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CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE OF LISTED CONSUMER GOODS MANUFACTURING COMPANIES IN NIGERIA

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K E Y W O R D S

Health investment expenditure, charitable donations, education investment expenditure, return on assets.

A B S T R A C T

This study corporate social responsibility and financial performance of consumer goods manufacturing companies in Nigeria was carried out to examine the effect of charitable donations, health investment expenditure, and education investment expenditure on return on assets of the listed consumer goods manufacturing companies in Nigeria. The data for the study was sourced from the published financial statement of the consumer goods manufacturing companies and population was 34 consumer goods manufacturing companies out of which 11 was considered for this study based on availability of the nature of data required. The study employed the panel data multiple regression for the test of hypotheses and a significant outcome showed that there is a positive but insignificant association between education investment expenditure on return on assets, while charitable donations and health investment expenditure were proved to be insignificant. The study concluded that corporate social responsibility is not a significant determinant of financial performance of the listed consumer goods manufacturing companies in Nigeria and recommended that listed consumer goods manufacturing companies should as a matter of urgency investment in corporate social responsibility.

Introduction

Businesses serve as the mainstay of every country as they add to the sustainability of the country's economy. This implies that out of all the several objectives of business, profitability has been identified as the motivating drive in the sense that without profitability, survival of the businesses is not in view. To make profits, business has to identify needs and satisfy them and make the stakeholders feel the impact of their activities which can be achieved through corporate social responsibility.

Corporate social responsibility has been increasing steadily in both size and complexity over the last two decades (Craig Smith 2003). Researchers have attempted to understand and explain this area of corporate reporting which appears to lie outside the conventional domains of accounting disclosures. Reconfiguring of performance indices to incorporate societal and environmental concerns as part of the overall objective of business has been the focus of corporations in developed countries.

Togun and Nasieku (2015) asserted that firms were traditionally concerned with financial accountability as the business world becomes more competitive due to technological changes. Corporation need to be more effective so as to maintain top position and gain competitive advantage (Eke and Madugba, 2015). The evolution of strategic thinking underscores the need to include activities that seek to integrate social and environmental issues into business decision making process (Mohammed, Zakaree & Oladele, 2016). Furthermore, in recent times, there is an increasing pressure from stakeholders to address and disclose social and environmental responsibilities. Elkington (1997) reported that corporate social responsibility has been developed to extend the traditional model of financial reporting, which emphasizes a firm's economic prosperity to accommodate social and environmental dimensions.

Igwe and Nwadialor (2015) opine that there is a growing recognition of the impact corporations have on employees, customers, government and others. It is becoming clear that corporations can contribute to their own wealth in the long run and to overall wealth by consistently considering the effect they have on the world at large when making decision (Hohnen, 2007). Nwadialor and Igwe (2013) asserted that good executive know that their long term success depends on continued good relations and report with a wide range of individuals, groups, communities and institutions especially in adapting corporate social responsibility programme to risk management.

Suffice to say that no business can survive in societies faced with kidnapping, youth restiveness, insurgency, and political corruption and governance issues. This is because a business is part of a larger society, hence has responsibility to it than profit maximization.

Madugba and Okafor (2016) asserted that corporate social responsibility is a medium through which business organization provides information to stakeholders about their corporate activities in the society. These activities may include environmental and ecological issues, employees' welfare, energy, community involvement and product / consumer related matters. Corporate social responsibility commands pivotal role in the 'greening' of corporate accountability (sustainability /

UNEP, 2012) as cited in Setyoroni & Ishak (2012). More typically, corporate social responsibility describes the reporting of quantitative detail environmental information within the non-financial sections of the annual report. Such reports may account for pollutions emission, resources used or wild life habitat damaged or re-established. Corporate social responsibility implies that companies in the cause of discharging their day-to-day activities for the purpose of profit realization should also take into consideration the effect of their activities on the members of the society in which the companies are residing and the environmental suitability of their operations (Shehu, 2015).

The origin of corporate social responsibility in Nigeria context can be traced back to the preserve of unbridled of oil in the southern part of Nigeria (now the South-South Geo-political zone). The discovery of the oil brought serious conflict between the oil companies and the host communities. Host communities lamented bitterly about degradation of their environment which brought hardships and the companies' unwillingness to accept that they are the chief cause of the hardship. This conflict of interest led to the emergence and implementations of corporate social responsibility. The objective being to protect human right against corporate abuses and on that basis various legislations were designed to regulate business and industry in Nigeria with the recognition of public interest by companies (Gunu, 2008).

