DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE IN LISTED DEPOSIT MONEY BANKS IN NIGERIA

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DECLARATION

I hereby humbly declare that this research work titled **"**DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE IN LISTED DEPOSIT MONEY BANK IN NIGERIA**"** is a genuine product of my effort and to the best of my knowledge it has never been previously published in any form or submitted for the award of degree in any institution of learning in Nigeria. All the works and articles consulted have been cited and acknowledged in the references accordingly. Moreover, I assume the full responsibility of any error which might exist in the work.

Ummar SHEHU

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P16ADAC8198 **Signature** **DATE**

CERTIFICATION

This to certify that this Dissertation titled "DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE IN LISTED DEPOSIT MONEY BANK IN NIGERIA" by Ummar SHEHU (P16ADAC8198) meets the requirements for the award of Master of Science (M.Sc.) Degree in Accounting and Finance of Ahmadu Bello University, Zaria. Hence, it is approved for its contribution to knowledge and literary presentation.

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DEDICATION

This dissertation is dedicated to Allah who helped me throughout my years in Ahmadu Bello University, Zaria, his strength and shield. He made me to be alive to see the fulfillment of this programmed.

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To Allah the glory, honors forever and ever for everything that I am today and I will become afterwards, I gave the adoration.

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TABLE OF CONTENTS

Page

Title page----------i

Declaration ----------ii

Certification ----------iii

Dedication---------- iv

Acknowledgements---------- v

Table of contents ---------- vii

List of tables---------- x

Abstract---------- xi

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study---------- 1

1.2 Statement of the Research Problem---------- 5

1.3 Research Questions---------- 9

1.4 Objective of the Study---------- 9

1.5 Hypotheses of the Study---------- 10

1.6 Scope of the Study----------11

1.7 Significance of the Study---------- 11

CHAPTER TWO: LITTERATURE REVIEW / THEORETICAL FRAMEWORK

2.1 Introduction---------- 13

2.2 Concept of Corporate Social Reasonability---------- 13

2.3 Measurement of Corporate Social Responsibility---------- 15

2.4 Categories of Corporate Social Responsibility---------- 16

2.5 Approaches to Corporate Social Responsibility---------- 20

2.6 Corporate Social Responsibility and Firm Performance---------- 24

2.7 Review of Related Studies---------- 26

2.8 Theoretical Framework---------- 43

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction---------- 46

3.2 Research Design---------- 46

3.3 Population and Sample of the Study---------- 46

3.4 Source and Method of Data Collection---------- 47

3.5 Technique of Data Analysis---------- 48

3.6 Variables Measurement---------- 49

3.7 Model Specification----------50

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction---------- 52

4.2 Descriptive Statistics---------- 52

4.3 Correlation Matrix---------- 54

4.4 Robustness Test of Dependent and Independent Variables---------- 56

4.5 Presentation and Interpretation of Regression Result---------- 58

4.6 Hypotheses Testing---------- 59

4.7 Discussion of Result---------- 62

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary---------- 68

5.2 Conclusion---------- 69

5.3 Recommendations---------- 71

5.4 Limitations of the Study---------- 73

5.5 Suggestions for Further Studies---------- 73

References---------- 75

Appendices (s**)**..... 89

LIST OF TABLES

Table 3.1 Items reported on corporate social responsibility ---------- 48

Table 3.2 Variable Measurement and Definition---------- 50

Table 4.1 Descriptive Statistics---------- 52

Table 4.2 Correlation Matrix---------- 54

Table 4.3 Regression Result---------- 58

ABSTRACT

This study is an empirical analysis of the determinants of corporate social responsibility disclosure in listed deposit money banks in Nigeria for the period of 2006-2016. The listed deposit money banks are fifteen (15) as at 31st December, 2016, out of which eleven (11) banks was selected as sampling of the study with the aid of filters. Specifically, the study examined the effect of firm size, liquidity, return on investment, gearing ratio, dividend and firm growth of the listed deposit money banks. The study employed correlation and data were analyzed with the aid of multiple regression technique. Using 121 firm year panel observations, OLS regression model was used as no heteroscedasticity was observed. Quantitative approach was adopted in the study and the study aligns itself to positivist paradigm. The study reveals that firm size and firm growth positively and significantly influence the corporate social responsibility disclosure of listed deposit money