International Journal of Interdisciplinary Innovative Research & Development (IJIIRD)
ISSN: 2456-236X
Vol. 09 Issue 02 | 2025

Corporate Social Responsibility on Firm performance: Moderating Effects of Ownership Structure and Earnings Management

[1]Ogujiofor Magnus Nkemjika (PhD), [2]Mokolo Emeka Raymond, [3]Kelvin Amechi Ehikwe
[4]Affe Ediri Toju
[1,2,3,4]Department of Accounting Novena University Ogume Delta State, Nigeria

DOI: 10.5281/zenodo.15558999

ABSTRACT

The objective of the study is to examine moderating effects of earnings management and ownership structure on the relationship between firm performance and Corporate Social Responsibility. A random sample of fifty-two quoted companies was used for the study and data covering fifteen years ((2006-2020) were extracted from their reports. The study employed least square regression technique. The study found that there is no significant relationship between Corporate Social Responsibility. The result also showed ownership structure has no significant effect on firm financial. The study further revealed that ownership structure has positive moderating effect on the relationship between firm performance and corporate social responsibility. The study recommended government should encourage block ownership and Second, Owners of firm should be include in CSR policy of the firm.

Keyword: Corporate Social Responsibility, Firm performance, Moderating Effects, Ownership Structure, Earnings Management

1. BACKGROUND TO THE STUDY

Corporate Social Responsibility (CSR) has gained significant attention in the past decade from both business practitioners and policymakers, as it benefits firms and society alike (McWilliams & Siegel, 2000; Margolis & Walsh, 2003; Orlitzky, Schmidt, & Rynes, 2003). Globalization and international trade have increased business complexity, leading to higher demands for transparency and corporate citizenship (Jamali & Mirshak, 2007). As societal needs surpass governmental capabilities, businesses play a vital role in addressing social concerns.

However, earnings management can negatively affect shareholders, employees, communities, and managers' reputations (Zahra, Priem, & Rasheed, 2005). Manipulating earnings leads to stakeholder dissatisfaction, resulting in regulatory sanctions, investor pressure, negative media coverage, and reputational damage (Prior, Surroca, & Tribó, 2008; Fombrun, Gardberg, & Barnett, 2000). To counteract dissatisfaction, managers adopt an entrenchment strategy, implementing CSR policies to maintain a positive corporate image (Castelo & Lima, 2006). CSR initiatives in areas like environmental conservation, human resource management, and community relations foster goodwill among stakeholders (Orlitzky et al., 2003).

CSR enhances corporate reputation, helping firms negotiate better contracts, set premium prices, and lower capital costs (Fombrun et al., 2000). However, Prior et al. (2008) note ongoing debates regarding the impact of earnings management on CSR and financial performance. While CSR requires financial investment, its long-term benefits encourage continued research into its relationship with earnings management and financial outcomes.

Statement of the Problem

Corporate Social Responsibility (CSR) has been widely studied since the 1950s, with mixed findings on its impact on profitability—some studies report positive effects, while others report negative ones. Scholars also debate whether CSR is used to enhance performance through customer patronage or as a tool for earnings manipulation. Literature suggests a bi-directional relationship between CSR and firm performance, influenced by factors like firm characteristics and managerial tendencies. Although previous research has explored the role of corporate governance in moderating the CSR–performance link, little attention has been given to ownership structure and the combined effects of governance variables and management tendencies. This gap is what the current study aims to address.

Objectives of the study

The major objective of the study is to examine the influence of corporate social responsibility on firms' performance. Specifically, the study will ascertain

1. the effect of CSR on financial performance of manufacturing firms in Nigeria.
2. examine the effect of ownership concentration on financial performance of manufacturing firms in Nigeria

2. LITERATURE REVIEW

Conceptual Framework

Carroll (2004) argues that Corporate Social Responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has for organizations at a given point in time. Buhmann (2006) simply defines CSR as doing more than what is required by law. Johnson, Scholes and Whittington define CSR as “the ways in which an organization exceeds its minimum obligations to stakeholders specified through regulation”.The World Business Council for Sustainable Development (2002) defines CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large”.

Ademosu (2008) expresses CSR 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.Corporate social responsibility is a theory that asserts that businesses, in addition to maximizing shareholder value, have an obligation to act in manner that benefits society. The International Organization for Standardization (ISO) emphasizes that a business’s ability to maintain a balance between pursuing economic performance and adhering to society and environmental issues is a critical factor in operating efficiently and effectively.

Social responsibility can be seen as an ethical framework and suggests that an entity, be it an organization or individual, has an obligation to act for the benefit of society at large Social responsibility is a duty every individual has to perform so as to maintain a balance between the economy and the ecosystems, Social responsibility means sustaining the equilibrium between the two. It pertains not only to business organizations but also to everyone whose action impacts the environment according to Wikipedia.org. To my understanding social responsibility can be seen as the duty in which both individual and organizations are responsible for carrying out this duty for the benefit of the society.

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental. As important as CSR is for the community, it is equally valuable for a company. CSR activities can help forge a stronger bond between employees and corporations; boost morale; and help both employees and employers feel more connected with the world around them by James Chen. In my terms corporate social responsibility can be seen as an organization being responsible for itself and its society it’s all a about a company offering social responsibility to the indigenes of id based society.

Firm Performance

Predominantly when the variables of concern are many-sided or not visible, it is nevertheless imperative to discern that arduous construct quantification is vital for the improvement of science. Puzzlingly, accounting research has been condemned for not giving the subject matter enough attention. The non-existence of accurate measurement alter the quality of quantifiable inquiry and masks true association (Crook, Ketchen, Combs, & Todd, 2008; Richard *et al.*, 2009). Studies on the topic has experienced lots of glitches such as lack of unanimity, selection of key parameters based on opportuneness and miniscule attention to its dimensionality in spite of the significance of performance (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 & Johnson 2009). Management 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 idea 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 efficiency 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 result is expressed as a percentage or a ratio.

ROI = (Gain from Investment - Cost of Investment) / 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 investment 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. It is a useful measure for comparing the relative profitability of companies after taking into account the amount of capital used. ROCE is computed as:

ROCE = Interest Earnings Before and Tax (EBIT) / 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:

Net Income Margin = Net Profit / Total Revenues

Or Net Margin = Net Income / Total Revenues

Two equations written above cab be written as in proportion.

Corporate Social Responsibility: CSR was first emerged in developed countries, originally in the U.S., partly in response to the issues of the depression, the domestic economic hardship during World War II, and the postwar recovery period.The contemporary CSR originated back to the beginning of the 20th century. Sims (2003) opines that CSR is based upon two principles which are the principle of charity and principle of stewardship. The principle of charity is based on religious practice and it suggests that those who are financially stable should give to those with difficulties while the principle of stewardship, says that the responsibility of an organization is to serve the society and satisfy their needs since the wealth and power of the organization springs through their activities within the society. The turn of the businesses to the society and the development of a more societal thinking led the organizations to increase their responsibility and consideration for both social and environmental wellbeing. This response to environmental and social matters by the corporations is what it is known today as Corporate Social Responsibility.