For past decades now, corporate firms have ignored and disregarded corporate social responsibility, arguing that there are no laid down principles for allocating its cost whether as an investment or welfare to the society. The increasing need for every organization to disclose in annual reports the various activities that affect the society is becoming a very fundamental issue all over the world mostly in developing economies.

In Nigeria, organizations are particularly more interested in the profit maximization objective to the detriment of the society. This implies that the concern is about how efficient the organizations are in terms of how much profit is made and how dividend is paid. No serious thought is given to social issues in the annual report of organization as it concerns environmental protection, energy savings, fair business practices and community involvement etc.

Asechimie (1996) construed that it is reasonable for Nigeria government to go beyond the establishment of agencies to requiring organizations to report scorecard on environmental and other social issues. When this is done, it will reduce the disruption in company's operations, kidnapping, accusation and counter accusations of ill treatment of host communities.

The challenges faced by consumer goods manufacturing companies within today's complex and competitive market are environmental product of economic and non-economic related forces. Thus, to survive and prosper, corporate bodies must plan their activities in a manner that will strike a balance amongst the economic, social, legal and other related forces. It is important to state that the relationship between corporate social responsibility and financial performance has engrossed researcher's attention, but empirical studies have produced mixed results. (Galant & Cadez, 2017, Madugba & Okafor, 2016). Some researchers content that an optimistic association occur amid corporate social responsibility and financial performance (Fauzi & Idris 2009), while others dispute otherwise.

Malik and Okere (2020) studied corporate social responsibility, Environmental Investment and Financial Performance: Evidence from manufacturing companies in Nigeria. The study covered sixty-four (64) manufacturing companies and an eight year data extracted from financial statements of the companies from 2011-2018, it employed panel data regression. The research used donations, employee benefits, staff training cost as the self-determining variables and financial output as the dependent element. Findings revealed that there is a positive and significant relationship between environmental investment and financial performance of Nigeria manufacturing firms.

Akinleye and Adebayo (2017) investigated corporate social responsibility and profitability of multinational companies for the period of five years 2010-2014. It employed profit after tax to measure financial performance while corporate social responsibility spendings were used to proxy corporate social responsibility. Data were sourced from financial statements of companies and hypothesis was tested with ordinary least square regression. Findings revealed that corporate social responsibility has adverse and indirect effect on profit after tax of the companies in the study.

Kabir and chowdhury (2022) studied corporate social responsibility and financial performance casual nexus: Evidence from banking sector Bangladesh. The study covered a period of 2006-2018, with a total of 30 (thirty) banks, ex-post facto design were employ and data were gathered from the financial statement of the banks. ROA was used to determine financial statement while philanthropic expenditures were utilized to measure corporate social responsibility in the study. Findings showed that better financial performance leads to more corporate social responsibility, but corporate social responsibility expenditure does not necessarily influence financial performance.

Abubakar, Kabiru and Halima (2022) studied effect of corporate social responsibility on financial performance of quoted banks in Nigeria between the period of 2016-2020. The study was centered in Lagos State covering only 5 (five) banks out of 23 (twenty-three). The study employed ordinary lease square regression for the test of hypotheses. The dependent variables in the study were financial performance measured with ROE, ROA, and ROCE, while the independent variables are corporate social responsibility determined with DMBs, philanthropic expenditures. The study found out that corporate social responsibility has a helpful and substantial influence on all tested variables.

The study of Abubakar, Kabiru and Halima (2022) though in Nigeria was in banking sector but this study is in consumer goods manufacturing companies and employed different measures of variables like charitable donations, education investment and health as a measure of corporate social responsibility while return on assets, net profit margin, which other studies did not employ has been introduced in the study as a measure of financial performance.

In Nigeria, Extant literature revealed additional studies of Ahmed, Zakarie and Kolawale (2016), Ebimobowei (2011), Dibia & Onwuchekwa (2015), Uwuigbe & Jimoh (2012), Musa, Peter &Bukar (2015) and Madugba and Okafor (2016). These studies examined the influence of four corporate social responsibility dimensions (human resources, environment, community and product) on Earning per share and return on capital employed.

