR	0.83 (1.34)	0.013 (0.014)
EDRCSR	6.48*** (1.41)	0.10 (0.096)
PHRCSR	-1.37*** (0.48)	-0.021 (0.019)
Constant cut1	9.54*** (2.22)	
Constant cut2	15.5*** (4.04)	
Constant cut3	22.3*** (6.24)	
Constant cut4	27.2*** (7.58)	
Observations	125	125
Log likelihood	154.41577	
Wald statistics	23.54	
P-value of Wald statistics	0.0000	

**Source: Author's Computation, (2018).**

Standard errors in parentheses\*\*\*, \*\* and \* denotes 1%, 5% and 10% level of significance respectively.

Ordered logit regression which considered as best tool was used to investigate the effect of Corporate Social Responsibility Practices on customer service delivery of manufacturing companies in Nigeria because the response obtained from respondents were ranked in ordered form. The result is displayed in table 4.6. The estimates of the coefficient of the regression and the marginal effects are presented in column 1 and column 2 of the table respectively. The coefficients are used to examine the nature of relationship and significance of the independent variables while the marginal effect is used to evaluate the extent (magnitude or size) of impact of the independent variables on the dependent variable. The dependent variable is Customer Service Delivery (CSD)

while community development related Corporate Social Responsibility practices (CDRCSR), education related Corporate Social Responsibility practices (EDRCSR) and philanthropy related Corporate Social Responsibility practices (PHRCSR) are the independent variables. The result indicates that EDRCSR and CDRCSR are positively related to CSD. This implies that there is more likelihood that the probability of efficient CSD will increase with increase in EDRCSR and CDRCSR of the manufacturing companies in Nigeria. On the other hand, there is inverse relationship between PHRCSR and CSD. It means a rise in PHRCSR will reduce the probability of high CSD of the manufacturing companies in Nigeria.

However, the result indicates that EDRCSR and PHRCSR are statistically significant at 1% level of significance. This is because half the values of the coefficients of these variables are greater than the standard errors of the coefficients. This means CSR has significant impact on CSD of Nigerian manufacturing companies. The values of the marginal effect of the logit regression (in column 2) indicate that respondents strongly agree that the probability of having high CSD increases by 0.10 with the increase in EDRCSR while the probability of quality CSD fall by 0.021 with rise in PHRCSR. So, CSR has huge impact on CSD of Nigerian manufacturing companies. In Table 4.6 all the constant cut values are statistically significant, therefore we cannot collapse any of the categories. This means all the response categories are relevant and thus cannot be collapsed. The Wald test statistics is 23.54 with P-value 0.0000 this means that the model has a good fit.

**Table 4.7: Result of Ordered Logic Regression for EP**

Independent Variables	Dependent variable: Employee Performance (EP)	
	Coefficients of ordered logit (1)	Marginal effect (2)
CDRCSR	4.59*** (1.14)	0.043* (0.024)
EDRCSR	4.03*** (0.68)	0.037 (0.025)
PHRCSR	-0.76** (0.37)	-0.0071 (0.0060)
Constant cut1	15.9*** (3.10)	
Constant cut2	24.2*** (4.67)	
Constant cut3	30.6*** (5.49)	
Constant cut4	38.2*** (7.31)	
Observations	125	125
Log likelihood	-99.410303	
Wald statistics	70.65	
P-value of Wald statistics	0.0000	

**Source: Author's Computation, (2018).**

Standard errors in parentheses\*\*\*, \*\* and \* denotes 1%, 5% and 10% level of significance respectively.

Similarly, the ordered logit regression result for the investigation of the effect of CSR on EP is contained in Table 4.7. The coefficients and marginal effects of the coefficients are reported in columns 1 and 2 respectively. The employee performance (EP) is the dependent variable while community development related Corporate Social Responsibility practices (CDRCSR), education related Corporate Social Responsibility practices (EDRCSR) and philanthropy related Corporate Social Responsibility practices (PHRCSR) are still the independent variables. The coefficient estimates of the ordered logit indicate that EDRCSR and CDRCSR are positively related to EP while PHRCSR is negatively related to EP. This connotes that increase in EDRCSR and CDRCSR will bring about increase in the probability of high employee performance of manufacturing

companies in Nigeria but increase in PHRCR will lead to reduction in the probability of high employee performance.

The result vividly indicates that all the variables (EDRCR, CDRCSR and PHRCR) are highly significant at 1% and 5% level of significance respectively. This is illustrated by values of the coefficients, halves of which are greater than the standard error of the coefficients. The marginal effect of the ordered logit regression in column 2 show that, averagely, increase in CDRCSR and EDRCR will bring about 0.043 and 0.037 more likelihood of increase in EP. Conversely, rise in PHRCR will result to reduction in the probability of high EP by 0.0071. This implies that CSR has an enormous significant effect on EP of manufacturing companies in Nigeria.

The coefficients of the cut parameters shows that all the constant cut values are statistically significant. So, given the responses, all the categories (Strongly agree, Agree, Undecided, Disagree and strongly disagree) are relevant. The Wald test statistics is 70.65 with P-value 0.0000. This implies that the model has a good fit.