Forms of Corporate Social Responsibility (CSR): Among the organizational researchers who have tried from time to time to identify and describe the various forms of CSR, probably the most established and accepted model of CSR which addresses the forms of CSR is the one called ‘Four-Part Model of Corporate Social Responsibility’ as proposed by Archie Carroll and subsequently refined later by Carroll and Buchholtz. They are:

Economic Responsibility: A corporation has to meet its economic responsibilities in terms of reasonable return to investors, fair compensation to employees, goods at fair prices to customers, etc. Thus, meeting economic responsibility is the first layer of responsibility and also the basis for the subsequent responsibilities. The fact still remains that meeting economic responsibility is must for all corporations to survive in the time.

Legal Responsibility: The legal responsibility of business corporations demands that businesses abide by the law of the land and play by the rule of the game. Abiding by the laws is the prerequisite for any corporation to be socially responsible.

Ethical Responsibility: This refers to the obligations which are right, just, and fair to be met by corporations. The conduct of corporations that go beyond law and contribute to social wellbeing is called ethical. Hence, corporations have an ethical responsibility to do, even going beyond law and rule and regulations, what proves good for the society. In other words, ethical responsibilities consist of what is generally expected by society from corporations over and above economic and legal expectation.

Philanthropic Responsibility: The Greek word “philanthropy” means literally “the love of the fellow human.” The use of this idea in business context incorporates activities that are, of course, within the corporation’s discretion to improve the quality of life of employee, local communities, and ultimately society at large.Making donations to charitable institutions, building of recreational facilities for employees and their families, support for educational institutions, supporting art and support activities, etc. are examples of philanthropic responsibilities discharge by the corporations.

Business Benefits of CSR

In a way, corporate social responsibility can be seen as a public relation's effort. However, it goes beyond that: corporate social responsibility can boost a firm's competiveness. The business benefits of corporate social responsibility include:

First, stronger brand image, recognition, and reputation: CSR adds value to firms by establishing and maintaining a good corporate reputation and/or brand equity.Second, increased customer loyalty and sales: Customers of a firm that practices CSR feel that they are helping the firm support a cause.Third, operational cost savings**:** Investing in operational efficiencies results in operational cost savings and reduced environmental impact.

Fourth, easier access to funding**:** Investors are more willing to support a business that practices CSR.Fifth, Attract and retain employees: Companies with strong CSR always find easier in retaining or recruiting employees. It is easier to win the heart of employees particularly when a company is rated on higher side for moral and social values.

Earnings Management

Earning management as a practice was first identified by Schipper (1989) as management of purposeful intervention in the external financial reporting process with the intent of obtaining some private gains. Healy and Wahlen (1999) define earnings management as the actions of managers who use judgments in financial reporting and the preparation of transactions to manipulate financial statements to either mislead some stakeholders on the basis of the economic performance of firms or to influence contractual outcomes that depend on accounting figures reported.

Watts and Zimmerman (1978) defined earnings management as manager act in the use of accounting policy on reporting accounting numbers that are inconsistent with actual economic conditions companies, and lead to earnings numbers are misleading stakeholders in economic decision making.

Earnings management is the use of accounting techniques to produce financial reports that present an overly positive view of a company's business activities and financial position. Earnings management is not about falsifying figures, is more about moving money around so that a company's profit figures look better in one reporting period, or from one period to the next.

Earnings management involves the manipulation of company earnings towards a pre-determined target. This target can be motivated by a preference for more stable earnings, in which case management is said to be carrying out income smoothing. Opportunistic income smoothing can in turn signal lower risk and increase a firm's market value. Other possible motivation for earnings management include the need to maintain the levels of certain accounting ratios due to debt covenants, and the pressure to maintain increasing earnings and to beat analyst targets.

Earnings management may involve exploiting opportunities to make decisions that change the earnings figure reported on the financial statements. Accounting decisions can in turn affect earnings because they can influence the timing of transactions and the estimates used in financial reporting.

Methods of Measuring Earnings Management

A number of methods have been used in the research literature to empirically measure earnings management. One broad method has used a variety of approaches to measure the quality of the earnings numbers reported in firms' financial reports. Under this method, the higher the quality of earnings, the higher the overall financial statement quality.

Jones (1991) model: The first measure of financial reporting quality examined is that based on the model developed in Jones (1991). This model focuses on calculating the discretionary portion of total accruals, which is then used as a measure of earnings management. To partition total accruals into its discretionary and non-discretionary components, Jones (1991) used the following expectations model for total accruals to control for changes in the firm's economic circumstances:

$$TA_{i,t}/A_{it-1} = \alpha_i[1/A_{it-1}] + \beta_{1i}[\Delta REV_{it}/A_{it-1}] + \beta_{2i}[PPE_{it}/A_{it-1}] + \varepsilon_{i,t} \quad (1)$$

Where: $TA_{i,t}$ = Total accruals in year *t* for firm *i*;

A_{it-1} = Total assets in year *t* - 1 for firm *i;*

ΔREV_{it} = Revenues in year *t* less revenues in year *t* - 1 for firm *i;*

PPE_{it} = Gross property, plant and equipment in year *t* for firm *i;*

$\varepsilon_{i,t}$ = Error term in year *t* for firm *i.*

The change in revenues and gross property, plant and equipment were included in the above model to control for changes in non-discretionary accruals due to changing conditions. The change in revenues was included as it was assumed to be an objective measure of the firms' operations before any manipulation by management, whereas gross property, plant and equipment was included to control for the non-discretionary depreciation expense (Jones 1991).

Jones (1991) used ordinary least squares regression for equation (1) to generate firm specific coefficients for $\alpha_{i,}$ β_{1i} and $\beta_{2i.}$ These coefficients were then used to estimate the level of non-discretionary accruals for each sample firm using the following model:

$$NDA_{it} = a_i[1/A_{it-1}] + b_{1i}[\Delta REV_{it}/A_{it-1}] + b_{2i}[PPE_{it}/A_{it-1}] \quad (2)$$

Where: NDA_{it} = Non-discretionary accruals in year t for firm i;

A_{it-1} = Total assets in year t - 1 for firm i;

ΔREV_{it} = Revenues in year t less revenues in year t - 1 for firm i;

PPE_{it} = Gross property, plant and equipment in year t for firm i.

The level of discretionary accruals was then estimated by Jones (1991) using the following model. It was used as a proxy for the extent of earnings management:

$$DA_{it} = TA_{i,t}/A_{it-1} - NDA_{it} \quad (3)$$

Where: $DA_{i\,t}$ = Discretionary accruals in year t for firm i

$TA_{i,t}$ = Total accruals in year t for firm i;

A_{it-1} = Total assets in year t - 1 for firm i;

NDA_{it} = Non-discretionary accruals in year t for firm i from equation (2).

Modified Jones model: This model uses a modification of the original Jones (1991) model as proposed by Francis et al. (2005). They included the change in accounts receivable in the estimation model for normal or non-discretionary accruals (i.e., equation (1) above). This was done based on the reasoning that, not doing so, would produce values for abnormal (discretionary) accruals that are not centred on zero when the mean ΔREC is not zero (Francis et al. 2005). In this research, the estimation model was run on cross-sectional samples of companies in the same industry groups as the sample companies. Justification for the use of cross-sectional samples is in section 3.5.1.2. Therefore, for this research, equation (1) above became:

$$TA_{i,t}/A_{it-1} = \alpha_i[1/A_{it-1}] + \beta_{1i}[\Delta REV_{it} - \Delta REC_{it}/A_{it-1}] + \beta_{2i}[PPE_{it}/A_{it-1}] + \varepsilon_{i,t} \quad (4)$$

Where: $TA_{i,t}$ = Total accruals in year t for firm i (measured by operating profit after tax – cash flow from operations);

A_{it-1} = Total assets in year t - 1 for firm i;

ΔREV_{it} = Revenues in year t less revenues in year t - 1 for firm i;

ΔREC_{it} = Net receivables in year t less net receivables in year t - 1 for firm i;

PPE_{it} = Gross property, plant and equipment in year t for firm i;

$\varepsilon_{i,t}$ = Error term in year t for firm i.