Consequent upon the problem as identified above, this study intends to provide a new substantiation on the correlation between corporate social responsibility and financial performance especially as evidence from empirical studies indicated that studies of this nature on consumer goods manufacturing companies are missing.

This study is designed to examine the effect of charitable donations, health investment expenditure, and education investment expenditure on return on assets of listed consumer goods manufacturing companies in Nigeria.

Literature Review

The social impact of corporation is becoming a very important issue in business ministration (Fioriet, Donato & Izzo 2007). The performance of business organization is affected by their strategies and operation in market and non-market environments. Hence, there is a debate on the extent to which company directors and managers should consider social and environmental factors in making decisions. In essence, Corporate Social Responsibility (CRS) may be described as an approach to decision making which encompasses both (social and environment) factors. It can therefore be inferred that CRS is a deliberate inclusion of public interest into corporate decision making, and the honoring of a triple bottom line which are People, Planet and Profit. (Harpreet 2009). CRS has been defined in various ways. Majority of these definitions integrate the three dimensions: economic, environment and social aspects into the definition, what is usually called the triple bottom line. The triple bottom line is considering that companies do not only have one objective, profitability, but that they also have objectives of adding environmental and social value to society (Mirfazli 2008). CSR has been defined as a "concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (Green Paper Promoting a European Framework for Corporate Social Responsibility 2001). Helg (2007) also defines CSR as the set of standards to which a company subscribes in order to make its impact on society.

A wide variety of definitions of firm performance have also been proposed in the literature. Both accounting and market definitions have been used to study the relationship between corporate social responsibility and firm performance (Orlitzky, Schmidt & Rynes 2003). However, since most social responsibility scholars seek to understand the ways that socially responsible corporate activities can create or destroy shareholder wealth, market definitions of firm performance seem likely to be more appropriate than accounting definitions of firm performance in this context (Margolis & Walsh 2001). The history of formalized CSR in Nigeria can be traced back to the CSR practices in the oil and gas multinationals. The CSR activities in this sector are mainly focused on remedying the effects of their extraction activities on the local communities. The companies provide pipe-borne waters, hospitals and school. Many times, these initiatives are ad hoc and not always sustained (Amaeshi, Ogbechie, & Amao 2006). The development of CSR in Nigeria has a somewhat different development phase. While CSR as a concept in the West was developed as early as in the 1950's the concept of CSR is a relatively new phenomena in Nigeria. Contrary to the West, the main influencing factor driving the CSR agenda in Nigeria have been foreign. Multinational companies operating in Nigeria together with foreign governments and international NGOs have been the primary drivers (Helg 2007).

Justification for Corporate Social Responsibility (CRS)

Every economic decision is motivated by a factor. Such is companies' involvement in corporate social responsibility. Arthur (2003) identified some factors as rationale responsible for companies' involvement in corporate activities to include:

Management Reputation

Reputation is everything in business. The public or customer's perception of a corporation is the first count of its survival, a well perceived companies has a greater advantage over its competitors because it will attract more patronage. CSR is one of those mediums that a company can employ to physique a good communal image, determinant of consumer satisfaction and thus by extension create positive financial returns Uadiable & Fagbeni (2011).

Superior Market

Globescan Inc. (2005) asserted that CRS entices and retain talented diverse work force. Grant Thornton International Business Report (2011) confirmed that corporations show concern for the interest or necessities of their workforce performs better in term of eminence and delivery likened to those that are less concerned about their workers. Turban and Greening (1997) opined that CSR have bearing on encouraging customers' orientation towards organizational attainment.

Competitiveness and market positioning / brand differentiation

It is not an overstatement that the 21st century market is crowded with too many competitors who are poised not to lose their market share. CSR can be employed to shape customers' loyalty as such business social organization can benefit too from building repute for honesty and best practice.

Learning and innovation

One factor that is very crucial for long term survival of an organization is learning and innovation; hence CSR is a medium for responding to environmental and societal risk.

Investor relation and access to capital

Corporate involvement in social responsibility is ideal for long term risk management and good governance practice. This is because it is reputation that attracts profit.