**Table 4.8: Result of Fixed Effect and Random Effect Models for PAT**

Independent Variable	Dependent variable: Profit After Tax (PAT)	
	Fixed effect model (1)	Random effect model (2)
EDRCR	0.011 (0.016)	0.010 (0.015)
CDRCSR	0.060*** (0.014)	0.059*** (0.014)
PHRCR	-0.0038 (0.0089)	-0.0053 (0.0084)
Constant	5.48e+06** (2.46e+06)	4.62e+06 (4.51e+06)
Observations	90	90

**Source: Author's Computations, (2018).**

Standard errors in parentheses\*\*\*, \*\* and \* denotes 1%, 5% and 10% level of significance respectively.

## **Interpretation of Random Effect Models for Profit after Tax (PAT)**

Regression results of random effect model employed in this study display numerous statistics. But, the sign, size, and significance of coefficient (3S) are the most important of the statistics. The sign of the coefficient indicates the nature (positive or negative) of relationship between the independent and dependent variables while the size reveals the magnitude of impact of the independent variable on the dependent variable. Likewise, the significance shows the relevance of the independent variables as a determinant of the dependent variable.

The results of the regressions investigating the effect of Corporate Social Responsibility practices on manufacturing companies' profitability in Nigeria proxy by Profit after tax (PAT) is presented in table 4.8. Random effect model presented in the column labeled 2 shows that Profit after tax (PAT) is the dependent variable which represents the profitability of manufacturing companies in Nigeria. The independent variables are Educational Related Corporate Social Responsibility practices (EDRCSR), Community Development focused Corporate Social Responsibility practices (CDRCSR) and Philanthropy Related Corporate Social Responsibility Practices (PHRCSR).

The results of the random effect model (column 2) show that there is inverse relationship between PAT and PHRCSR. On the other hand, EDRCSR and CDRCSR are positively related to PAT. This indicates that the larger the manufacturing companies' spending on philanthropy the lower the PAT of manufacturing companies in Nigeria. On the contrary, the more companies spending on education and community development, the higher the level companies PAT in Nigeria. This implies that manufacturing companies that spend more on education and community development as Corporate Social Responsibility practices tends to make higher profit. But spending on philanthropy as Corporate Social Responsibility practices will tend to reduce the profitability of manufacturing companies in Nigeria.

However, the results of random effect model shows that Community Development focused Corporate Social Responsibility practices (CDRCSR) is the only significant

determinant of the performance of manufacturing companies in Nigeria. This is indicated by the coefficients of CDRCSR which is 0.059 with the standard error 0.014 for the random effect models. Since half of the coefficient of the variable is greater than standard errors, the variable is statistically significant. Thus, the variable CDRCSR has significant effect on the profitability of manufacturing companies in Nigeria. Contrarily, the coefficients estimate of EDRCR and PHRCR are less than their standard error. So, the variables are statistically insignificant and does not have significant effect on the dependent variable (PAT). Hence, EDRCR and PHRCR do not significantly affect the profitability of manufacturing companies in Nigeria.

By size, the estimates of the coefficients show that one unit increase in CDRCSR will lead to 0.06 unit increase in the profitability. In short, one million naira increase in CDRCSR will increase the profit of manufacturing companies by ₦59,000 for the random effect models.

**Table 4.9: Result of Fixed Effect and Random Effect Models for DIV**

Independent Variables	Dependent variable: Dividend Per Share (DIV)	
	Fixed effect model (1)	Random effect model (2)
LogEDRCR	0.46** (0.21)	0.49** (0.20)
LogCDRCR	0.19 (0.24)	0.18 (0.23)
LogPHRCR	-1.01*** (0.34)	-0.97*** (0.33)
Constant	9.88 (7.37)	8.94 (6.85)
Observations	90	90

**Source: Author's computations, 2018.**

Standard errors in parentheses\*\*\*, \*\* and \* denotes 1%, 5% and 10% level of significance respectively.

The model estimated in this study to evaluate the effect of Corporate Social Responsibility practices on dividend per share of manufacturing companies in Nigeria is the one presented in Table 4.9. The results of random effect model is presented column 2. In the model, the dependent variable is Dividend Per Share (DIV). The Educational

Related Corporate Social Responsibility practices (EDRCSR), Community Development focused Corporate Social Responsibility practices (CDRCSR) and Philanthropy Related Corporate Social Responsibility practices (PHRCSR) still remain the independent variables. The independent variables were logged to harmonize the unit of measurements. This is because DIV is in ratios while all the independent variables are measured in millions of naira. The results of the random effect model illustrate that EDRCSR and CDRCSR are positively related to the DIV. That is, DIV of manufacturing companies in Nigeria increased with increase in their Corporate Social Responsibility practices on education and community development. But PHRCSR is inversely related to DIV. So, rise in philanthropic Corporate Social Responsibility Practices tends to reduce the DIV of the manufacturing companies.

Moreover, the coefficient of  $\log\text{EDRCSR}$  and  $\log\text{PHRCSR}$  are indicated to be statistically significant at 5% and 1% respectively in random effect model. This implies that, Corporate Social Responsibility practices on education and philanthropy are significant determinants of DIV of the manufacturing companies in Nigeria. In other words, Corporate Social Responsibility Practices has significant effect on dividend per share of manufacturing companies in Nigeria.

Averagely, DIV increased by 0.0046 (0.46/100) and 0.0049 (0.49/100) units in the random effect model due to a percent increase in the expenditure on education related Corporate Social Responsibility practices of manufacturing companies in Nigeria. However, the results of random effect model indicate that 0.0097(0.97/100) and 0.0101 (1.101/100) units decreases in DIV result from a percent increase in PHRCSR. This implies a spectacular impact of Corporate Social Responsibility practices on DIV of manufacturing companies in Nigeria. The coefficients are divided by 100 and the interpretation is in percentage change to unit change because the independent variables are logged. Meanwhile, the results imply a spectacular impact of Corporate Social Responsibility practices on DIV of manufacturing companies in Nigeria.

