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**Corporation Social Responsibility and Bank
Performance in Nigeria**

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Abstract: There have been divergent opinions by various scholars on the impact of corporate social responsibility activities on firm performance due to the upsurge costs involved in its provision. Some researchers maintained that it is the corporate entities' obligation to recompense operating community for the destruction of its natural resources. This research work is aimed at ascertaining the connection of corporate social responsibility with performance of corporate entities. The sectorial scope of this study is the financial sector. Ten banks were chosen by randomization. The hypotheses were tested by panel least analysis method. The findings divulge that return on capital employed has no emblematic influence on CSR banks under review. The findings also showed a positive connection of return on investment with CSR banks under review. Lastly, the finding showed that the influence of net income margin on CSR is not emblematical.

Keywords: Corporate Social Responsibility; Firm Performance; Nigerian Banking Sector

Introduction

Corporate Social Responsibility (CSR) has drawn the attention of business scholars in modern times because of global warming issues and the environmental hazard posed by multinationals and manufacturing firms on man and his natural environment. The field of universal communal concern has assumed momentous position in business inquiry. Nonetheless, this grey area still remains a major unresolved disputable subject in business and management cycles due the additional expenses sustained by firms for its provision. Some scholars (Kim, Nurunnabi, Kim & Jung, 2018; Hutchinson, 2002; Resmi, Begum & Hassan, 2018) argue that cost incurred in CSR activities outweighs the total benefits derived from these activities. Some schools of thought are of the opinion that CSR diminishes performance and add to cost-maximization bustle of the firm. Khan et al (2013) report that common sense suggests that concerns on CSR is prevalent among entities in specialized markets because of the high communal expectation for maximum socially responsible behavior of firm by citizenry. Some non-proponents of communal concern of firms (Oh , Hong, & Hwang, 2017; Cornet Erhemjocints & Tehranian, 2014; Gbam & Dedi, 2017; Dennis & McConnel, 2003) argue that CSR is just a bribe given to

host community to shut its mouth and prevent it from holding the corporate entity responsible for causing environment hazard and land degradation.

Stakeholders in the corporate world today are interested in the appraisal of firms by the community in which they operate. They have countlessly tried to measure firms' corporate image based on their donations to the host community. In spite of the fact that supervisory and statutory agents have placed considerable emphasis on corporate social responsibility and profitability, it is surprising to mention that diverse results were gotten in extant literatures on the subject matter, that is, profitability/CSR relationship (Amole et al., 2012; Cheruiyot & Tarus 2016 Singh & Davidson, 2002; Fu & Shan, 2015). Some of the outcomes show that corporate social responsibility negatively influences profitability (Amole et al., 2012; Cheruiyot & Tarus 2016). Numerous reasons is said to be responsible for these superficial discrepancies. Some have argued (Hlida, Hope & Nwoye,2015; Dennis & McConnel, 2003; Rini, Sugengi & Suharnomo, 2017; Resmi, Begum & Hassan, 2018) that these different results lay with the usage of either overtly available information or survey data which channel are mostly limited in scope. Prior studies (Govindarajai &Amilan,2013; Hirigoyen &Poulain- Rehm, 2014) also reported that the association amid performance of firm and CSR is subject to bi-directional causation.

Most scholars believed that banks activities do have any hazardous effect on its immediate environment and as such should not in any way be compelled to be socially responsible while other scholars argued that CSR is a crucial machineries used by banks to gain the confidence of stakeholder, boost their reputes and get unflinching support of operating community. Achua (2008) opines that financial institutions are required to be communally accountable in order to build a reputational capital that allow them to fascinate first-class labour-force, increase their charges, negotiate for enhanced transactions, enlarge clientele, attract more financiers and earn confidence the of depositors. A bank can be said to be corporately reasonable when it maps out crucial areas that it can assist to improve the operating community without being compelled to do so.