A further modification of the Jones (1991) model was proposed by Dechow, Sloan and Sweeney (1995). This version of the Jones (1991) model adjusted the change in revenues for the change in receivables in the estimation of the level of non-discretionary accruals for each of the sample companies. In this research, the following estimation model was run to estimate the level of non-discretionary accruals for each sample company using the industry specific coefficients for $\alpha_{i,}$ β_{1i} and β_{2i} from equation (4). Therefore, equation (2) above became:

$$NDA_{it} = a_i[1/A_{it-1}] + b_{1i}[\Delta REV_{it} - \Delta REC_{it}/A_{it-1}] + b_{2i}[PPE_{it}/A_{it-1}] \quad (5)$$

Where: NDA_{it} = Non-discretionary accruals in year t for firm i;

A_{it-1} = Total assets in year t - 1 for firm i;

ΔREV_{it} = Revenues in year t less revenues in year t - 1 for firm i;

ΔREC_{it} = Net receivables in year t less net receivables in year t - 1 for firm i;

PPE_{it} = Gross property, plant and equipment in year t for firm i.

The change in receivables was included because of the assumption in the original Jones (1991) model that revenues were entirely non-discretionary. The modified Jones (1991) model in equation (4) "…implicitly assumes that all changes in credit sales in the event period result from earnings management" (Dechow, Sloan and Sweeney 1995, p. 199). Dechow, Sloan and Sweeney (1995) justified the inclusion of the change in receivables by arguing that earnings management was more likely to occur in relation to credit sales rather than cash sales.

Ownership Concentration

Stakeholder theory emphasizes the importance of firms understanding and meeting the demands of their stakeholders to gain a strategic advantage (Freeman, 1984). CSR enhances reputation, particularly during crises, preventing financial harm (Gove & Janney, 2011). Institutional theory supports CSR engagement, as firms respond to environmental actors and stakeholder expectations (Campbell, 2007). Institutional investors prefer firms with strong CSR rankings (Graves & Waddock, 1994).

Intangible assets, such as employee collaboration, are crucial for maintaining competitive advantage (Hall, 1992). CSR improves employee commitment and attracts talented professionals, fostering a collaborative environment (Turban & Greening, 1997). Strong CSR ratings also lower firms' cost of equity (El Ghoul et al., 2011; Lin & Wu, 2014; Dhaliwal et al., 2014).

While some studies suggest CSR has no financial impact (Cox et al., 2004; McWilliams & Siegel, 2001), others argue it enhances firm profitability, particularly when stakeholder expectations are met (Hillman & Keim, 2001; Russo & Fouts, 1997). CSR positively influences financial performance, especially in rapidly growing industries (Ekatah et al., 2011; Almsafir, 2014). Additionally, maintaining CSR consistency strengthens stakeholder support, regulatory benefits, and reputation (Hond et al., 2014).

For firms with low innovation and differentiation, CSR can serve as a long-term strategic lever, aiding expansion and market positioning (Hull & Rothenberg, 2008)..

Consistent corporate social (CS) performance is crucial for firms to realize synergies and enhance financial success (Hull & Tang, 2012). Research supports that maintaining stable corporate social responsibility (CSR) practices leads to better returns (Wang & Choi, 2013). Knowledge-intensive firms, in particular, benefit more by safeguarding their core competencies. Given the dynamic business environment, CSR serves as a strategic tool for firms to remain competitive.

The latest CSR index includes six dimensions, emphasizing employee relations, workplace, and societal impact. Hatch (1993) introduced the cultural dynamics model, highlighting the importance of a firm's social image. Empirical studies have further validated CSR's financial advantages. For instance, firms with high CSR scores secure lower-cost equity financing (El Ghoul et al., 2011). Engaging in environmentally friendly initiatives reduces costs while improving reputation (McGuire, Sundgren, & Schneeweis, 1988). Additionally, CSR strengthens firms' credit ratings, as demonstrated by Attig et al. (2013) and Jiraporn et al. (2014). Overall, socially responsible firms enjoy financial and reputational benefits.

Maintaining a strong credit rating and minimizing the cost of capital benefits firms by improving their access to financial resources for strategic growth. Firms with high corporate social responsibility (CSR) performance gain competitive advantages over those with weaker CSR initiatives. Research supports the link between CSR and financial success—Waddock and Graves (1997) found that CSR positively impacts financial performance, particularly in the long term, emphasizing the importance of consistency.

Barnett (2007) proposed that prior CSR activity enhances stakeholder influence capacity (SIC), meaning firms must demonstrate tangible benefits to stakeholder welfare to fully capitalize on CSR initiatives. Effective communication of CSR activities strengthens social engagement and overall impact. From a stakeholder perspective, socially responsible firms receive stronger support (Maignan & Ferrell, 2004), reinforcing the idea that CSR fosters competitive advantages (Mukherjee & He, 2008). Stakeholders reward genuine and consistent CSR efforts, influencing employment, investment, and consumer trust (Sen, Bhattacharya, & Korschun, 2006; Vlachos et al., 2009). Ultimately, firms with sustained CSR performance enjoy stronger stakeholder backing and improved business outcomes.

Theoretical Framework

Theories are formulated to explain, predict and understand phenomena, and in many cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions. In this study, the following theories are discussed: Stakeholders' theory, legitimacy theory. This work is anchored on Stakeholder's theory.

Stakeholders' Theory

The stakeholder concept originated in a 1963 internal memorandum at the Stanford Research Institute, defining stakeholders as "those groups without whose support the organization would cease to exist." Freeman further developed the theory in the 1980s, and it has since become widely accepted in strategic management, corporate governance, and corporate social responsibility (CSR).

Hawke (2009) argued that stakeholder theory holds true only if stockholder theory does, asserting that the best way to serve shareholders is by addressing the interests of all stakeholders. Corporations are driven to adopt socially responsible practices due to stakeholder expectations, with employee-related concerns often taking priority due to their business benefits—such as increased loyalty, retention, and productivity.

The theory extends beyond employees, suppliers, customers, and investors to include governmental bodies, trade unions, political groups, communities, and the broader public. Freeman (1984) emphasized that stakeholders are individuals or groups who affect or are affected by an organization's mission, challenging the neoclassical economic perspective.

Stakeholder theory emphasizes the importance of considering multiple constituencies—such as employees, suppliers, communities, and creditors—when managing a business. It incorporates corporate social responsibility (CSR), market economy, and social contract theory into organizational ethics (Hond, Rehbein, Bakker, & Lankveld, 2014). Firms that consistently uphold strong social and political performance can gain advantages such as regulatory support, governmental backing, and an improved reputation.