Laws and regulations

Furthermore, the role of regulation of business chiefly the government in ensuring that corporation are prevented from harming the broader social wellbeing, including people and the environment is also a driver of CSR. The government can introduce rules, laws etc, in safeguarding not only the lives of the citizen from bad activities of business but also enact laws that regulate employees' management.

License to operate

CSR is a driver for legal existence of a corporation, because a corporation that fails to engage or discharge societal responsibility stand the chance of its license been revoked due to litigation by community members.

Ramanathan (1976) as cited in Madugba et al, (2016) identifies three objectives of CSR accounting which include:

1. To identify and measure the periodic net social contribution of an individual firm, which include not only the 'cost' and 'benefit' internalized to the firm, but also those arising for externalities affecting social segments.
2. To help determine whether an individual firm's strategies and practices which directly affect the relative resource and power status of individual, communities, social segments and generations are consistent with widely shared social priorities on the one hand, and individual legitimate aspirations on the other.
3. To make available in an optimal manner to social constituents, relevant information of a firm goal, policies, programs, performance and contribution to social goals. Ramanathan (1976) also provided six concepts which are necessary for social account ting which include: social transitions, social overhead, social income, social constituents, social equity and social assets.

Underdown and Glautier (2004) assert that the concept of corporate social responsibility raises initial problems of defining not only the user of such information, but their objectives in receiving such information.

Challenges of corporate social responsibility Involvement

Corporate social responsibility engagement has a lot of benefits to good corporate citizens; however certain challenges posit treats to it which includes the following:

(i) **Lack of defined methodology in implementation**:

Crucial to the challenges of CSR is lack of general methodology on how to carry out the environmental and social/moral audits which are comparable to the way and manner corporations carry out financial audits. Usually, government regulatory requirements take precedent. An inherent challenge with any social reporting is its non-quantifiability in the way a financial report is.

(ii) **Absence of Institutional requirements**:

Another challenge of CSR is lack of governmental and/or institutional requirements for corporations to prepare and publish sustainability reports. Few corporations that embraced CSR of recent are faced with the challenge of the manner for reporting. Executives of some corporations intend that failure to report according to guidelines and framework of OECD and GRI would certainly reduce the degree of credibility of their published information.

(iii) **Issue of "Sin Industry:**

Industries that manufacture products that do not take serious efforts to achieve ethical standards of their products absent themselves from CSR. Examples of such industries include tobacco and alcohol, war arsenals from defense firms (Barton and Snider, 2002).

(iv) **Issue of economic loss and national interest:**

Critics of CSR reporting point out the enormous financial burden that regulations would place on corporations and host country's economy. Bulkecey (2001) asserts that the Australians federal government's action to avoid compliance with the Kyoto protocol in 1997 was on the concerns of economic loss and national interest. The government has argued that signing the Kyoto pacet would adversely inflict significant economic loss to Australian than any other OECD nation. Such argument was supported by critics of CSR reporting that corporations pay taxes to government to ensure that society and the environment are not adversely affected by business activities.

(v) **Dissimilarity in nature and behavior of corporations:**

Due to difference in nature of activities of corporations that exist globally, there is difficulty in addressing corporate sustainability reporting. There are no regulations to cover every aspect of the corporations operations. Sacconi (2004) cited that there is bottleneck in legal processes with obvious challenges in interpretations of the laws and debating of grey areas. It should be recalled that when General Elective failed to clean up the Husson River after contaminating it with organic pollutants, the company continued to argue via the legal process on ones of liability while the clean-up remains undone (Sullivan & Schiafo, 2005). Thus government regulation is arguable not easy to enforce especially on octopus-size multi-national corporations.

Philosophies of Corporate Social Responsibility

Corporate Social Responsibility (CSR) includes a set of philosophies ranging from corporate governance, business ethics, and supportable development through human rights and conservation concerns.

Business Ethics

Corporations weigh the upshot of their performance, product development and other business activities on the society. Several issues are considered to have ethical colorations: such as human/employee rights, environmental protection, staff health and safety, marketing claims, accountability, and reporting. Business ethics is concern with acquiescence with inside principles and government instructions. An ethical business will also thwart its own ethical practices in the practices of its business partners and suppliers. The consequentiality philosophy is one of the most used philosophies on business management.