**Table 4.10 Hausman Test**

<b>MODEL</b>	<b>Hausman test</b>	<b>P-value</b>
FIXPAT	0.25	0.9695
RANDOMPAT		
FIXDIV	0.30	0.9593
RANDOMDIV		

**Source: Author's Computation, (2018)**

### **Hausman Test**

When both fixed and random effects models have good fit, Hausman test is used to compare and choose a better model between the two. The null hypothesis for the Hausman test is that a random effect model is better than the fixed effect model, or a random effect model is consistent. If the null hypothesis is rejected, use the fixed effect model; otherwise, go for the random effect model.

In the case of the Hausman test results presented in Table 4.10, the chi-square statistics of the Hausman test for FIXPAT and RANDOMPAT is 0.25 with p-value 0.9695. Equally, the test statistics for FIXDIV and RANDOMDIV is 0.30 with P-value 0.9593. Since the P-value is greater than 5% level of significance, the null hypothesis is not rejected and the result of the random effect model supersedes empirical inferences regarding the relationship and impact of the independent variables on both PAT and DIV.

However, based on the result presented in the Table 4.10 showing the value of 0.25 and 0.30 with P value of 0.9695 and 0.9593 respectively. It is clearly observed that the P value of random variable for both PAT and DIV report a greater value of 0.30 compare with Hausman test value of 0.25. The rule of thumb shows that a greater value of Hausman test with a P value reported level of significance is best fit to choose.

**Table 4.11: Fitness of the Models**

<b>MODEL</b>	<b>TEST</b>	<b>Goodness of fit</b>	
		<b>Fit-Statistics</b>	<b>P-value</b>
FIXPAT		6.62	0.0007
RANDOMPAT		20.87	0.0001
FIXDIV		5.10	0.0044
RANDOMDIV		15.90	0.0012

**Source: Author's Computation, (2018)**

### **Goodness of fit**

In order to examine the goodness of fit of the panel regression models employed in this study, F- test was used for the fixed effect model. The results of these tests are presented in table 4.10. FIXPAT and RANDOMPAT represent the fixed and random effect models in which PAT is the dependent variable while FIXDIV and RANDOMDIV represent the fixed and random effect models in which dividend per share is the dependent variable respectively. The fit- statistics for FIXPAT and RANDOMPAT are 6.62 and 20.87 with P-values 0.0007 and 0.0001 respectively. Likewise, the fitness statistics of FIXDIV and RANDOMDIV are 5.10 and 15.90 with P-values 0.0044 and 0.0012 respectively. When the P-Value of the statistics is less than the conventional level of significance (1%, 5% and 10%), the model is said to have a good fit, otherwise the fit is bad. The fit statistics of all the models in Table 4.11 have P-Values which are much less than 5% level of significance. So, all the models have good fit and their estimates are valid for empirical inferences.

### **4.3 Discussion of Findings**

The results of this study revealed a positive relationship between Corporate Social Responsibility practices variables (such as education related Corporate Social Responsibility practices, community development focused Corporate Social Responsibility practices) and customer service delivery in Nigerian manufacturing companies. However, philanthropy related Corporate Social Responsibility practices have a negative relationship with performance of manufacturing companies which is consistent with the study of Sujana (2013) and Belinda (2014). These findings conform to the stakeholders' theory which stems from the idea that CSR is a relationship contract that is self-enforcing when the present value of a firm gains from maintaining its reputation is

greater than the loss the firms incurred on the CSR activities. Therefore the null hypothesis which states that Corporate Social Responsibility practices does not significantly affect manufacturing companies performance in Nigeria should not be accepted.

The findings of the study also revealed that Corporate Social Responsibility practices have significant impact on employee performance and therefore the null hypothesis that states there is no significant relationship between Corporate Social Responsibility practices and manufacturing companies performance in Nigeria should not be accepted.

The results of the study further revealed that there is positive relationship between Corporate Social Responsibility practices variables (such as education related social responsibility and community development focused Corporate Social Responsibility practices) and profitability of manufacturing companies which is consistent with the study of Nsikan, Umoh and Bariate (2015). The null hypothesis that states that Corporate Social Responsibility practices does not significantly affect manufacturing companies' profitability in Nigeria should not be accepted.

Finally, the study revealed that Corporate Social Responsibility practices (such as education related social responsibility and philanthropy Corporate Social Responsibility practices) have significant impact on dividend per share of Nigerian manufacturing companies which is consistent with the study of Baker (2008) and Adeyanju (2012). This study is consistent with stakeholder's theory, political economy theory and legitimacy theory.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary

Engagement in CSR has become a common practice by large corporation in developed countries but it is still a debatable issue in emerging countries such as Nigeria. A business cannot operate and neglect the problems of society. The needs of society, if unattended to turns to social disease and no institution whether business or University or government agency is likely to thrive in a diseased society. Hence, the study used nine manufacturing companies quoted on the Nigerian stock exchange over a period of nine years (2007 – 2016) to examine the impact of CSR on performance of manufacturing companies.