Companies with low innovation and differentiation can leverage CSR to enhance financial performance (Hull & Rothenberg, 2008). This approach can be integrated into long-term strategy, allowing firms to gradually expand their market or product lines while building competitive advantages. Consistent CSR efforts play a crucial role in shaping corporate identity (Hull & Hatch, 1993). Maintaining a strong CSR score positively affects cost of capital, enabling firms to secure cheaper equity financing (El Ghoul et al., 2011). Additionally, businesses that prioritize stakeholder satisfaction benefit through enhanced reputation and cost reduction via environmentally friendly practices, such as paperless operations..

A compelling argument behind the motivation of firms to invest in CSR programs comes from the domain of stakeholder theory (Post, 2003). Stakeholder theory suggests that organizational survival and success is contingent on satisfying both its economic (for example, profit maximization) and non-economic (for example, corporate social performance) objectives by meeting the needs of the company's various stakeholders (Pirsch, Gupta & Grau 2007). Early research in the area of stakeholder management defines a stakeholder in an organization as any group or individual who can affect or is affected by the achievement of the organization's objectives (Rahim, Jalaludin & Tajuddin, 2011). Primary stakeholder groups consist of shareholders and investors, employees, customers, suppliers, public entities such as governments or other public organizations that set laws and govern economic, commerce and trade associations and environmental groups (Rahim, *et al*., 2011).

Rahim, *et al*., (2011) documented that secondary stakeholders are diverse and include those who are not directly engaged in the organization economic activities but are able to exert influence or are affected by the organization. Stakeholder theory suggests that firms are motivated to broaden their objectives to include other goals in addition to profit maximization. Based on this theory, many companies embrace a CSR program as a way to promote socially responsible actions and policies and to effectively respond to stakeholder demands (Maignan and Farrell, 2004). Motivation for satisfying stakeholder demands stems from the fact that addressing stakeholder needs can be correlated with a firm's survival, economic well-being, competitive advantages, and the development of trust and loyalty among its targeted customers (Rahim, *et al*., 2011).

Jamali and Mirshak (2006) observe that CSR is still a fairly new concept in Africa and is viewed most commonly in the context of philanthropy rather than good business practice which supports the bottom-line. Even though all the companies surveyed in the study adhered to a discretionary concept of CSR; there is still a lack of a systematic, focused and institutionalized approach to corporate sustainability in the developing country context.

Empirical Framework

Various studies have examined the impact of Corporate Social Responsibility (CSR) on financial performance across different industries and regions.

Lee and Park (2010) investigated CSR in airline companies, finding a significant positive relationship between CSR and value performance but no effect on accounting performance. Similarly, Choi and Choe (2010) explored CSR and financial performance in Korean firms, reporting a positive correlation between CSR and a stakeholder-weighted index but not an equal-weighted CSR index.

Ekatah et al. (2011) found a positive relationship between CSR and profitability, while Babalola (2012) noted that Nigerian firms invested less than 10% of their annual profits in CSR and observed a negative relationship between CSR investment and profit after tax. Mutasim and Salah (2012) reported a positive impact of CSR activities on the profitability of Jordanian industrial firms, and Amole et al. (2012) found a similar positive relationship in Nigerian banks using ordinary least square (OLS) analysis.

In contrast, Iqbal et al. (2012) analyzed Pakistani firms and found no significant impact of CSR on financial performance. Wang and Choi (2013) emphasized the importance of consistency in CSR efforts, particularly for knowledge-intensive firms, as it strengthens their financial performance by preserving core competencies. Almsafir (2014) corroborated this view, finding that firms with high CSR ratings tend to achieve better financial performance.

Overall, the studies highlight mixed results, suggesting that CSR can positively influence financial outcomes depending on industry, market dynamics, and strategic execution..

Studies have explored the relationship between Corporate Social Responsibility (CSR) and firm performance across different regions.

Basuony, Elseidi, and Mohamed (2014) analyzed non-financial companies in Egypt, finding a positive and significant effect of CSR on financial performance. Larger and older firms particularly benefit from CSR, enhancing profitability. Similarly, Abdulrahman (2015) investigated Nigerian conglomerates and concluded that CSR plays a significant role in profitability, with some variables showing positive effects while others had negative impacts.

International Journal of Interdisciplinary Innovative Research & Development (IJIIRD)
ISSN: 2456-236X
Vol. 09 Issue 02 | 2025

Akben and Kiymaz (2017) studied Turkish firms, revealing a negative relationship between CSR disclosures and financial performance, specifically a lower return on assets. However, they found that larger firms tend to be more profitable despite high leverage reducing profitability. Meanwhile, Famiyeh and Kwarteng (2017) examined Ghanaian firms, demonstrating that CSR positively influences operational competitiveness in terms of cost and flexibility, though delivery and quality had no significant effect on overall performance.

These findings indicate that while CSR can enhance firm performance, its impact varies based on market conditions, firm characteristics, and strategic execution

Selcuk and Kiyma(2017) study the relationship between firm performance and corporate social responsibility (CSR) of firms listed on Borsa Istanbul during the period of 2009-2011. They employed content analysis of annual reports/websites of Turkish firms for any socially responsible activities. Their results reveal that there is a negative relationship between CSR and financial performance. Resmi, Samira and Mohammad. (2018). Carry out a study on Some Selected Agribusiness Industries of Bangladesh. The findings presented revealed that return on equity (ROE) and net income has significant impact on financial performance favouring those firms that do Corporate Social Responsibility whereas; return on assets (ROA) & earnings per share (EPS) has no significant impact on financial performance.

3. METHODOLOGY

Research Design: The study will combine time series data and cross-sectional analysis to have an in-depth understanding of the influence of the moderating variable on the relationship between corporate social responsibility and firm performance in the Nigerian manufacturing sector quoted. The study will employ*ex post facto* research design.

Population of the Study: The population comprises all manufacturing Sixty-six (66) listed on floor of the Nigerian stock exchange as at 31 December 2020.

Sample Size and Sampling technique: Fifty-two quoted firms will be randomly selected for this study from the quoted companies within the Sub African Sahara as at 2019.In estimating the sample size Taro Yamane (1974) formula will be employed. This was chosen because of its simplicity and it is considered as the most widely used scientific technique for calculating sample size. The formula is given as:

$$n = \frac{N}{1 + Ne^2}$$

Where n = the sample size

n= Population

e = level of precision (error limit on the basis of 5% confidence level).

n = 66/ 1 +66 $(0.05)^2$ = 52companies

Based on the above, a sample of 52firms were randomly selected from the filtered population of 66 firms.

Data Source: The study will gather data from secondary source. Data kept in the archive will be employed for this study. Data was extracted from the annual financial statement of the firm selected for period under review, 2005-2019.

Model Specification analytical framework

The study aims to define dependent and explanatory variables to assess how a moderating variable—earnings management—impacts the relationship between Corporate Social Responsibility (CSR) and firm performance. A moderating variable influences the interaction between two or more variables, shaping the nature or strength of their relationship.

Earnings management is expected to play a key role in modifying the CSR-performance link, adding complexity to the analysis. To investigate this, the study will utilize three models grounded in stakeholder theory, ensuring a comprehensive framework for evaluating how firms balance CSR efforts with financial performance under varying earnings management practices.