A lot of works have been done on CSR in Nigeria (Adeyanju, 2012; Akinleye & Adedayo, 2017; Gbam & Dedi,2017; Joseph and Michah,2016; Oladimeji, Adebayo & Ogunshola,2017; Jie &Hassan,2016). Most of the studies primarily focused on the manufacturing sub-sector because of the common belief that CSR is a way of compensating host community for destroying their natural environment but this study on the contrary argues that CSR goes beyond mere compensation of host community for the destruction caused to its natural environment. The argument brought to the fore is that CSR is a tool for building corporate image because it create a platform for firm to impact the host community via welfare activities

From foregoing, this study is aimed at finding performance/CSR relationship of banks in Nigeria.

Literature Review

Conceptual Framework

Corporate Social Responsibility

CSR as a concept has no consensus definition. Numerous authors defined it based on their experience, curiosity, exposure, as well as ethics exemplified in their orientation structure. University of Miami (2007) defined CSR as a process that scrutinizes the inter-dependence

associations, which occur amid corporate entity, the economic structures, and the firm's ecosystem. The World Business Council for Sustainable Development (WBCSD) sees CSR as the unending commitment by a firm to act morally and donate toward the societal growth via advancing the quality of life its staff, their relatives, improve the community and make the world a livable place for its populace.

Carrol (1979) defined corporate social responsibility as an establishment's good duty to those that are affected by its activities. It functions as an impetus for resolving communal glitches. When corporate social responsibility merges with corporate social responsiveness it gives birth to corporate social performance. The European Commission (2001) defines CSR as a process whereby a firm choose to willingly donate to improve its immediate environment. Cochran and wood (1984) argue that "CSR is a term defines a company's duty to be answerable to all its stakeholders in all its actions and accomplishments." The World Business Council for Sustainable Development (2010) defines CSR as a firm's onus to donate to sustainable societal growth and commitment to the welfare of its staff.

This study adopted the definition of the European Commission (2001) which pointed out that CSR goes beyond just replenishing the environment but also has to do with voluntarily contribution of firms to host community for enhancement a better society. CSR in this context is measured by the donations made by banks toward; education (in terms of scholarship, building of school), construction of road; building of bridges; provision of tape borne water mention but a few.

Firm Performance

It is nevertheless imperative to discern that arduous construct quantification is vital for the improvement of science, predominantly when the variables of concern are multifaceted or not visible. Puzzlingly, business research has been condemned for not giving the subject matter enough attention. The nonexistence of precise measurement distort the quality of quantifiable inquiry and masks true association (Crook, Ketchen, Combs, & Todd, 2008; Richard *et al.*, 2009). In spite of the significance of performance, studies on the topic has experienced oodles of glitches such as nonexistence of unanimity, selection of key parameters based on opportuneness and miniscule attention to its dimensionality (Combs, Crook, & Shook, 2005; Venkatraman & Grant, 1986). Several works quantify firm performance with a lone parameter and epitomize this theory as one-dimensional, although it acknowledges the multidimensionality of the subject (Cho & Pucik, 2004; Richard *et al.*, 2009). Business investigation inquiry prefer to use accounting variables to measure performance. Variables such as return on equity (ROE), return on investment (ROI), and return on assets (ROA). Prior works archetypally quantify performance using proxies such as: Return on Investment (ROI), Return on Capital Employed (ROCE), Return on Assets (ROA) and Return on Sales (ROS).

The inkling behind these proxies is possibly to appraise the performance of management, that is- in what way has an entity's administrator being able to use assets to produce accounting returns per unit of investment. The shortcomings of these quantifications include; depreciation of asset, inventory costs inaccurate report of earnings. Worth of asset is also documented archaeologically (Miller, Glick, & Washburn, 2005). Suffices to say that accounting conventions make these proxies undependable. Financial economists have preference for market returns or discounted cash flows as proxy for performance. In order to attain uniformity, this study adopted three accounting measures: ROCE, ROI and net income margin (NIM)