Four models were formulated to achieve the objectives of the study. The first model was used to investigate the impact of Corporate Social Responsibility practices on profitability while the second model was used to examine the impact of Corporate Social Responsibility practices on dividend per share. The third model was used to investigate the Corporate Social Responsibility practices on customer service delivery of manufacturing companies in Nigeria. Finally, the fourth model was used to examine the impact of Corporate Social Responsibility practices on employee performance.

The study revealed that CSR impact on customer service delivery in manufacturing companies in Nigeria. Furthermore, the study showed that CSR impacts on employee performance. The study also revealed that Corporate Social Responsibility practices impacts on profitability of manufacturing companies in Nigeria. Finally, the study further revealed that Corporate Social Responsibility Practices has significant impact on the dividend per share of manufacturing companies in Nigeria.

#### 5.2 Conclusion

The study concludes that Corporate Social Responsibility practices impacts positively on customer service delivery of manufacturing companies in Nigeria. In addition, Corporate Social Responsibility practices do impact employees' performance in Nigerian manufacturing companies. Likewise, the study concludes that Corporate Social Responsibility practices impacts profitability of manufacturing companies in Nigeria.

Finally, Corporate Social Responsibility practices do have significant impact on the dividend per share in Nigerian manufacturing companies. The effect is due to competitive advantages achieved by CSR activities which lead to a greater impact on operational performance such as increase in customer service delivery and organizational productivities as well as greater performance in companies' profitability such as profit after tax and dividend pay out to shareholders. Also greater investment on corporate social responsibility would increase stakeholder's perception on companies' expectation such as community development, employment opportunity, public enlightenment etc. Hence, the study concludes that CSR has impact on the performance of manufacturing companies in Nigeria.

### **5.3 Recommendations**

Based on the conclusion reached, the study recommends the following:

- i. In terms of financial performance, the management of manufacturing companies should intensify their involvement in community development focused Corporate Social Responsibility practices so as to improve their profitability.
- ii. Manufacturing companies in Nigeria should endeavour to focus on philanthropy related Corporate Social Responsibility practices so as to increase the level of their shareholders' satisfaction as philanthropy has been adjudged to be a significant determinant of dividend per share.
- iii. Manufacturing companies in Nigeria should endeavour to focus on educated related Corporate Social Responsibility practices so as to enhance the companies' performance.
- iv. For manufacturing companies to achieve and sustained customer service delivery, involvement in educational related Corporate Social Responsibility practices should be maintained because educational related Corporate Social Responsibility practices has been identified as determinant of customer service delivery.
- v. CSR practices should not be viewed as a voluntary undertaking but a compulsory practice for the firm. Manufacturing company's policies need to ensure that the firm acts in ethical and socially responsible manner to all stakeholders

#### **5.4 Suggestion for Further Study**

The limitations encountered in this study have prompted the following suggestions for future researcher to carry out a research work on:

- i. The study only examined nine (9) manufacturing companies listed under building and materials goods of the first tier market of the Nigerian Stock Exchange market from 2007 to 2016. Future research could examine the effect of Corporate Social Responsibility practices on performance of manufacturing companies listed on second tier and emerging market of Nigerian Stock Exchange.
- ii. This study only covers a period of nine years from 2007 to 2016. Future research could increase the scope.
- iii. The impact of government regulations on Corporate Social Responsibility practices in Nigerian business organizations.
- iv. The impact of Corporate Social Responsibility practices on customers' attitude in Nigerian commercial banks.

#### **5.5 Contributions to Knowledge**

This study employed the use of mixed research method which involves use of different data collection techniques within one study to examine the practice, relevance and effectiveness of Corporate Social Responsibility practices on firm performance using selected manufacturing companies classified under building and materials industries as case study. This study seems to be the first to considered both operational performance and financial as proxy with Employee performance (Productivity), Profit after tax (PAT) and Dividend per share (DPS). More also, this study seems to be the first examines the building and materials companies producing a chemical and cement product that deals with extraction of things from ground.

#### **5.6. Limitation and Delimitation of the Study**

The current study is subject to a number of limitations. The sample of this study is limited to only building and materials companies of manufacturing companies quoted in the Nigerian Stock Exchange. Thus, the data collected were for only nine manufacturing companies that produced cement and chemical products for the period of nine years (2007-2016). Hence, the result generated could not account for time lag effects of

Corporate Social Responsibility practices may reduce social irresponsible and increase the firm performance in term of both operational and financial performance of the companies. Also, CSR information for this study was purely obtained from secondary data while opinion of the management on CSR was also sourced for within a limited time as most response was obtained through mail. So there could be a lot of information about manufacturing CSR that was not captured in the study that need to be incorporated in further studies. The findings of this study are only limited to the sample manufacturing companies in Nigeria as this could not be generalized to the entire manufacturing companies in Nigeria and across the globe. However, the result of this finding can be validated based on the fact that, it will assist policy makers and government to build the policy for the manufacturing companies which would include mandatory relevance of the CSR activities. The limitations addressed do not contradict the results and findings of the study. Despite these limitations, the results have extended our understanding of effectiveness of Corporate Social Responsibility practices on firm performance.