Based on the review of theories the models were formulated as follows:

FP=f(CSR) ---(1)

FP= ROE, ROA, COMPUSAT

<u>Model 1</u>

ROE = f (CSR) -- (1)

$ROE=\beta_{0!t}+\beta_1 CSR\ it ++\beta_2 LEV_{it} + \beta_3 EM_{\mathrm{it}} +\alpha_{!t}$ -- (2)

$ROE=\beta_{0!t+\beta_1(\mathrm{CSR*EM})!t+\beta_2(CSR*LEV)!t} +\alpha_{!t}$ --- (3)

β0, β1, β2, β3= coefficients

α = error terms.

Where:

ROE = Returns on Equity

CSR = Corporate Social Responsibility — Explanatory Variable
LEV = Leverage
EM = Earnings Management — Control Variables

$ROA = f(CSR)*OWNSTRU$ -- (6)

$ROA = \beta_{0!t} + \beta_1 CSR\ it + + \beta_2 LEV_{it} + \beta_3 OWNSTRU_{\mathrm{it}} + \alpha_{!t}$ -- (7)

$ROA = \beta_{0!t + \beta_1 (\mathrm{CSR*OWNSTRU})!t + \beta_2 (CSR*LEV)!t} + \alpha_{!t}$ --- (8)

β0, β1, β2, β3= coefficients
α = error terms.
Where:
ROA = Returns on Asset
CSR = Corporate Social Responsibility — Explanatory Variable
LEV = Leverage
EM = Earnings Management — Control Variables

Method of Data Analysis

The study will utilize least squares regression and multivariate regression techniques with panel data analysis. Panel data is preferred for three key reasons: it captures both time-series and cross-sectional attributes, allowing examination of trends over time and across companies; it enhances results by increasing sample size and mitigating degree of freedom issues; and it addresses statistical concerns such as multicollinearity, aggregation bias, and endogeneity (Solomon et al., 2012).

Panel regression provides more precise insights compared to pooled data analysis, as it accounts for company-specific differences. Fixed effects models assume correlation between independent variables and error terms, while random effects models assume no correlation. Several diagnostic tests—collinearity, normality, homoscedasticity, autocorrelation, and linearity—will be conducted to ensure model accuracy.

4. RESULT

Table 1: Regression Assumptions Test

Multicollinearity Test		
Variable	***Coefficient Variance***	***Centred VIF***
ROE	0.004368	NA
ROA	0.0736	NA
COMPUST	0.0073	NA
CSR	0.9077	1.095
OWN	0.026	3.433
FSIZE	0.0001	1.593
FAGE	1.450	1.877
AFSIZ	0.002	2.10
OWN_CSR	0.025	3.156
EM_CSR	2.25021	2.0648
Heteroskedasticity Test: ARCH		
F-statistic = 1.814	Prob. F(7,768)	0.50
Breusch-Godfrey Serial Correlation LM Test:		
F-statistic =24.124	**Prob. F(2,90)**	0.90
Ramsey Model Test		
F-statistic = 0.121	Prob. F(1,91)	0.729

Source: *Researcher's computation (2022)*

The results indicate that the model does not suffer from heteroskedasticity, as probabilities exceeded 0.05. The Lagrange Multiplier (LM) test confirmed no autocorrelation issues, with probabilities (Prob. F, Prob. Chi-Square) remaining above 0.05. Similarly, the Ramsey RESET test revealed no signs of misspecification.

Additionally, the variance inflation factor (VIF) analysis supports the absence of multicollinearity. VIF measures collinearity by assessing how much the variance of a coefficient estimate is inflated due to correlations with other regressors. This validation ensures robustness in the model's specifications The VIFs are inversely related to the tolerance with larger values indicating involvement in more severe relationships. Basically, VIFs above 10 are seen as a cause of concern (Landau &Everit, 2003). CSR reported a VIF of 1.32; CSR, (3.433), OWN (1.593), FSIZE (1.877), FAGE(2.100), AFSIZ (3.156), OWN_CSR(1.095), EM_CSR (2.0648).

Inclusion, the VIFs of the variables are all less than 10 indicating the unlikelihood of multicollinearity amongst the variables and hence the variables satisfy a very important condition the multivariate regression analysis.

Table 2 Analysis for the moderating effect of OWN on the relationship between CSR and firm Performance

Variables	Model 1	Model 2	Model 3
C	(0.1418) {0.8872}	(3.9633) {0.0001}	4.6860, 0.0000
CSR	(-0.4778) { 0.6329}	(0.8891) {0.3742}	1.1043, 0.2698
OWN	(2.7650) { 0.0393}	(-0.1232) {0.9019}	-0.5499, 0.5825
FSIZE	(2.6663) {0.0391}	(-2.4010) {0.0166}	-2.5497, 0.0110
FAGE	(0.51515) {0.6066 }	(-0.0098) {0.9921}	0.5299, 0.5963
AFSZ	(-0.58385) { 0.5595 }	(1.0988) {0.2722}	0.8824, 0.3778
OWN_CSR	(0.4418) {0.6587}	(3.7863) {0.000}	3.4615, 0.0006
R^2	0.6113	0.6302	0.6288
R^2 Adjusted	0.5036	0.5226	0.5213
F-statistic (p value)	3.4744, 0.016	4.0032, 0.0005	3.8272, 0.0000
DW-stat	1.98	1.9816	1.9883

Source: *Researcher's compilation (2022) * sig @ 5%, t value () p value - [ ] C1=ROA,C2=ROE,C3=COMP*

In table 2, three models were used in this study to ascertain the relationship between the dependent, independent and moderating variables this to enable researcher draw an empirical conclusion. For model I using panel least square; the effect of CSR on return on equity (ROA) is negative (p=-(t=0.4778, p= 0.6329) and not statistically significant at 5% (p=0.05). The effect of OWN on ROA is positive (t=2.7650, p= 0.0393) and significant at 5% (p=0.00). This implies more block shareholders increase the form financial performance. Ownership structure (OWN_CSR) as a moderator has a positive influence (t=0.4418, p= 0.6587) on the relationship CSR and ROA. This is influence is significant at 5% (0.05). This implies that ownership structure has significant influence on CSR/ ROA relationship. The result shows that the control variables, firm size has positive relationship with ROE (t=2.666, p= 0.0391) the impact is significant at 5% (p=0.05).This implies that firm size has significant relationship with ROA. The result further revealed that FAGE positively related with ROA as depicted by t=0.5151, p=0.6066). This effect is not significant at 5% (p=0.000). The result further revealed that AFSZ negatively related with ROA as depicted by t= -0.5838, p= 0.5595). This effect is not significant at 5% (p=0.000).The model parameters are follows; coefficient of determination (R^2) = 61%, ADJ R^2 = 50%. These values suggest that the dependent explains about 62% of systematic variations in ROE. The F-stat= 3.4744, p (f-stat) = 0.016 and D.W= 1.98.The F-values confirm that the hypothesis of a significant linear relationship between the variables (dependent and independent) cannot be rejected at 5% level while the D.W statistic indicates that a serial correlation presence in the residuals is unlikely.
From model II using panel least square; the effect of CSR on return on equity (ROE) is negative (t= 0.8891, p=0.3742) and not statistically significant at 5% (p=0.05). The effect of OWN on ROE is positive (t= -0.1232, p= 0.9019) and significant at 5% (p=0.00). This implies block shareholders has no significant effect on financial performance. Ownership structure (OWN_CSR) as a moderator has a positive influence (t=3.7863, p= 0.000) on the relationship between CSR and ROE. This influence is significant at 5% (0.05). This implies that ownership structure has significant influence on the relationship between CSR and ROE.
From model III using panel least square; the effect of CSR on COMPUT is positive (t= 1.1043, p= 0.2698) and not statistically significant at 5% (p=0.05). The effect of OWN on COMPUT is positive (t= -0.5499, p= 0.5825) and significant at 5% (p=0.00). This implies block shareholders has no significant effect on financial performance. Ownership structure (OWN_CSR) as a moderator has a positive moderating influence (t=3.4615, p=0.0006) on the relationship between CSR and ROE. This influence is significant at 5% (0.05). This implies that ownership structure has significant influence on the relationship between CSR and COMPUT.