Return on Investment

Return on Investment (ROI) is a performance quantity, used for appraising the efficacy of an investment or link the proficiency of a sum of various outlays. ROI reflects the quantity of return on an investment, in relative to cost of investment. To compute ROI, the value (or return) of an outlay is divided by the cost of the outlay. The outcome is written in percentage or a fraction.

$$\text{ROI} = (\text{Gain from Investment} - \text{Cost of Investment}) / \text{Cost of Investment}$$

From foregoing “return from Investment” denotes the incomes gotten from the sale of the investment of interest. ROI can straightforwardly be related with returns from other investments, permitting one to compare a diversity investments one with another.

Return on Capital Employed

Return on capital employed (ROCE) is a financial ratio that is used to ascertain a firm's cost-effectiveness and the efficiency with which its capital is employed. ROCE is computed as:

$$\text{ROCE} = \text{Interest Earnings Before and Tax (EBIT)} / \text{Capital Employed}$$

Return on Capital Employed is valuable measurement for comparing revenue against volume of money invested transversely firms side by side based on the volume of money they invest. There are double metrics that can be used to compute the Return on Capital Employed - Earnings before Interest and Tax and capital employed. EBIT, also known as working revenue. It discloses the revenue a corporate entity generates from its business activities not putting into cognizance interest or taxes. EBIT is computed by taking amount expended on operation from value of goods sold

Net Income Margin

Net income margin is equivalent to total revenue or earnings divided by net income and denoted by quantity of revenue generated by respective component. Net income margin is the proportion of total revenues or total earnings to earnings from a firm's operating sections. Net income margin is archetypally articulated as a proportion of profit to earnings. It can similarly be expressed in fraction. The net income margin shows how much of respectively component of that comes in as income transforms into income. The concept “net income” is synonymous with “net profit” on comprehensive income statement, each term can be swapped for the other. Furthermore, most financiers see net profit margin as the “net margin” and call it “net income” (Corell & Shapiro, 1987).

Net income margin can be calculated as:

$$\text{Net Income Margin} = \text{Net Profit} / \text{Total Revenues}$$

$$\text{Or Net Margin} = \text{Net Income} / \text{Total Revenues}$$

Two equations written above cab be written as in proportion.

Review of Related Studies

Empirical works on the association between CSR and profitability are basically of two kinds. The first employed the incident inquiry methodology to evaluate the short-run financial effect of corporate socially responsible while the second analyzes the association amid some corporate social performance variables and long-term financial performance of a firm employing accounting measurement. Literatures are viewed in chronologically.

Cheruiyot and Tarus (2016) did a work to ascertain the impact of performance on corporate social responsibility of Kenyan quoted firms using a longitudinal research design. They employed multivariate regression statistical technique to test the hypotheses. Their result reveals that all profitability variables used exhibited positive correlation with CSR. Akindele (2011) used *ex-post facto* research design to determine the influence of CSR activities on profitability of banks in Nigeria. Data were mined randomly from four types of banks in Nigeria. The data were evaluated using both evocative and inferential statistics, while extrapolations and results interpreted were analyzed by ANOVA. The results reveal CSR is negatively related with profitability of Nigerian banks.

Olayinka and Temitope (2011) employed quantifiable exploration technique to scrutinize the correlation amid performance of firm and corporate social responsibility in specialized markets. The study got information from element that were believed to be connected to CSR and profitability. These elements include: Return on Capital Employed, Return on Asset, Community Performance, and employee welfare and Environment Administration Scheme. The result reveals that CSR positively impacts financial performance as quantified with return capital and return on assets.