## REFERENCES

- Adegbite, H.M., & Amiolemen, R.I.C. (2017). Ubuntu and Corporate social responsibility practices: the case of selected Malawian organizations. *African Journal of Economic and Management Studies*. 3(1), 64-76.
- Adeyanju, O. (2014). An Assessment of the Impact of Corporate social responsibility practices on Nigerian society: The examples of banking and communication industries. *Universal Journal of Marketing and Business Research*. 1(1), 17-43.
- Adeyemo, S., Oyebamiji, F. & Alimi, K. (2013). An Evaluation of factors Influencing Corporate social responsibility practices in Nigerian Manufacturing Companies. *International Journal of Academic Research in Economics and Management Sciences*. 2(6),54-63.
- Akinsulire, O. (2011). *Financial Management*. Lagos: Ceemol Nigeria Limited. Amnesty International Business Group (2002). *The Social Contract*. Penguin, USA.
- Amadi, M. R., & Ndu, K. F. (2018). Pseudo-R2 measures for some common limited dependent variable models. *Journal of Economic Surveys*, 10(3), 241-259.
- Baker, M. (2010). Corporate Social Responsibility practices – consumers’ perspective, Masters Dissertation. University of Nottingham.
- Belinda, S. (2014). Corporate Social Responsibility practices as a Practicality of Ubuntu to Build Brand Loyalty: A Case of Mobile Telecommunication in South Africa. *Mediterranean Journal of Social Sciences*. 5(25), 167-175.
- Campbell, J.L. (2017). Why would corporations behave in socially responsible ways? An institutional Theory of Corporate Social Responsibility practices. *Academy of Management Review*. 32(3), 946-967.
- Carroll, A. (1991). The Pyramid of Corporate Social Responsibility practices: Toward the Moral Management of organizational stakeholders. *Business Horizons*. 34, 39-48.
- Cavazotte, A. C., & Chang, P. K. (2005). *Microeconometrics: methods and applications*. Cambridge: Cambridge University Press.
- Cormier, R., Magnan, T., & Velthoven, M. (2005). The views of corporate managers on the current state of, and future prospects for, social reporting in Bangladesh: An engagement-based study. *Accounting, Auditing & Accountability Journal*, 20(3), 472-494.
- Crane, A., Matten, D. & Spence, L, J. (2008). *Corporate Social Responsibility practices: Readings in a Global Context*. New York: Routledge. Department of International Relations. (2006). Nelson Mandela Memorial Lecture by President Thabo Mbeki. Retrieved 22 July, 2017 from <http://www.daf.gov.za/docs/speeches/2006/mbek0729.htm>.

- Dahisrud, R. B. (2016). The New Meaning of Corporate Social Responsibility practices. *California Management Review*. 40(2), 3-17.
- Elizaveta (2010).Corporate social responsibility practices in the Context of Youth Summit. [Online] Available: <http://www.generation-europe.eu/forum/category/idea-incubator/>
- Klassen, C. & Mclaughlin, A. (2016). Corporate socially responsible (CSR) practices in the context of Greek industry: *Corporate Social Responsibility practices & Environmental Management*.10(1), 12-24.
- Ngerebo, S., &Yellowe, C. (2002). Responsibility: The new business imperative. *Academy of Management Executive*. 16(2), 132-149.
- Lasher, R., Hedges, L.& Fagerty, T. (2006). *Practical Financial Management*. Canada: Nelson.
- Lee, G. & Park, O.V. (2010), Corporate Social Responsibility practices: How does it affect the financial performance of banks? *Journal of management and corporate governance*. 3(3), 8-26.
- Maldonado-Guzman, T., Pin-Castro, Z., & Lopez-Torres (2016).From efficient markets theory to behavioral finance. *The Journal of Economic Perspectives*. 3(316), 60-67.
- Mensah, S. (2017).Discrete Choice Modeling (NYU Working Paper no.EC-07-07). New York: New York University, Stern School of Business.
- Muhammad, S. (2017). Corporate Social Responsibility practices and financial performance of listed deposit money banks in Nigeria. *Al-Hikmah Management Review*, 2(1), 1-16.
- Mullerat, R. & Brennan, F. (2015). Corporate Social Responsibility practices: The Corporate Governance of the 21st Century. USA: Kluwer Law International.
- Nsikan, J., Umoh, V. A. & Bariate, M. (2015).Corporate Social Responsibility practices and Mobile Telecommunication Competitiveness in Nigeria: The Case of MTN Nigeria. *American Journal of Industrial and Business Management*. 5(1), 527-537.
- Odetayo, A. I., Adeyemi, F. & Sajuyigbe, A. (2014). Corporate Social Responsibility practices: an organisational tool for survival in Nigeria. *African Journal for the psychological study of social issues*. 19(2): 10-15.
- Oke, L. A.,Haliru, N.,Sanni, M.& Abdulbaki, Z. (2017). Csr and Firms' Performance Nexus: A Thought Of Carroll Pyramid in the Context of Nigerian deposit money banks. *Al-Hikmah Management Review*, 2(1), 87-104.