banks in Nigeria at 5% and 10% levels of significance, respectively. However, liquidity, return on investment, gearing ratio and dividend positively but insignificantly impact on corporate social responsibility disclosure. While dividend negatively and insignificantly affects the corporate social responsibility disclosure of listed deposit money banks in Nigeria. The study concludes that firm size and growth are influential in explaining the corporate social responsibility disclosure of listed deposit money banks in Nigeria. Therefore, the study recommends amongst others that the management of listed deposit money banks should maintain quality assets that are durable. This is in view of the potential for the organizations that have such assets to disclose more of its corporate social responsibility activities. The management of the listed deposit money banks in Nigeria should improve upon the banks' growth by extending into other profitable opportunities as the higher their growth rate the more they will be willing to disclose more of its corporate social responsibility. However, as for the liquidity, return on investment, gearing ratio, dividend they should be improved upon as they also have positive influence on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.

CHAPTER ONE
INTRODUCTION

1.1 Background to the study

In developed economies the concept of business has focused not only on profit making activities but also social welfare activities where businesses are not only responsible to its shareholders but also to all of its stakeholders. Empirical works revealed that there has been a growing global public awareness of the role of corporations in society. Many companies which have been credited with contributing to economic and technology progress have been criticized for creating social problems. Issues such as pollution, waste, resources depletion, product quality and safety, the rights and status of workers and the power of large corporations have become the focus of increasing attention and concern. (Islam, 2012).

Corporate Social Responsibility (CSR) is the process of communicating the social and environmental effects of organizations' economic actions to particular interest groups within society and to society at large. As such, it involves extending the accountability of organizations (particularly) companies; beyond the traditional role of providing a financial benefit to the owners of capital, particularly shareholders but also to the community. Such extension is predicated upon the assumption that companies do have wider responsibilities than simply to make money for their shareholders (Rizk, Dixon, and Woodhead, 2008).

Similarly, Nigeria Deposit Money Banks (DMBs) despite being profit making and service oriented firms also participate in CSR. Most of the quoted deposit money banks in Nigeria have recently realized that in order for them to survive and continue business as a going

concern, they must adopt a system that bridges the gap between financial performance and the social system within which they operate.

In addition, CRS in Nigeria can be traced back to the practices in the oil and gas multinationals. The CSR activities in this sector are majorly centered on the local communities. The companies provide pipe-borne water, hospitals and schools among others. These initiatives are special and not always sustained (Amaeshi, Adi, Ogbechie, and Amao, 2006). The main influencing factors driving the CSR practice in Nigeria have been foreign; multinational companies operating in Nigeria together with foreign governments and international Non Governmental Organizations (NGOs) have been the primary drivers (Helg, 2007).

The concept has been a growing field of interest by sociologists, economist and accountants since 70s. The accounting struggle was to ensure that all social costs are adequately identified, measured and disclosed in the corporate periodic financial reports. Stakeholders are challenging firms to account for the level of their involvement in CSR (Tsoutsoura, 2004). CSR issue has therefore maintained its momentum continuously not only in developed economies but also in underdeveloped and developing countries particularly in Nigeria. Because, companies disclose information on CSR as a result of pressure from stakeholders such as customer, communities, investors, employees and creditors also due to the increase of global awareness of the role of companies in the society.

Moreover, many empirical studies have focused on the variation in CSR practice across developed countries (Smith, Adhikari Tondkar 2005; Gray and Bebbington 2007), only a

few have addressed this issue in developing countries (Haniffa and cooker, 2005; 2007; Akintola 2010). This suggests that CSR is more relevant to corporations operating in the developed nations due to community awareness and expectations of society responsible behavior. Also societal awareness and expectations in the developing nations on CSR is less important to the society.