5. SUMMARY AND CONCLUSION

The study showed the robust estimation results for the fixed effects estimation reveals that CSR has no significant effect on firm performance. It also reveals that ownership structure has no significant effect on firm performance. The result findings clearly showed that there is no significant relationship between corporate social responsibility and firm performance in the Nigerian manufacturing sector. The study further shows that there is Ownership structure has no significant relationship with firm performance in the Nigerian manufacturing sector.

6. RECOMMENDATIONS

Based on the findings the following recommendations are made; First, Government should encourage block ownership; and Second, Owners of firm should be including in CSR policy of the firm.

7. REFERENCES

[1] Abdulrahman, S. (2013), the influence of corporate social responsibility on profit after tax of Some selected deposit money banks in Nigeria. Educ. Res. *4*(10):722-732

[2] Ademosu, E.A., (2008). Corporate Social Responsibility: The Experience of the Nigeria Banking System. http://www.acamb.com.

[3] Akinyomi, O.J., (2013). Survey of Corporate Social Responsibility Practices in theNigerian Manufacturing Sector**.** *International Journal of Research Studies in Management,2* (1): 1-10.

[4] Almsafir, M. K. (2014). Does Corporate Social Responsibility Lead to Improve in Firm Financial. Performance: Evidence from Malaysia. *International Journal of Economics and Finance, 6*(3): 1266.

[5] Alshammari1,M . (2015)Corporate Social Responsibility and Firm Performance: The Moderating Role of Reputation and Institutional Investors. International Journal of Business and Management; 10(6)12-47.

[6] Amole, B.B., Adebiyi, S.O., and Awolaja, A.M., (2012), Corporate social responsibility and profitability in Nigeria banks: A causal relationship. Research journal of finance and accounting, *3*(1): 6-17

[7] Anderson J., & Frankle A. (1980). Voluntary Social Report: An Iso-Beta Portfolio Analysis.*Accounting Review*, 55: 468-479.

[8] Andersen, M. L., & Olsen, L. (2011). Corporate social and financial performance: A canonical correlation analysis. Academy of Accounting and Financial Studies Journal, *15*(2),17.

[9] Aupperle K. E., Caroll A.B.,& Hatfield J.B. (1985). An Empirical Examination of theRelationship between Corporate Social Responsibility and Profitability, *Academy of Management Journal 28: 446-463*

[10] Arias, J.C., & Petterson, K., (2009). Relationship between Corporate SocialResponsibilities' Promotion and Corporate Performance in the Multinational Corporations. *Business intelligence journal,2*(1): 93-112 Babalola, Y.A., (2012). The Impact of Corporate Social Responsibility on Firms Profitability in Nigeria. *European Journal of Economics, Finance and administrative sciences,45:39*-50.

[11] Basuony, M. and Mohamed, E. (2014). Board composition, Ownership Concentration, and Voluntary Internet Disclosure by MSM- Listed Companies, Corporate Board: Roles, Duties and Composition, *10*(1): 60-70. 11.

[12] Basuony, M., Mohamed, E. and Al-Baidhani, A. (2014). The effect of corporate governance on bank financial performance: Evidence from the Arabian Peninsula, Corporate Ownership and Control, *11*(2):166-179.

[13] Bayar,Y &Gavriletea,M.D.**(2018)** Foreign Direct Investment Inflows and Financial Development in Central and Eastern European Union Countries: A Panel Cointegration and Causality.International Journal of *Financial Studies*

[14] Bello, M.M. (2012), Corporate Social Responsibility Disclosure and Financial Performance of Quoted Firms in Downstream Sector of the Nigerian Petroleum Industry. Journal of Research on Contemporary Accounting Issues Edited by Kabiru Isa Dandago and Junaidu Muhammad Kurawa ISBN: 978-987-922-678-1

[15] Blackburn, V.L, Doran, M. and Shrader, C.B. (1994), Investigating the Dimension of Social Responsibility and consequences for corporate financial performance. *Journal of Management*:6

[16] Bowen, H.R. (1953). Social Responsibilities of the Businessman, Harper & Row, New York, NY. Brown, J.A. & Forster, W.R. (2013). CSR and Stakeholder Theory: A Tale of Adam Smith. *Journal of Business Ethics*, *112*: 301-312.

[17] Brine, M. R., Brown, & Hackett G. (2006): "Corporate Social Responsibility and Financial Performance in the Australian context ". Corporations and Financial Services Division, the Australian treasury

[18] Bichta, C. (2003). Corporate socially responsible industry (CSR) practices in the context of Greek. Social Responsibility and Environmental Management, *10*:12-24.

[19] Buhmann, K. (2006). Corporate Social Responsibility: What role for law? Some Aspects of law and CSR. Corporate Governance: *The international journal of Business in Society*: 188-202

[20] Campbell, J. L. (2007). Why Would Corporations Behave in Socially Responsible Ways: An Institutional Theory of Corporate Social Responsibility. *The Academy of Management Review, 32*(3): 946-967.

[21] Castelo, M., & Lima, L. (2006). Corporate Social Responsibility and Resource-Based Perspectives. *Journal of Business Ethics, 69*:111-132.

[22] Carroll, A.B. (2004). Managing Ethically with Global Stakeholders: A Present And Future Challenge. *Academy of management Executive*, *18*(2): 114-120.

[23] Carroll, A.B., Buchholtz, A.K. (2011). Business and Society: Ethics and Stakeholder.Management. Australia: Thomson South-Western.

[24] Cespa, G., & Cestone, G. (2007). Corporate Social Responsibility and Managerial Entrenchment. *Journal Of Economics and Management Strategy, 16*(3): 741-771.

[25] Choi, J., Kwak, Y., & Choe, C., (2010). Corporate Social Responsibility and Corporate Financial Performance: Evidence from Korea. Australian *Journal of Management*, *35*(3):291–311

[26] Chih, H.L., Shen, C.H., Kang, F.C. (2008), Corporate Social Responsibility, Investor Protection, and Earnings Management: Some international evidence. Journal of Business Ethics, *79*(1):179-198.

[27] Chih, Hsiang-Lin, Hsiang-Hsuan Chih, & Tzu-Yin Chen. (2010). On the Determinants of Corporate Social Responsibility: International Evidence on the Financial Industry. *Journal of Business Ethics*, 93:115-135.

[28] Choi, Tae, & Jinchul Jung. (2008). Ethical commitment, financial performance, and valuation: An empirical investigation of korean companies. *Journal of Business Ethics*, 81: 447-463.