- Okoye, V., & Richard, E., (2016). Impact of Corporate social responsibility practices on the deposit money banks in Nigeria. *Global Business and Economics Research Journal*.2(3), 71 – 84.
- Omoro, A., Kinyua, T.& Okiro, M. (2014). The role of Corporate Social Responsibility practices in strengthening multiple stakeholder relationships: *A Field Experiment, J. Acad Mark Sci.* 34(4), 1-15.
- Organizational for Economic Co-operation and Development (OECD) (2013). Theoretical framework for corporate disclosure. *Research Asian Journal of Finance & Accounting*.5(1), 183-196.
- Osemene, O. F. (2012). Corporate Social Responsibility practices in Mobile Telecommunications industry in Nigeria. *European Journal of Business and Management*. 4(8): 149-159.
- Parliamentary Joint Committee, (2016). Discretionary disclosure. *Journal of Accounting and Economics*.5(3), 179–194.
- Qun, D. C., Abdullah, T. J., & Alvi, J. A. (2018). A better way to gauge profitability: systematic ratio analysis using the advanced DuPont model. *Journal of Accountancy*, 206 (2), 38-42.
- Richard, M., I., & Okoye, A. (2016). Corporate social reporting practice: Evidence from listed companies in Bangladesh. *Journal of Asia-Pacific Business*.10(2), 130-145.
- Ruggie, G.A. (2014). Making Corporate Social Responsibility practices Systemic. *Executive Counsel*. Available: [http:// www.executivecounsel.info](http://www.executivecounsel.info) (Feb/Mar, 2011).
- Saylor, R. (2013). Stakeholders and corporate social responsibility practices. Available at: [www.saylor.org/site/wp-content/.../2013/09/Saylor.orgs-Stakeholders-and-CSR.pdf](http://www.saylor.org/site/wp-content/.../2013/09/Saylor.orgs-Stakeholders-and-CSR.pdf). Retrieved on 22/12/2017.
- Trotman, K. (1999). Social responsibility disclosure by Australian companies. *The Chartered Accountant in Australia*. 2(3), 24 -28.
- Van Der Laan, A. (2009). "A study of corporate social disclosures in Bangladesh." *Managerial Auditing Journal*.16(5), 274-289.

## APPENDIX I

Department of Accounting,  
College of Management Science,  
Kwara State University, Malete,  
Kwara State, Nigeria.

### QUESTIONNAIRE ON IMPACT CORPORATE SOCIAL RESPONSIBILITY PRACTICES ON THE PERFORMANCE OF MANUFACTURING COMPANIES IN NIGERIA

Dear Sir/Ma,

This study is designed to elicit information on impact Corporate Social Responsibility Practices on the performance of manufacturing companies in Nigeria. I will be glad if you can use a little of your time to complete this questionnaire. I promise that information obtained will be treated with utmost confidentiality and solely utilized for this research work.

Thanks.

Yours faithfully,

**Muhammed Lawal, SUBAIR**

**16/27/MAC027**

#### Section A: Personal Data

Please tick correctly or fill where appropriate

1. Gender: Male (  ) Female (  )
2. Age: Below 25 (  ) 26-35 (  ) 36-45 (  ) 45 Above (  )
3. Educational Qualification: OND/NCE (  ) B.Sc./HND (  ) M.Sc./Ph.D (  ) Others (  )
4. Marital status: Single (  ) Married (  )
5. Designation: Top level Staff (  ) Middle level Staff (  ) Lower Level Staff (  )
6. Year of Experience: 1-5years (  ) 6-10years (  ) 11years and above

## Section B: Respondent Opinion

Instruction: please kindly tick (x) in the column provided in front of the responses as appropriate for the questions using the following scale: strongly agree (SA), agree (A), Indifference (I), disagree (D), and strongly disagree (SD).

### Educational Related Corporate Social Responsibility practices

S/N	STATEMENT	S A	A	I	D	S D
1.	Our company engagement in educational related Corporate Social Responsibility practices is satisfactory.					
2.	CSR practice by our company involve educating the stakeholders on the image building of your company					
3.	Educational development of employees is one of the main focus of CSR in our company					
4	The training sessions to enhance the understanding of Corporate Social Responsibility in your company is satisfactory					
5.	The scholarship given to student in your company's community is reasonable					
6.	The scholarship given to staff children in your company is reasonable					

### Community Development Related Corporate Social Responsibility practices

S/N	STATEMENT	S A	A	I	D	S D
1.	The practice of developmental projects in Nigeria manufacturing companies' community has improved over years					
2.	Community development practice by our company enhances the image building our company					
3.	Your company involvement in waste recycling is satisfactory					
4	Developing of environmental friendly product is a major focus of your company					
5	Management of environmental system is important to your company					

### Philanthropy Related Corporate Social Responsibility practices

S/N	STATEMENT	S A	A	I	D	S D
1.	Your company donate to organizations having social or environmental utility					
2.	Your company sponsorship of sport and cultural events is satisfactory					
3.	Partnership projects of social solidarity is enormous in your company					
4	Your company often donate to political associations					
5	Your company belong to corporate foundation that engages with CSR					

### Employee Performance

S/N	STATEMENT	S A	A	I	D	S D
1.	Employee related Corporate Social Responsibility Practices can improve the performance of employee					
2.	Employees rights are respected by your company					
3.	Corporate Social Responsibility Practices should be extended to employee so as to improve the employees' performance					
4	The CSR practice has helped our company in the retention of lost employee					
5	CSR has improve our company in supplying the work life balance of the employee					
6	The CSR practices has motivate and improve our employees morale					

### Customer Service Delivery

S/N	STATEMENT	S A	A	I	D	S D
1.	Corporate Social Responsibility practices initiatives has hasten customer service delivery					
2.	Our company takes into consideration of quality product at an avoidable rate for their customer					
3.	Adequate Corporate Social Responsibility practices improves customer service delivery					
4	CSR has helps our company attracting more customer					