Firm size, profitability, liquidity, leverage, dividend and firm growth are the most key considered in determining firm CSR investment, disclosure and practice in previous studies. Firm size is one of the determining factors of CSR disclosure in developed and developing countries. This study extended as far as determining the extent to which firm size contributes to CSR. Firm size measured in different ways by different authors such as turnover, total assets, fixed assets, paid up capital, shareholders equity, capital employed, number of employees and market value of the firm. This study measured firm size as total assets of the firm which is in line with the work of Shehu and Faruk (2013); Abdu Abubakar (2016); and Tazul-Islam(2010). It is expected that large firm would like to practice and disclosure more information on CSR because of economic advantages.

Similarly, profitability has been measured by previous researches in so many ways such as net profit to sales, earnings growth, dividend growth, return on assets and return on investment. Here, the study measured profitability on the basis of return on investment in line with Khaled, Mohammed, and Marwa, (2011). There are divergent opinions on whether CSR practice and disclosure has relationship with profitability some results reveal positive, negative while others have mixed results and even absence of relationship between the concerned variables.

There are a reasonable number of literatures on liquidity as one of the determining factors of CSR practice and disclosure in developed and developing economy. Liquidity is seen as vital aspect in the life of a commercial bank and that the level of banks engagement in CSR and other related activities is determined to a greater extent by the banks' liquidity position Samad (2004). Firm with large liquidity has advantage to solve its financial matters efficiently and effectively over the one that has lesser or even absence of it.

Gearing on the other hand explains the debt component of the capital structure of a firm. Reasons were advanced by several researchers that firm with a high gearing would have little resources to take care of some other objectives. However, firms' decision to engage in CSR disclosure may also be influenced by gearing this is because of attracting more investors to invest in their company which give stakeholders alarm that the firm has a good future survival and growth.

It is however argued that firms' decision to engage in CSR disclosure may also be influenced by dividend paid. Various researchers have advanced several reasons in the literature regarding the association between firm CSR engagement and dividend paid, which is mixed and inconsistent with some cases revealing positive, negative and even absence of relationship. This study go beyond that as not only evaluate the relationship but also examined the influence dividend paid has in driving firms to practice and disclose CSR.

The association between firm growths as one of the expected determinants of CSR disclosure of an organization has been established in different countries with divergent views as to the impact it has on the CSR disclosure of a firm to variations of the

environments, methodologies and the periods in which the studies were conducted. Moreover, notable researches like Waddock and Graves (1997) and Campbell (2007) proposed that, since firms that are less profitable with relatively poor assets size and unable to optimized their liquidity position would have fewer resources to spare for socially responsible activities compare to those firms that are more profitable with large assets size and operate at an appropriate liquidity level. This mean that firm recorded consistent positive growth in many sensitive aspect of its operation will likely to participate more on CSR activities.

Banking industry play a significant role towards the development of nation's economy, their activities covers many angle of life and is expected to spend more toward championing Corporate Social Responsibility. The increase pressure and awareness from society on CSR disclosure has been the challenged facing almost every sector globally. However, Deposit Money Banks in Nigeria being the most important sector in the economy are not left out to the challenge.

1.2 Statement of the problem

Following the series of banking reforms undergone during the Soludo, Sanusi Lamido Sanusi and the current reforms going on by Godwin Emefiele like introduction of cashless policy, reduction of monetary policy rate, exchange rate stability and introduction of Treasury Single Account (TSA), Nigerian deposit money banks (DMBs) have always been at receiving end of these reforms, in terms of improving the quality of service delivery to the customers rather than the interest of the bank.

However, DMBs of Nigeria have been facing challenge of liquidity since the implementation of TSA policy in 2015. This may significantly affect the level of CSR in DMBs of Nigeria, but there might be greater demand of DMBs to disclose more CSR activities to meet up their demand. This therefore triggers the need for evaluating empirically the factors influencing CRS disclosure of DMBs in Nigeria. Thus, do the factors that have been previously documented to influence CSR disclosure in developed and developing economics also influence CSR disclosure in Nigeria. The current study seeks to provide answer.