[29] Cho, H., & Pucik, V. (2005). Relationship between innovativeness, quality, growth, profitability, and market value. Strategic Management Journal, *26*(6):555-575.

[30] Crane, A., McWilliams, A., Matten, D., Moon, J., & Siegel, D. (2008). *The Oxford Handbook of Corporate Social Responsibility*. Oxford, U.K.: Oxford University Press. *https://doi.org/10.1093/oxfordhb/9780199211593.001.0001*

[31] Cochran, P. L., & Wood, R. A. (1984). Corporate Social Responsibility and Financial Performance.*Academy of Management Journal*, *27*(1): 42–56.

[32] Combs, J. G., Crook, T. R., & Shook, C. L. (2005). The Dimension of Organizational Performanceand it's Implications for Strategic Management Research. In D. J. Ketchen & D. D. Bergh (Eds.), *Research Methodology in Strategy and Management* 259-286). San Diego: Elsevier.

[33] Cox, P., Brammer, S., & Millington, A. (2004). An Empirical Examination of Institutional Investor.Preferences for Corporate Social Performance. *Journal of Business Ethics*, *52*(1): 27-43. http://dx.doi.org/10.1023/B:BUSI.0000033105.77051.9d

[34] Crook, T. R., Ketchen, D. J., Jr., Combs, J. G., & Todd, S. J. (2008). Strategic Resources and Performance: a meta-analysis. Strategic Management Journal, *29*(11): 1141-1154. doi: 10.1002/smj.703

[35] Dechow, P.M., Sloan, R.G.,& Sweeney, A.P. (1996), Causes and Consequences of Earnings

[36] Manipulation: An analysis of firms subject to enforcement actions by the SEC. Contemporary Accounting Research, *13*(1):1-36.

[37] Dechow, P.M., Hutton, A.P., Kim, J.H. & Sloan, R.G., 2012. Detecting earnings management: A new approach. Journal of Accounting Research, *50*(2): 275-334.

[38] Dianita, S.P. (2011)Analysis of the Effect of Corporate Social Responsibilityon Financial Performance With Earnings Managementas a Moderating Variable. Journal of Modern Accounting and Auditing, 7,(10)1034-1045

[39] Ekatah, I., Samy, M., Bampton, R., & Halabi, A. (2011). The Relationship Between Corporate Social Responsibility and Profitability: The case of royal dutch shell plc. Corporate Reputation Review, *14*(4): 249-261.

[40] Famiyeh, S. & Kwarteng, A. (2018), "Implementation of environmental management practices in the Ghanaian mining and manufacturing supply chains", International Journal of Productivityand Performance Management, *67*(7):1091-1112. https://doi.org/10.1108/IJPPM-04-2017-0095

[41] Freeman, R. E. (1984). Strategic Management: A Stakeholder Perspective, E*nglewood Cliffs Prentice Hall.* U.S.A.

[42] Fogler, R. H. & Nutt F, (1975), "A Note on Social Responsibility and Stock Valuation" Academic Management Journal *18*(1):155-160

[43] Formbrum, C. J. & M. Shanley (1990): "What"s in a name? Reputation Building and Corporate Strategy" *Academy of Management Journal* 33: 233-258

[44] Fombrun, C.J., Gardberg, N.A., Barnett, M.L. (2000), Opportunity Platforms and Safety Nets: Corporate Citizenship and Reputational Risk, *Business and Society Review*, 105.

[45] Gary, O'D,(2000) Legitimacy theory as an explanation for corporate environmental disclosures Legitimacy theory as an explanation for corporate environmental disclosures. PhD thesis Victoria University of Technology

[46] Grant Thornton International Business Report (2011) corporate social responsibility: the power of perception 2011 Grant Thornton International Ltd

[47] GlobescanInc, (2005), Definition of Corporate Social Responsibility Survey,*http://www.gl obescan.com/rf-csr-first-01.htm*

[48] Guobadia, A. (2000): Protecting minority and public interests in Nigeria company law: The Corporate Affairs Commission as a Corporation's Ombudsman. In McMillan, F. (Ed.), International Company Law Annual, 1:81-145

[49] Hatch, M. J. (1993). The dynamics of organizational culture. The Academy of Management Review, *18*(4): 657-693.

[50] Healy, Paul M., & James M. Wahlen. (1999). A review of the Earnings Management Literature and its Implications for Standard Setting. *Accounting horizons*.*13* (4): 365-383.

[51] Hong, Y., Andersen, M.L. (2011), the relationship between Corporate Social Responsibility and Earnings Management: An explanatory study. Journal of Business Ethics, *104*(4): 461-471.

[52] Hond, F., Rehbein, K. A., Bakker, F. G. A., & Lankveld, H. K. (2014). Playing on two chessboards: Reputation effects between corporate social responsibility (CSR) and corporate political activity (CPA). Journal of Management Studies, *51*(5): 790-813.

[53] Hull, C. E., & Rothenberg, S. (2008). Firm performance: The Interactions of Corporate Social Performance with Innovation and Industry Differentiation. Strategic Management Journal, *29*(7):781-789.