**APPENDIX II**

**Dangote**

<b>YEAR</b>	<b>EDUCATION</b> ₦	<b>COMMUNITY DEVELOPMENT</b> ₦	<b>PHILANTHROPY</b> ₦
2007	-----	94,689	238,199,00
2008	5,810 000	3,200 000	2,223 000
2009	3,789 000	3,000 000	5,400 000
2010	3,851 000	2,405 000	4,986 000
2011	3,145 000	-----	5,030 000
2012	6,335 000	-----	1,610 000
2013	2,298 000	1,803 000	1,868 000
2014	3,747 000	1, 000 000	1, 101 000
2015	-----	-----	-----
2016	340 000	-----	2,500 000

**Cutix**

<b>YEAR</b>	<b>EDUCATION</b> ₦	<b>COMMUNITY DEVELOPMENT</b> ₦	<b>PHILANTHROPY</b> ₦
2007	100,000	6,349,090	320572
2008	1,330 000	1,200 000	727 000
2009	3,000 000	2,000 000	1,500 000
2010			
2011			
2012			
2013			
2014	2000000		1300000
2015	145 000	1,629 000	-----
2016	-----	1,600 000	-----

**Larfarge**

<b>YEAR</b>	<b>EDUCATION ₦</b>	<b>COMMUNITY DEVELOPMENT ₦</b>	<b>PHILANTROPHY ₦</b>
2007	1,050,000	445,356	-----
2008	314 000	4,020 000	310 000
2009	1,211 000	100 000	2,720 000
2010	1,211 000	100 000	2,720 000
2011	1,253 000	3,731 000	2,509 000
2012	2,978 000	710 000	1, 062 000
2013	1,659 000	4,120 000	2,212 000
2014	1,482 000	1,026 000	2,408 000
2015	2,500 000	100,000	-----
2016	-----	-----	200 000

### Berger Paints

<b>YEAR</b>	<b>EDUCATION ₦</b>	<b>COMMUNITY DEVELOPMENT ₦</b>	<b>PHILANTHROPY ₦</b>
2007	250,000	196,000	2,000,000
2008	300 000	2,383 000	1,7280 000
2009	-----	-----	-----
2010	2,100 000	2,000 000	1,000 000
2011	1,000 000	2,000 000	1,000 000
2012	3,000 000	1,000 000	1,000 000
2013	2,000 000	1,000 000	2,000 000
2014	-----	-----	-----
2015	400 000	1,000 000	-----
2016	1,640,000	572 000	533 000

### Portland

<b>YEAR</b>	<b>EDUCATION ₦</b>	<b>COMMUNITY DEVELOPMENT ₦</b>	<b>PHILANTHROPY ₦</b>
2007	-----	-----	-----
2008	2,744 000	1,000 000	328 000
2009	2,562 000	920 000	1,555 000
2010	1,538 000	2,284 000	364 000
2011	500 000	404 000	2,004 000
2012	2,909 000	519 000	1,353 000
2013	1,714 000	2,639 000	2,429 000
2014	4,000 000	-----	-----
2015	1,021 000	1,499 000	576 000
2016	820 000	1,165 000	250 000

**Meyer**

<b>YEAR</b>	<b>EDUCATION ₦</b>	<b>COMMUNITY DEVELOPMENT ₦</b>	<b>PHILANTHROPY ₦</b>
2007	2,800,000	230,000	-----
2008	700 000	2,500 000	3,000 000
2009	2,549 000	158 000	1,630 000
2010	5,000 000	1,000 000	-----
2011	443 000	-----	3,714 000
2012	500 000	240 000	2,949 000
2013	1,570 000	610 000	755 000
2014	679 000	2,631 000	744 000
2015	2,000 000	305 000	395 000
2016	-----	-----	-----

**Aluminium****Extrusion**

<b>YEAR</b>	<b>EDUCATION ₦</b>	<b>COMMUNITY DEVELOPMENT ₦</b>	<b>PHILANTHROPY ₦</b>
2007	200,000	1,000,000	-----
2008	296 000	1,000 000	285 000
2009	2,080 000	900 000	360 000
2010			
2011	3,67 000	550 000	672 000
2012	3,393 000	500 000	970 000
2013	3,824 000	336 000	1,982 000
2014			
2015	1,350 000	300 000	-----
2016	-----	-----	-----

**Cap**

<b>YEAR</b>	<b>EDUCATION</b> ₦	<b>COMMUNITY DEVELOPMENT</b> ₦	<b>PHILANTROPY</b> ₦
2007	-----	-----	-----
2008	-----	-----	-----
2009	-----	-----	-----
2010	1,000 000	188, 000	1,130 000
2011	1,500 000	315 000	1,241 000
2012	-----	-----	-----
2013	1,000 000	1,000 000	2,00 000
2014	590 000	960 000	1,540 000
2015	340 000	338 000	1,490 000
2016	-----	-----	-----

**Cement company of Northern Nigeria**

<b>YEAR</b>	<b>EDUCATION</b> ₦	<b>COMMUNITY DEVELOPMENT</b> ₦	<b>PHILANTROPY</b> ₦
2007			
2008			
2009			
2010	600 000	1,373 000	990 000
2011	2,500 000	758 000	774 000
2012	2,200 000	520 000	700 000
2013	1,500 000	748 000	888 000
2014	1,250 000	500 000	806 000
2015	1,080,000	200,000	1,000 000
2016	-----	-----	-----