Working in the Community

Businesses continuously have one kind of rapport and collaboration with societies where they exist, often as they hire and also sell the products locally. Many times, businesses spend time and coinage that assist local people in different ways e.g. support for educational programs and awareness raising initiatives.

Supply Chain Management

Business organizations demonstrate their social concerns through review of their suppliers' practices hence; encourage suppliers to meet the tests of the society if they want to remain in trade with them. Hence, they induce their suppliers to be socially responsible.

Socially Responsible Investment (SRI)

When the SRI had formerly been developed for religious groups (Quakers, Catholics, Muslims), it is available in many different forms to attend to issues that concern people of any faith, or nobody. The increase of socially responsible or good resources has led to the creation of social indicators responsible companies.

Responsibilities of a Business/Firm

Friedman (2007) and Carroll (1999) offer two contrasting perceptions about the responsibilities of business/firms in a society.

Stakeholder Theory

A stakeholder is any person or group of persons that can affect or is affected by the attainment of the objective of a corporation (Freeman, 2010). Preferable, stakeholder is used in a wild sense to mean any person or group of individual that has interest in an organization. This definition is very comprehensive as it implies that stakeholders include investors, shareholders, government, customers, employees, policy makers and regulators etc.

The whole group of persons that has interest in a corporation (stakeholders) are divided into three for ease of identification which include (i) descriptive Model: the focus of this model is to explain the entire process employed or exploited by a firm and communicated with the stakeholders in an attempt to achieve its objective. (ii) Instrumental power and: as its name implies is used to measure the link between business performance and stakeholder administration. (iii) Normative validity: this intends to serve as yardstick to measure (Donaldson and presto, 1999).

However, Deegan et al (2000) classified stakeholder theory into two major categories. The Ethical and the positive group, he pended that ethical theory is of the opinion that all stakeholders should be treated equally irrespective of status. This argument is based on the fact that all stakeholders are essential for smooth running of the corporation in sense that each reaction can affect the organization objective. The positive group argues that organization will always respond to society for better expectation of organizational performance (Deegan & Blomquist, 2006. Islam & Deegan, 2008 as cited in Wisuttorn, 2015).

This theory will drive this because from its proponents, it centers on the needs of the society which is the crux of this study. It is crusading that organizations should put stakeholders into their decision making process as stakeholders are contributors to the growth of the business.

Another reason for choosing this theory is that it summaries the objective of this study, as its focus is to examine the effect of the society on the performance of consumer manufacturing companies in Nigeria.

Legitimacy Theory

This theory was developed by Dowling and Pfeffer 1975.The theorist upholds that businesses should operate with the society at heart. In other words, the theory suggests that corporations should operate with paramount in their decision making processes and provide better services for the society. It further stated that business is an integral part of the society system and hence should operate within that system without adverse effect on the society (Deegan 2002, Suchman, 1995).

Neu *et al* (1998) asserted that business image creation is better developed and properly managed through social responsibility. By image creation, it means educating and informing the public of necessary organizational actions employed to correct the adverse effect of business actions or operations on the society.

Legitimacy theory could be said to exist when a corporation or business value is in agreement or in line with value system of the entire social system, of which the entity is an integral part. This means that business can legitimize their existence to society by voluntary participation in social responsibility (Cho & pattern, 2007, Deegan & Gordon, 1996, Wilmshrust & Frost, 2000).

Empirical Review

Kabir and Chowdhury (2022) studied CSR and financial performance casual nexus: Evidence from banking sector of Bangladesh. The study employed ex-post-facto research design. A total of 30 thirty banks was used for the study and data were gathered from the financial statement of the banks. ROA was employed to determine financial performance while philanthropic expenditures were utilized to measure CSR in the study. The study covered 2006 to 2018. Findings showed that better CFP leads to more CSR, but CSR expenditure does not necessarily influence CFP. Moreover, net income, total deposits, return on asset, and previous years CSR have a significant positive relationship with CSR whereas firm age has a significant negative relationship.

Abubakar, Kabiru and Halima (2022) in their study on effect of corporate social responsibility on financial performance of quoted banks in Nigeria between the periods of 2016 to 2020, employed the ex-post-factor research design and data was sourced from the annual accounts of the banks in the study. Explicitly, the study was centered in Lagos state Nigeria covering only five BMDs out of the 23. The study employed Ordinary least square regression for test of hypothesis. The dependent variable in the study was financial performance measured with ROE, ROA, and ROCE, while in the independent variable is CSR determined with the DMBs philanthropic expenditures. The study found that CSR has a helpful and substantial influence on all tested variables. CSR frolicked a significant role in improving the financial performance of quoted banks. This study settles that DMBs should give good consideration to their CSR in order to improve their complete financial performance.