In addition, there are reasonable literature that attempt to address the debate surrounding CSR issue and its determining factors. Firm size, Profitability, Liquidity, Leverage, Dividend and Firm growth are the key factors considered in determining Corporate Social Responsibility (CSR) disclosure and practice in many previous studies which revealed mixed results Abubakar Abdu (2016). Some studies such as Lin chih, Hsuan chih and Yin chen (2010), Akintola (2010), Khaled, Mohamed and Marwa (2011) and Faruk and Shehu (2013) have produced evidence in support of a positive impact of factors influencing CSR activities while other works such as John and Shyan (2010) and Abu Sufian (2012) reported no significant impact at all.

However, the inconsistency to identify which of the variables debated is most influential in predicting and determining the CSR disclosure, Firm Size is among the variables in determining the CSR disclosure of firms (Rahman and Widyasari 2008 and Ebiringa et al. 2013) but the question remains as whether Firm Size influence the CSR of listed DMBs in Nigeria more than the other variables.

Furthermore with respect to Profitability, contradicting views have been put forward by scholars (Abu-sufyan 2012, Hussainey, Elsayed and Abdulrazik 2011, Garmerschlag and Verbeenteen 2011 and Ebiringa et al. 2013) some view it as significant determinant factor of CSR disclosure of firms while others view it as not significant factor. The expectation of this study is that Return Of Investment (ROI) would play a vital role in estimating the CSR of listed DMBs in Nigeria.

The adequacy of liquidity for all successful functioning business firms is crucial. Liquidity shortage no matter how small can cause great damage to a financial institution's operations and customer relationship in particular. Moreover, different views have been expressed by various studies (Maleya and Willy 2013 and Andrew and Osuji 2013) that Liquidity is the most paramount in determinig CSR of firms. The debate remains whether firm with enough liquidity can participate fully on CSR disclosure of listed DMBs in Nigeria.

Divergent views have been expressed with respect to gearing, some scholars indicate that they are not important in predicting CSR of firms while others are of the opinion that they are better determinant of CSR of firms than other variables (Faris et al. 2012, Shehu and Farouk 2013 and Abdu 2016). Therefore , this study is set to find out whether gearing is one of the drivers of CSR disclosure of listed DMBs in Nigeria. Several studies found in literature attempted to address the numerous contradictions sounding the impact of dividend on CSR disclosure, yet there is lots of inconsistency of the results. Some studies such as Shehu and Farouk (2013), and Joonil and Yongbok (2015) have produced evidence in support of a positive impact on dividend and CSR, while other works such as that of Faris, et al. (2012) reported no evidence of a significant relationship at all. This study goes beyond to evaluate the relationship of dividend paid and CSR of DMBs in

Nigeria but also examine the influence dividend paid has in driving DMBs to disclosure CSR in Nigeria.

Further, among the unresolved issue that deserves attention include the identification of the factor that drives firms into investment in CSR. Prior empirical studies (Shehu and Farouk, 2013 and Fris et al., 2012) established association among firm growth and CSR also they have the opinion that, firm growth is having more advantage over other variables of the study in determining CSR of firms. Therefore this study anticipates that, firm growth would be a vital factor in predicting the CSR disclosure in DMBs in Nigeria.

Despite the fact that many researchers have tried to solve these arguments, controversies, and debates surrounding the CSR activities yet investigating the factors influencing the CSR disclosure in Nigeria remains unsolved. However, prior empirical studies that investigated the factors determining the CSR were conducted outside Nigeria (Reverte, 2009; Li and Zhang, 2010; Wang and Song, 2011), and the fact that few studies such as Faruk and Shehu (2013), Akano, Jamiu, Olaniran and Oluwalgbon, (2013), Abdu (2016) among others conducted research in Nigeria on determinants of CSR but neglected the influence of other important factors such as ROI, Firm growth, Gearing and Dividend. Hence, this study will seek to provide answers to these questions and contribute to the existing emprical literatures in this area.