Amole et al. (2012) employed Ordinary Least Square (OLS) multivariate regression model to exam the correlation amid CSR and firm profitability. The study used data mined from the Nigerian manufacturing sub-sector for ten years, 2001-2010. Their findings reveal that each unit increase in spending on CSR led to increase in the revenue made by banks under reviewed. The result also revealed that CSR is positively impacts profitability. Adeyanju (2012) used data gathered from communication and banking industries to explore the correlation amid firm performance and CSR. The hypotheses were tested by of both regression and correlation statistical techniques. The results reveal that CSR is positively correlated with performance. Malik, Washburn and Glick (2014) used Carroll model of CSR on KSE 30 indices of Pakistani firms. Their result shows that legal responsibility is positively connected with financial performance. They drew the deduction that CSR activities of corporate sector offers a vigorous setting for the country and indorses ethos in which laws are enthusiastically kept.

Cornet, Erhemjocints and Tehranian (2014) performed a study to find out the determinants of corporate social responsibility of U.S manufacturing firms. The study covered five manufacturing firms employing panel least square statistical technique. Their result revealed that CSR is positively correlated with organizational performance. Hildaet al. (2015) carried out a work to determine the association between corporate social responsibility and profitability of selected Nigerian firms employing correlation statistical technique to test the hypotheses. Their findings reveal that social responsibility cost and corporate profitability are positively connected. The study deduced that social responsibility is essential for organizational profitability.

Ohiookha, Odion, Akhalumeh (2016) carried out a work to investigate the influence of firm performance on corporate social responsibility of Nigerian firms. Their work experimentally establishes that profitability positively impacts corporate social responsibility. They used panel data for twenty-nine (29) firms in Nigeria for a time lag of five years, 2005 to 2010. Result exposes that CSR infinitesimally influences performance of firm under review. Rini, Sugengi and Suharnomo (2017) carried out a study on the mediating effect of social alliance and green revolution on effects of corporate social responsibility of manufacturing sector. The inquiry placed emphasis on 439 firms in Central Java that met stock exchange conditions. Chi-square was used to test the

hypotheses. The study suggests that to advance effectiveness, social creativities has to be applied by manufacturing firms in order to exploit external resource and to overcome the shortcoming of firms as it regard to social responsibility,

Gbam and Dedi (2017) examined the determinants of corporate social responsibility on telecommunication firms in Nigeria. The study used both primary and secondary data. Chi-square non-parametric statistical techniques was used to test the hypotheses. The result divulges emblematic connection between CSR and Social progress. The study suggested that telecoms firms in Nigeria should be reinvigorated to increase the scope of their CSR activities. Akinleye and Adedayo (2017) explore the effect of corporate social responsibility on profitability of multinational companies in Nigeria. Five multinational companies were indiscriminately selected for the work. Information used was extracted from annual reports of selected firms for a period of five years, 2010 to 2014. They used correlation analysis method and OLS parametric techniques to test the hypotheses. Result revealed that corporate social responsibility is negatively correlated with profitability.

Kim, Nurunnabi, Kim and Jung (2018) examine the connection CSR activities with attitudes of employees exploring two-wave time-lagged survey data extracted from 378 Korean firms. The results show that consequence of work and apparent institute sustenance consecutively mediate the relationship between apparent CSR and profitability. The results infer that spending on CSR can be a good investment that will significantly boosts attitudes of staff, and not just an obligation for business entity. Resmi, Begum and Hassan (2018) study the effect of CSR on financial performance of Agro allied sector of Bangladeshi firms using a sample of four famous Agro allied firms for the period of 3 years from 2015 to 2017. Multivariate regression technique was employed to test the hypotheses. The findings revealed that return on equity (ROE) has positive effect on financial performance while return on assets (ROA) has no significant impact on financial performance.

Theoretical Background

Legitimacy Theory

Legitimacy theory offers an opinion with regards to the interaction firm and its immediate environment. It is recounts that the societal expectancy is merely a datum of communal existence. This theory reverberates the existence of a firm thrives on market forces as well societal expectations, consequently, a working knowledge of the wider trepidations of the public articulated in societal expectancy turn out to be an essential prerequisite for a business's existence. This theory concentrate on the supposition that a business entity has maintain its civic responsibilities by meeting the needs of the society and giving its immediate environment basic social amenities. This postulation was buttressed by notable researchers like Secchi (2007), Guthrie and Parker (1989) and Suchman (1995). In the communal and ecological studies, legitimacy theory gives the intuitions for defining and elucidating the different levels of communal and environmental documentation of organization behaviours.