Raj, Asha, Sajid, and Jyoti (2021) the study examined CSR and financial performance: Evidence from manufacturing and service firms in India. The objective was to examine the impact of CSR score on ROE, ROA, and ROCE. The study considered financial data of the Indian manufacturing and service industry for the year 2008 to 2017. Correlation technique had been used to examine the relationship of CSR score and the financial strictures. The result shows that ROE, ROA, and ROCE have a negative correlation with CSR Score of Manufacturing Sector Companies. Whereas, ROE has positive correlation with CSR Score of Service Sector Companies together with ROA and ROCE have a strong positive correlation with CSR Score of Service Sector Companies.

Olaoye and Olaniyan (2021) studied corporate social responsibility and organizations performance in Nigeria. The study employed primary data got from questionnaires and simple regression was used to test the hypothesis. The study adopted the stakeholder theory and the number of years covered by the study was not mentioned however, the findings showed that there is a positive and significant association between CSR and profitability of the banks in the study and the researcher recommended that the banks should see CSR as an opportunity and not expenditure.

Emamoke and Omodero (2021) carried out study with the objective of corporate social responsibility on Earning per share, Net assets per share and profit after tax of consumer goods manufacturing firms in Nigeria. The study covered a period of five years from 2015-2019, the data for the study was generated through annual report of the companies. Hypothesis was tested through the use of regression, the outcome of the study showed that CSR has a negative and insignificant association with all the financial performance variables.

Ango and Aliyu (2020) studied the impact of CSR on financial performance of listed oil and gas firms in Nigeria covering 2007-2017. Out of 13 listed oil and gas companies in Nigeria, 7 was selected and data was sourced from annual accounts of the companies. The study employed regression techniques. The findings showed that CSR has a positively but irrelevantly inducing the ROA of the listed oil and gas firms in Nigeria. It is recommended that management of listed oil and gas firms in Nigeria must ensure that responsibility is built into their policy statements and supported by an effective budget.

Okolie and Igbini (2020) examined corporate social responsibility and performance of Nigeria quoted companies. The study adopted a survey research design and a cross sectional data of one hundred and fifty companies were gathered for the study. The researcher used return on equity and market success to determine financial performance while corporate social responsibility was used as its proxy. Result revealed that CSR exert positive and significant association on the tested variables and the study recommend that companies should make CSR a prerequisite in their decision making.

Methodology

The research design for this study is *quasi-experimental method.* This design was chosen because historical data in financial performance and corporate social responsibility were available in the annual reports of the Nigerian stock exchange. The population of the study is 34 listed consumer goods manufacturing companies in Nigeria with sample size of eleven (11) consumer goods. This was considered based on availability of the nature of data required for the study. The period of the study is 2011-2021. The study used panel data multiple regression with the aid of e-view software for the test of hypotheses. The dependent variable which is financial performance is measured with return on assets (ROA) and the independent variable which is also corporate social responsibility is measured with log of expenditure on charitable donations, health investment expenditures, and education investment expenditures.

Model Specification

$ROA_{it} = f(CHD, HETI, EDI)$ (1)

$ROA_{it} = \beta o + \beta_1 CHD + \beta_2 HETI + \beta_3 EDI + et$ ……….. (2)

Descriptive statistics

Table 4.1 Descriptive Statistics of data variables

	LROA	LCHD	LHETI	LEDI
Mean	1.055251	5.406175	4.752654	2.904495
Maximum	1.709350	8.818910	8.737960	7.977700
Minimum	0.017870	0.000000	0.000000	-0.113500
Std. Dev.	0.249759	2.211358	2.707071	2.862675
Observations	110	110	110	110

Source: Author's computations, 2023

From Table 4.1, it is evident that Return on Assets (LROA) has a mean value of 1.055251. This value implies that consumer goods manufacturing companies in Nigeria involvement in corporate social responsibility is too small when compared to their return on assets. This is validated by a standard deviation value of 0.249759, which implies that the data variables are spread around the mean value. The minimum and maximum value of 0.017870 and 1.709350 was also recorded for the variable.