**VALUE OF COMPANIES PROFIT AFTER TAX ( PAT) FROM 2007-2016**

	<b>Cultix</b>	<b>Cap</b>	<b>Meyer</b>	<b>Aluminum</b>	<b>Dangote</b>	<b>Larfarge</b>	<b>Portland</b>	<b>Berger</b>	<b>Northern Nigerian</b>
	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>
2007	11341507	312,490	21,698,210	12,418,728	69,114,931	23,736,249	34,953,351	25,696,000	13,321,489
2008	16918315	377,496	21,897,704	22,550,983	12,994,957	51,318,268	19,985,801	33,179,000	30,007,327
2009	14553866	540,129	13,080,565	12,667,766	22,047,862	16,611,289	11,089,000	11,179,000	19,341,183
2010	8615194	1,762,881	14,369,179	22,700,094	31,249,721	22,805,890	28,332,000	23,234,000	72,942,524
2011	11842021	21,165,461	19,183,693	31,128,890	60,326,540	45,210,901	55,480,000	34,080,837	17,831,698
2012	64865041	22,173,750	21,503,718	21,238,797	65,891,836	40,081,094	45,666,000	26,798,086	16,719,000
2013	46216768	32,354,831	21,411,526	21,160,706	60,361,884	50,073,488	47,453,000	35,221,933	16,320,000
2014	19003195	32,861,693	31,879,579	843,763	71,063,960	41,616,494	37,732,000	33,859,303	26,695,000
2015	15471746	23,228,384	21,317,223	886,458	11,137,257	48,545,756	54,360,000	35,720,180	24,504,000
2016	15466000	13,871,001	14,365,793	1,869,515	13,930,871	18,280,170	11,217,000	43,629,290	33,133,000

<b>Company</b>	<b>CID</b>	<b>YEAR</b>	<b>DPS</b>							
<b>Cutix</b>	1	<b>2007</b>	1.838	<b>Cap</b>	2	<b>2007</b>	0.148			
	1	<b>2008</b>	0.924		2	<b>2008</b>	1.618			
	1	<b>2009</b>	0.0255		2	<b>2009</b>	0.01101			
	1	<b>2010</b>	0.2127		2	<b>2010</b>	0.10708			
	1	<b>2011</b>	0.312		2	<b>2011</b>	0.1095			
	1	<b>2012</b>	0.438		2	<b>2012</b>	0.0628			
	1	<b>2013</b>	0.433		2	<b>2013</b>	0.0699			
	1	<b>2014</b>	0.527		2	<b>2014</b>	0.247			
	1	<b>2015</b>	0.151		2	<b>2015</b>	1.222			
	1	<b>2016</b>	0.107		2	<b>2016</b>	1.214			
<b>Aluminium</b>	3	<b>2007</b>	0.475	<b>Portland</b>	4	<b>2007</b>	0.633			
	3	<b>2008</b>	0.777		4	<b>2008</b>	0.964			
	3	<b>2009</b>	0.1129		4	<b>2009</b>	0.452			
	3	<b>2010</b>	0.1874		4	<b>2010</b>	0.1397			
	3	<b>2011</b>	0.1038		4	<b>2011</b>	0.1567			
	3	<b>2012</b>	0.00522		4	<b>2012</b>	0.01198			
	3	<b>2013</b>	0.0543		4	<b>2013</b>	0.04617			
	3	<b>2014</b>	0.0879		4	<b>2014</b>	0.03055			
	3	<b>2015</b>	0.0148		4	<b>2015</b>	0.111			
	3	<b>2016</b>	0.0458		4	<b>2016</b>	0.0472			
<b>Berger</b>	5	<b>2007</b>	6.874	<b>Meyer</b>	6	<b>2007</b>	0.3128			
	5	<b>2008</b>	0.21		6	<b>2008</b>	0.1473			
	5	<b>2009</b>	0.27		6	<b>2009</b>	0.2134			
	5	<b>2010</b>	0.23		6	<b>2010</b>	0.2743			
	5	<b>2011</b>	0.0896		6	<b>2011</b>	0.15298			
	5	<b>2012</b>	0.5		6	<b>2012</b>	0.15384			
	5	<b>2013</b>	19.6		6	<b>2013</b>	0.17746			
	5	<b>2014</b>	17.5		6	<b>2014</b>	0.22057			
	5	<b>2015</b>	19		6	<b>2015</b>	0.29756			
	5	<b>2016</b>	15.5		6	<b>2016</b>	0.2595			
<b>Dangote</b>	7	<b>2007</b>	1.384	<b>Larfarge</b>	8	<b>2007</b>	0.369	<b>Northern Nigeria</b>	<b>2007</b>	0.284
	7	<b>2008</b>	0.3047		8	<b>2008</b>	0.3296	9	<b>2008</b>	0.392
	7	<b>2009</b>	0.807		8	<b>2009</b>	0.141	9	<b>2009</b>	0.534
	7	<b>2010</b>	1.349		8	<b>2010</b>	0.356	9	<b>2010</b>	0.402
	7	<b>2011</b>	0.795		8	<b>2011</b>	0.335	9	<b>2011</b>	0.269
	7	<b>2012</b>	0.01891		8	<b>2012</b>	0.471	9	<b>2012</b>	0.4306
	7	<b>2013</b>	0.0177		8	<b>2013</b>	0.497	9	<b>2013</b>	0.284
	7	<b>2014</b>	0.05325		8	<b>2014</b>	0.454	9	<b>2014</b>	0.361
	7	<b>2015</b>	0.1197		8	<b>2015</b>	0.39	9	<b>2015</b>	0.287
	7	<b>2016</b>	0.1306		8	<b>2016</b>	0.443	9	<b>2016</b>	0.381