Deegan (2002) stresses that corporate annual financial report is an instrument for upholding legitimacy. He contends that the more the probability that there will be aggressive changes in community expectations, the more the desire to impact the process via corporate ecological responsibility. Legitimacy theory unswervingly depend on the belief of the "social contract". According to Parker and Shin (2003) legitimacy theory is built on the assumption that a business entity functions within the community through "social contract" a way that it have endorsement to perform numerous communally

desirable actions to validate its bootees as well as its ultimate existence. Essentially “social contract” can be seen as an unwritten contract between a business entity and host community, in which the community endows the business entity the authorization to operate in its boundary within the ambit of best practices and laws. It is expedient for firms to undertake their businesses within a tolerable behavioral level so that they can be seen as a “good” corporate citizens. Corell and Shapiro (1987) used the stakeholder theory to contend that the worth of a business entity is dependent on the value of unequivocal entitlements like wage contracts and inherent entitlements like, ecological concern. It is expedient for ecologically responsive to incur additional low-cost inherent benefits vis-à-vis less ecologically responsiveness of business entities to attain better financial performance.

Methodology

Population and sample

The population comprises the all listed banks (18) as at December 31, 2017. The sectorial scope for this research work is commercial banks while the geographical scope is Nigeria. This research has a size of ten. The banks selected are those banks that have not part took in any form of merger or acquisition within the period under review.

Method of Data Collection

The information is extracted from secondary sources. The information was mined from annual financial reports of selected firms. *Expo facto research* design was employed.

Data Analysis Techniques

This research work employed panel data. This is grounded on three essential rationalization: First, data gathered had time and cross sectional qualities and this will permit us to study CSR above time as well as transversely. Second, Panel data regression offer improved outcomes because it intensifies sample scope and diminishes the difficulty of gradation of independence. Third, adaptation of least square method eschew the challenges of multicollinearity, accretion predisposition and endogeneity glitches (Greene, 2002). Nevertheless, the pooled data inquiry disregards the heterogeneity influence on the sample of companies selected. In this context, the panel data was chosen over other methods for analyzing data. Subsequently the fixed and random effect were performed in the panel regressions for the models. The study employed the *Hausman test* to choice between fixed and random panel estimation techniques. Pre-tests like autocorrelation, linearity collinearity, normality and homoscedasticity were performed,

Model Specification

Subsequent to the collected works and hypothetical construct on CSR, our models explains performance/CSR relationship. Conversely, erstwhile to the econometric explanation the construct for this inquiry for scrutinizing the CSR/ profitability of banks were identified. The theoretical construct are as follows:

The general model to be estimated is of the following linear form:

$$\Pi_{it} = c + \sum_{k=1}^K \beta_k X_{it}^k + \varepsilon_{it}$$
$$\varepsilon_{it} = v_i + u_{it},$$

In stationary associations, extant studies often employ least squares methods on Fixed or Random Effects models. Conversely, in vigorous linkage these methodologies are subjective and unreliable estimates. The initial effort to handle glitches of predisposition and variation in vigorous models was made by Anderson and Hsiao (1982) advocates instrumental elements estimator rooted on the first-differenced form of the initial model. The authors suggest that adeptness developments can be attained by engaging all available isolated values of the dependent variable plus amplified values of the exogenous regressors as apparatuses.