As contained in Table 4.1, Charitable donations (LCHD) has a center point value of 5.406175 indicating that a good number of consumer goods manufacturing companies in Nigeria get involved in charitable donations as confirmed by a standard deviation of 2.211358 which implies that the data are spread around the mean value.

Health investment (LHETI) showed an average value of 4.752654. This indicates that consumer goods manufacturing companies in Nigeria are moderately getting involved in provision of health facilities within the host communities or to a good number of stakeholders. This is further supported by a standard deviation of 2.707071 which confirms that the data variables are well spread around the mean. The variable also showed a minimum and maximum value of 0.000000 and 8.737960.

Education investment (LEDI) of the consumer goods manufacturing companies showed a mean of 2.904495 which is positive and further indicated that at least the consumer goods manufacturing companies are providing educational facilities and scholarships to the stakeholders, The is confirmed by 2.862675 which stand for measure of dispersion (standard deviation). It further indicated the minimum and maximum value of 7.977700 and 0.113500.

Unit root test

Due the nature of the data for this study corporate social responsibility and financial performance of consumer goods manufacturing companies in Nigeria, the study employed the panel unit root test to test for stationarity of the data variables.

Table 4.2 Panel unit root

METHOD	LROA	LCHD	LHETI	LEDI
Levin, Lin & Chu t*	-8.00779***	-6.84101***	-7.32202***	-5.62162***
Breitung t-stat	-2.91897***	-3.44226***	-3.81934***	0.36685***
Im, Pesaran and Shin W-stat	-3.62002***	-2.77463***	-3.48576***	-1.82062***
ADF - Fisher Chi-square	44.1310**	42.9222**	43.3545**	39.2061**
PP - Fisher Chi-square	59.9606**	58.7246**	66.5752**	67.8463**
RANKING	1(0)	1(0)	1(0)	1(0)

Note: * signifies at 1%, ** signifies at 5%, and *signifies at 10%**
Source: Author's computation, 2023

Granger and Newbold (1974) asserted that a non-stationary panel data is inadequate. Implying that regression coefficients with non-stationary variables would more than likely yield spurious and misleading results. It thus indicates that the panel data have to be stationary (finite means, variance and auto variance) for them to be valid (Gujarati, 1997). To overcome this problem, we test for stationarity of the dependent and independent variables employing the summary panel data unit root tests. The results of the tests are presented in Table 4.2. Statistical evidence from the table indicated that all the data variables are stationery at level either at 1%, 5% and 10% as indicated on the table. This implies that all the data variables are good and fit for further statistical analysis and the result of such will not negatively affect the outcome of the test.

Test of Hypothesis

The relationship between charitable donations, health expenditures and education expenditures and return on assets of listed consumer goods manufacturing companies in Nigeria is not significant.

Decision rule: Reject null hypothesis if probability value computed by means of E-view is less than or equal to 0.05 ($p \leq 0.05$)

Table 4.3.1 panel data least square fixed effect regression result showing the relationship between charitable donations, health expenditure and education expenditures and returns on assets of listed consumer goods manufacturing companies in Nigeria.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.994246	0.060191	16.51810	0.0000
LCHD	0.012205	0.011663	1.046451	0.2980
LHETI	0.010567	0.009997	1.957021	0.0231
LEDI	-0.019004	0.008672	-2.191353	0.0308
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.339780	Mean dependent var		1.055251
Adjusted R-squared	0.258103	S.D. dependent var		0.249759
S.E. of regression	0.215126	Akaike info criterion		-0.124589
Sum squared resid	4.489093	Schwarz criterion		0.194559
Log likelihood	19.85239	Hannan-Quinn criter.		0.004859
F-statistic	4.160055	Durbin-Watson stat		1.701282
Prob(F-statistic)	0.000030			

Source: Author's computation, 2023

Table 4.3.2 panel data least square random effect regression result showing the relationship between charitable donations, health expenditure and education expenditures and returns on assets of listed consumer goods manufacturing companies in Nigeria.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.017310	0.064248	15.83402	0.0000
LCHD	0.015807	0.011364	1.390959	0.1672
LHETI	0.003050	0.009430	0.323397	0.7470
LEDI	-0.021349	0.008299	-2.572531	0.0115
	Effects Specification			
			S.D.	Rho
Cross-section random			0.083450	0.1308
Idiosyncratic random			0.215126	0.8692

	Weighted Statistics		
R-squared	0.060477	Mean dependent var	0.647598
Adjusted R-squared	0.033887	S.D. dependent var	0.225314
S.E. of regression	0.221463	Sum squared resid	5.198876
F-statistic	2.274397	Durbin-Watson stat	1.469999
Prob(F-statistic)	0.084172		

Source: Author's computations 2023.