[54] Hull, C. E., & Tang, Z. (2012). How corporate social responsibility engagement strategy Moderates the CSR-financial performance relationship. Journal of Management Studies, *49*(7): 1274-1303.
[55] Iqbal, N., N. Ahmad, N.A. Basheer, & M. Nadeem, (2012). Impact of Corporate Social Responsibility on Financial Performance of Corporations: Evidence from Pakistan *www.macrothink.org/ijldInternational Journal of Learning & Development. 2, (6):*
[56] Jamali, D., & Mirshak, R., (2007). Corporate Social Responsibility: Theory and Practice in a Developing Country Context. *Journal of business ethics, 72*:243-262 .
[57] Jordaan.L.A., Kierk, M., & Villier, C.J. (2018). perform a work to certain relationship between corporate social responsibility and earnings management. South African Journal of Economic and Management Sciences, 21(1).20-37
[58] Lee, S., & Park, S., (2010). Financial Impact of Socially Responsible Activities on Airline Companies. *Journal of hospitality and tourism research, 34*(2):185-203.
[59] Jones, J.J.(1991). Earnings management during import relief investigations. *Journal of accounting Research.193-228*.
[60] Ketchen, David J., Jr., James G. Combs, Craig J. Russell, & Chris Shook, 1997 'Organizational Configurations and Performance'. *Academy of Management Journal* 40: 223–240
[61] Martela, M. (2005), corporate social performance: Does it make Good Business? A paper Presented at Seminar in Business Strategy and International Business
[62] Maignan, I. and Ferrell, O. C. and Hult, G. T. M. (1999). Corporate citizenship: Cultural Antecedents and business benefits, Journal of the Academy of Marketing, *27*(4):455-469.
[63] Maignan, I. and Farrell, O.C. (2004), "Corporate Social Responsibility and Marketing: An Integrative Framework", *Journal of the Academy of Marketing Science*, 32:3-19.
[64] Margolis, J. D., & Walsh, J. P. (2003). Misery Loves Companies: Rethinking Social Initiatives by *Business Administrative Science Quarterly*, *48*(2): 268–305.
[65] McWilliams A. & Siegel, D. (2000), "Corporate Social Responsibility and Financial Performance: Correlation or Misspecification?" Strategic Manage. J. *21*(5):603-609.
[66] McWilliams, A., & Siegel, D. (2001). Corporate Social Responsibility: A Theory of the Firm Perspective. *Academy of Management Review*, *26*(1): 117–127.
[67] Mutasim, D., and Salah, T.A., (2012), The Effect of Corporate Social Responsibility on the Profitability of the Industrial Companies in Jordan. Canadian Social Science, *8*(3): 32-37.
[68] Myers, L. & D. Skinner. (2000). Earnings momentum and earnings management. *Working paper University of Michigan*..
[69] Neu, D, Warsame, H., and Pedwell, K. 1998. ManagingPublic Impressions: Environmental Disclosures in annualreports. *Accounting, Organizations and Society*, (23):265-282.
[70] Ngwakwe, C. C. (2009). Environmental Responsibility and Firm Performance: Evidence from Nigeria. *International Journal of Humanities and Social Sciences, 3*:2-22
[71] Oba, V. C (2009): "The impact of Corporate Social Responsibility on market value of quoted Conglomerates in Nigeria, Unpublished M. Sc. *Thesis Accounting Department*. Ahmadu Bello University Zaria
[72] Orlitzky, M., Schmidt, F.L. & Rynes, S.L. (2003). Corporate Social and Financial Performance Meta-analysis Organisation Studies 24 (3): 403-441. (Online) London, sage Publication *www.sagepublication.com*
[73] Pagano, M., & Volpin, P. (2005). Managers, workers, and corporate control. *The Journal of Finance*, 60: 841-868.
[74] Pirsch, J., Gupta, S., & Grau, S.L., (2007), A framework for Understanding Social Responsibility Programs as a continuum: An Exploratory Study. *Journal of Business Ethics, 70,*125-140.
[75] Post, F.R., (2003), A Response to the Social Responsibility of Corporate Management: a classical Critique. Mid-American journal of business, *18*(1):25–35.
[76] Rahim, R.A., Jalaludin, F.W., & Tajuddin, K., (2011), The importance of Corporate Social Responsibility on Consumer Behaviour in Malaysia. Asian Academy of Management Journal, *16*(1):119-139.
[77] Prior, D., Surroca, J., & Tribó, J. A. (2008). Are Socially Responsible Managers Really Ethical: Exploring the Relationship between Earnings Management and Corporate Social Responsibility *Corporate Governance: An International Review, 16*:160-177.
[78] Resmi, S. I, Begum N. & Hassan M (2018). Impact of CSR on Firm's Financial Performance: A Studyon Some Selected Agribusiness Industries of Bangladesh. American Journal of Economics, Finance and Management, *4*(3):74-85.
[79] Russo, M. V. and Fouts, P. A. (1997). A ResourceBased Perspective on Corporate Environmental Performance and Profitability, Academy of Management Journal, *40*(3):534-550.

[80] Rahmawat & Dianita, P.S. (2011), Analysis of the effect of corporate social responsibility on Financial Performance with Earnings Management as a Moderating Variable. Journal of Modern Accounting and Auditing, *7*(10):1034-1045.

[81] Schipper, K (1989), Commentary on Earnings Management. *Accounting Horizons, 3*(4):91–102.

[82] Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring Organizational Performance: towards methodological best practice. Journal of Management, *35*(3):718-804. doi: 10.1177/0149206308330560

[83] Schwartz, M.S., & Carroll, A.B. (2008). Integrating and Unifying Competing and Complementary Frameworks: The Search for a Common Core in the Business and Society Field. *Business & Society, 47*(2):148-186.

[84] Sial,M.S., Chunmel,Z.C., Khan, T,, & Viinh, (2019). The relationship between corporate social responsibility and firm performance: moderating role of earnings management. Asia- Paacific Journal of Business Administration,

[85] Sims, R. (2003). Ethics and Corporate Social Responsibility: Why Giants Fall, 300318. Solomon, A. and Lewis, L.A., (2002), Incentives and Disincentives for Corporate Socially Responsible Investing: A Global Perspective,*Journal of Business Ethics* 70:165

[86] Spicer, B.H. (1978), Investor Corporate Social Performance and Information Disclosure: An Empirical Study. *Accounting Review*, 53

[87] Studivant, F.D & Ginter, J.L. (1977). Corporate Social Responsiveness: Management Attitude and Economic Performance. *California management review*, 19

[88] Sweeney, A. P. 1994. Debt Covenant Violations and Managers' Accounting Responses. *Journal of ccounting and Economics* 17: 281-308.

[89] Tsoutsoura, M. (2004): "Corporate social responsibility and financial performance" Applied financial project Haas school of Business University of California, Barkley.

[90] Tuppen C. 2004, "The BT Business Case for CSR", Presentation At Seminar The Business Case For CSR: Reflections on Research and Experience, Brussels

[91] Uadiale, O. M. & Fagbemi, T. O (2011) "Corporate Social Responsibility and Financial. Performance in Developing Economies: The Nigerian Experience". The 2011 New Orleans international Academic Conference.UK Evidence from Disaggregate Measures, *Financial Management 35*: 97-116.

[92] Venkatraman, N., & Grant, J. (1986). Construct measurement in organizational strategy research: A critique and proposal. Academy of Management Review, *11*(1):71-87.

[93] Venkatraman, N., & Ramanujam, V. (1986). Measurement of Business Performance in Strategy Research: a comparison of approaches. Academy of Management Review, *1*(4): 801-814.

[94] Waddock, S. A., & S. B. Graves (1997) "The corporate Social Performance and Financial Performance link." Strategic Management Journal, *18*(4): 303-319

[95] Wang, J. 1994. A model of competitive stock trading volume.*The Journal of Political Economy, 102*(1):127-168.

[96] Wang, H., & Choi, J. (2013). A new look at the Corporate Social-Financial Performance Relationship: The Moderating Roles of Temporal and Interdomain Consistency in Corporate Social Performance. *Journal of Management, 39*(2): 416-441.

[97] Watts, R. L., & Zimmerman, J. L. (1978). Towards a Positive Theory of the Determination of Accounting Standards. *The Accounting Review, 53*: 112-134.

[98] Wissink, R. (2012), Testing the relation between corporate social performance and corporate financial performance. Master thesis R.B.A Wissink University of Twente Business Administration.

[99] Wolfe, R. (1991), the use of content analysis to assess corporate social responsibility. *Greenwich CT. JAI press*

[100] Wood, D. (1991) 'Corporate Social Performance Revisited' the *Academy of Management Review http://www.jstor.org/stable/258977 14:691-718*

[101] World business council for sustainable development (WBCSD), (2002) Corporate Social Responsibility: the WBSD"s journey. Geneva: Author *www.africanfinancials.com/company list.aspx?countryUID=11*

[102] Bayar,Y &Gavriletea,M.D.**(2018)** Foreign Direct Investment Inflows and Financial Development in Central and Eastern European Union Countries: A Panel Cointegration and Causality.International Journal of *Financial Studies*

[103] Yang, F. Lin, C. & Chang, Y. (2010), the linkage between corporate social performance and corporate financial performance *African Journal of Business Management.. 4(4):406-413, April 2010 Available online at http://www.academicjournals.org/AJBMISSN 1993-8233 © 2010 Academic Journals*

[104] Zahra, S. A., Priem, R. L., & Rasheed, A. A. (2005). The Antecedents and Consequences of Top Management Fraud. *Journal of Management*, *11*(1):71-87.