From foregoing the study adapt the model of Becchettiel *at* (2005).

$$RxD = ROI + ROA + ROCE + \square$$

However, we modified the model above:

$$CSR = \beta_0 + \beta_1 ROI + \beta_2 ROCE + \beta_3 NIM + \epsilon$$

CSR = corporate social responsibility expenses for the year

ROI = Return on investment

ROCE = Return on capital employed

NIM = Net income margin

Model Definition

Variable	Definition	Measurement	Source	Aporic
CSR	Corporate social responsible	Money expended on CSR annually	Becchettic el at (2005)	
ROI	Return on investment	Income divided by take investment	Corell & Shapiro, (1987).	+
ROCE	Return on capital employed	Profit before tax divided by total capital	Corell & Shapiro, (1987).	+
NIM	Net income margin	Average asset divided by net income margin	Corell & Shapiro, (1987).	+

Findings

Table 1 reveals that the least squares analysis was done with E-views 8.0. The white heteroscedasticity-consistent normal error is employed to regulate for likely heteroscedasticity in the equation. R² exhibit a value of 0.43 which indicate that 43% of the dependent variable is elucidated by the explanatory variables. Adjusted R² was observed to be 0.38, this moderates the outcome of enclosure of uninterrupted description of variables on the degrees of freedom. The F-stat was observed at 2.87 while p-value has a value of 0.05 this suggest that the hypotheses of combined statistics is momentous of the model and cannot be rejected as 5% level of significance.

Table 1. Regression Result

Variable	Coefficient	Std. Error	t-Stat	Prob
C	3.814	0.8092	4.7100	0.0003
ROCE	-7.93E-10	4.47E-09	-0.1773	0.8616
ROI	2.33E-08	9.04E-09	2.5796	0.0209
NIM	-0.44768	0.394842	-1.1338	0.2747
R-squared	0.43370	Mean dependent var		2.6
Adjusted R-squared	0.38268	S.D. dependent var		0.99472
S.E. of regression	0.84247	Akaike info criterion		2.70736
F-statistic	2.87195	Durbin-Watson stat		2.21204
Prob(F-statistic)	0.04977			

The estimation of the gradient of dependent variables discloses corporate social responsibility is inversely associated with return on assets as portrayed by the gradient value of -7.93E. This is relationship is non-emblematic as the p-value of 0.8600 surpasses the critical p-value at 5%. Subsequently, we do reject null hypothesis (Ho) that capital employed is not related to corporate social responsibility. The result also, revealed that return on investment is positively correlated with corporate social responsibility of banks as depicted by a gradient of 2.33 and p-value of 0.02 which is greater than the critical p-value at 5%. This implies that additional CSR expenses will probable lead to rise in ROI. We reject the null hypotheses (Ho) that ROI insignificantly impacts corporate social responsibility.

Furthermore, the result shows that Net income margin is negatively but insignificantly related to corporate social responsibility as portrayed by its gradient value of -0.45 and p-value of 0.27 which exceed the critical p-value at 5% level. Null hypothesis (Ho) that corporate social responsibility is not significantly impacted by and net income margin is not rejected. Lastly, Durbin-Watson reveal a value of 2.2 shows that stochastic reliance of consecutive components of the inaccuracy in equation is improbable.

Robustness Test for the Model

The various pre-tests were performed for the linear equation to ascertain that elementary least squares pretext has not been violated and the approximation results from the equation are the best, linear unbiased estimates of the population parameters. These results of these tests are given below:

Table 2. Heteroskedasticity Test

F-statistic	0.139000	Prob. F(1,17)	0.7135
Obs*R-squared	0.154484	Prob. Chi-Square(1)	0.6700

The result for Heteroscedasticity Test in table 2 above reveals that the measurement of value p and f-statistics are seen to have R² values of 0.700 and 0.7100 one-to-one

applying residual interval span of 2. The figures are above the critical value of 0.05 at 5%. It indicates that the absence of heteroscedasticity as depicted by the p-values of the f-statistic which substantially exceed of the critical value at 5%. It also implies that the continuous alteration postulation of least square has been obeyed.

Table 3. Ramsey RESET Test

	Value	Df	Probability
t-statistic	0.55200	14	0.5800
F-statistic	0.305200		0.5800
Likelihood ratio	0.431400	1	0.5100

The values for probability value for f-stat and t-stat for Ramsey Reset Test in table 3 are 0.844 and 0.87 one-to-one and the value is greater than critical at 5%. This divulges the unlikely hood of inaccuracy in the equation and the straight-lined model is appropriate.