In order to know which of the fixed or random effect is to be used in the interpretation of this hypothesis, the Hausman Test was conducted as presented.
Decision Rule: *Accept the random effect result if the probability value of Hausman test is less than or equal to 0.05. (P≥0.05)*

Table 4.3.3 Hausman test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.336928	3	0.0251

Source: Author's computations, 2023.

The chi-sq statistics value of the Hausman test as presented in Table 4.3.3 is 9.336928 and the Probability value is 0.0251. This implies that it is significant at 5 percent level. The implication of this finding or result is that base on the Hausman test, the study will use the random effect result.

Discussion of Result

Evidence from Table 4.3.2 indicated that charitable donations has a co-efficient of regression value of 0.015807. This means that about 1.6% changes noticed in return on assets of the listed consumer goods manufacturing companies is account for by charitable donations. Furthermore, the same variable has a t-statistic value of 1.390959 with a probability value of 0.1672. From the result, one concludes that charitable donations has a positive but insignificant association with return on assets of the listed consumer goods manufacturing companies in Nigeria. Our finding disagreed with the study of Raj, Asha, Sajid, and Jyoti (2021). Though the study was in India where compliance is more adequate because government agencies really check compliance of the corporations to social responsibilities. Again, the study did not employ charitable donations. However, the study of Olaoye and Olaniyan (2021) in Nigeria did not also agree with our finding, the reason could be because the later study was in banking sector and failed to employ charitable donations. Again, the duration of this study is 110 firm years as compared to their study.

From Table 4.3.2, there is evidence that confirm a co-efficient of regression value of 0.003050 for health investment expenditure. Meaning that health investment expenditure has positive influence on the net profit margin of the consumer goods manufacturing companies in Nigeria. The same variable (health investment expenditure) indicated a t- statistic value of 0.323397 with a probability value of 0.7470. This value is greater than 0.05 ($p \geq 0.05$), hence we conclude that health investment expenditure is not a significant determinant of return on assets of the listed consumer goods manufacturing companies in our study. The implication of this finding is that listed consumer goods manufacturing companies has not been committed to HETI as a social responsibility and their involvement is too little to be noticed.

This finding disagreed with study of Okolie and Igbini (2020) in Nigeria who find a positive and affirmative link between corporate social responsibility and financial performance. This could be because their study though in Nigeria was in oil and gas sector and was also for a short period of time but the study of Ango and Aliyu (2020) supports our finding.

From Table 4.3.2 there is an indication that revealed that education investment has negative influence on the net profit margin of the listed consumer goods manufacturing companies In Nigeria. This is revealed by a co-efficient of regression value of -0.021349. Meaning that about 2.13% of the total variations noticed in return on assets is introduced by education investment expenditure. But the t- statistic value of -2.572531 has a probability value of 0.0115. This value is significant at 0.05 level. The implication of this is that education investment is a negative but significant determinant of return on assets of the listed consumer goods manufacturing companies in this study.

The finding of this study disagrees with the study of Oladele and Mokuolu (2020). The caveat here is that the later the study though in Nigeria was for a short period of time and involved two sectors namely banking and oil sector. But this study is on consumer goods manufacturing companies and for 110 firm years.

Conclusion and Recommendations

Based on the findings of this study, we conclude that corporate social responsibility has a positive but insignificant effect on return on assets of listed consumer goods manufacturing companies in Nigeria and recommend that the communities where consumer goods manufacturing companies exist is crucial in their survival and should henceforth locate areas of needs this communities that are yet to feel their impact as it guarantees their continue profitability. There is need for management of the companies to improve on their charitable donations such as scholarship schemes, sponsoring of school activities etc.

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