Table 4. Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.654000	Prob. F(2,13)	0.22900
Obs*R-squared	4.058000	Prob. Chi-Square(2)	0.131500

Breusch-Godfrey correlation LM tests displayed in table 4 was performed to ascertain the incidence of autocorrelation. The probability value stood at 0.300 and 0.1300 for f-statistics and the experimental R^2 respectively applying outstanding interval span of 3. These trend to be greater than the critical value at 5%. This buttresses unlikely hood of autocorrelation. This depicts that the approximations of the reversion obeys the assumption of the zero supposition that regression analysis method is void of any masked element.

Discussion of Findings

This research work is aimed at ascertaining CSR/ performance relationship. The results gotten from the analysis of data gathered from the field depict that CSR is not significantly impacted by ROCE. The finding deviates from extant negative of Duke and Kankpang (2013). The outcome of this study further divulge that CSR is positively impacted by ROI in the Nigerian banking sector. The result corroborates *a priori* expectation. It is also in agreement with extant positive of Cornett, Erhemjamtsa and Tehranianb (2014). Finally, the finding shows that CSR has no emblematic impact on NIM in the Nigerian banking sector. This result negates a prior expectation.

Conclusion

Issues bordering on corporate social responsibility has taken the front burner in management research and has drawn considerable attention of scholars in recent times. CSR has become a crucial platform for negotiation between stakeholder and management. It has also create a stage on which the business can built its corporate image. However, Managers tend to weigh benefits against costs for provision for CSR. The study provides

insight into the determinants of corporate social responsibility decision. The result divulge that there is no significant relationship between return on capital employed and CSR in the Nigerian banks. The results further show that return on investment is positively related with CSR in the Nigerian banks. This implies that is CSR positively connected with return on investment. Finally, the results show that there is no significant relationship between CSR and net income margin.

Recommendations

The study makes the following recommendation based on the study findings. Firstly, supervisory agents should to expand CSR and ecological responsibility structure to emphasize significantly on applying firms' attention provision for corporate inducements and punishment for environmental sensitivity and insensitivity as the case may be. In this regards, the Nigerian Securities and Exchange Commission (SEC) might need to scrutinize the overview of ecological awareness and corporate involvement as a prerequisite for being listed on the floor stock exchange. Secondly, the study recommends that more vigorous structure for social responsibility activities in the Nigerian environment. The study proposes that the laws should be revisited. The study similarly recommended the review of the non-compulsory position of Social responsibility in order attain realistic success in compelling corporate entities to be accountable for their actions Finally, this study recommended that future researchers who intend to veer into this area of study should investigate the moderating effect of earnings management on the relationship between CSR and financial performance of manufacturing firms.

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APPENDIX 1

REGRESSION

Dependent Variable: CSR

Method: Panel Least Squares

Date: 07/29/18 Time: 20:03

Periods included: 10

Cross-sections included: 10

Total panel (balanced) observations: 100

Variable	Coefficient	Std.Error	t-Stat	Prob
C	3.814567	0.809286	4.713496	0.0003
ROCE	-7.93E-10	4.47E-09	-0.177373	0.8616
ROI	2.33E-08	9.04E-09	2.579653	0.0209
NIM	-0.44768	0.394842	-1.133828	0.2747
R-squared	0.433702	Mean dependent var		146807.0
Adjusted R-squared	0.282689	S.D. dependent var		0.994723
S.E. of regression	0.842473	Akaike info criterion		2.707367
Sum squared resid	5.72E+12	Schwarz criterion		27.96230
Log likelihood	-1247.054	Hannan-Quinn criter.		27.87943
F-statistic	2.871957	Durbin-Watson stat		2.212043
Prob(F-statistic)	0.049773			