Methodological gaps will be filled in this study because most of the researches conducted in this area either measured CSR based on the total amount invested on CSR (Abdu 2016 and Abdul'azeez 2016) where as neglected the use of proper measurement or made use of Chi-square techniques (Faris et al. 2012 and Ebiringa et al. 2013) which have deficiency in terms of reflecting time variant and specific characteristic issues. Thus, this study will

employ the use of content analysis on measuring CSR and ordinary least square multiple regression technique to take care of the deficiencies. Therefore, these are the gaps that need to be filled by present research with period gap of the previous researches.

1.3 Research Questions

In light of the above, and with a view to filling these different gaps identified in the literature. Thus, this study intends to provide answers to the under listed questions:

i. What effect does firm size has on CSR disclosure of quoted deposit money banks in Nigeria?

ii. How ROI does affects CSR disclosure of quoted deposit money banks in Nigeria?

iii. What effect does liquidity has on CSR disclosure of quoted deposit money banks in Nigeria?

iv. How does gearing affects CSR disclosure of quoted deposit money banks in Nigeria?

v. What is the effect of dividend on CSR disclosure of quoted deposit money banks in Nigeria?

vi. How firm growth affect CSR disclosure of quoted deposit money banks in Nigeria?

1.4 Objectives of the study

The major objective of the study is to examine the determinants of CSR disclosure of listed deposit money banks in Nigeria. The specific objectives are to:

i. Evaluate the effect of firm size on CSR disclosure of quoted deposit money banks in Nigeria.

ii. Examine the effect of ROI on CSR disclosure of quoted deposit money banks in Nigeria.

iii. Identify the effect of liquidity on CSR disclosure of quoted deposit money banks in Nigeria.

iv. Ascertain the effect of gearing on CSR disclosure of quoted deposit money banks in Nigeria.

v. Investigate the effect of dividend on CSR disclosure of quoted deposit money banks in Nigeria.

vi. Determine the effect of firm growth on CSR disclosure of quoted deposit money banks in Nigeria.

1.5 Research Hypotheses

In line with the stated objectives, the following null hypotheses were formulated to be tested to validate the objectives of the study:

HO_1 Firm size has no significant effect on CSR disclosure of quoted deposit money banks in Nigeria.

HO_2 Return on Investment has no significant effect on CSR disclosure of quoted deposit money banks in Nigeria.

HO_3 Liquidity has no significant effect on CSR disclosure of quoted deposit money banks in Nigeria.

HO_4 Gearing has no significant effect on CSR disclosure of quoted deposit money banks in Nigeria.

HO_5 Dividend has no significant effect on CSR disclosure of quoted deposit money banks in Nigeria.

HO_6 Firm growth has no significant effect on CSR disclosure of quoted deposit money banks in Nigeria.

1.6 Scope of the Study

The study examined the determinants of CSR disclosure in listed deposit money banks in Nigeria, the banking industry considered base on the fact that it has been among the best industries on moving Nigerian economy and spend more on CSR activities. The sample size is limited to banks listed on the Nigerian stock exchange as at 31st December, 2016. The study covered a period of eleven (11) years from 2006- 2016, eleven years considered appropriate becouse series of reforms that took place in year 2005 (recapitalization, marger and acquisition). Therefore, 2006 was the beginning of post consolidation period. The dependent variable of the study is CSR and the independent variables of the study are Firm size, ROI, Liquidity, Gearing, Dividend and firm growth.

1.7 Significance of the Study

This study encompass contributions to knowledge which are expected to be of benefit to listed deposit money banks in Nigeria, existing body of knowledge within purview of accounting research, accountants in practice, investors, regulatory bodies and agencies and other stakeholders of the listed deposit money banks in Nigeria as the result of the study provided an important guide and awareness to stakeholders of the factors that determine the corporate social responsibility disclosure of the banks to which they have stake.

Although CSR determinants have been frequently studied from different industries and different countries in the world. However, few of these studies combined adequate

variables to represent determinants of CSR disclosure. Hence, this study add effort to fill that literature gap.

The findings of the study provide policy implications as they suggest and would also assist the regulators in the areas and call for the regulatory agencies to come up with policies that would encourage firms' corporate social responsibility disclosure in order to make the Nigeria listed deposit money banks at par with their contemporaries internationally; also it assist government in bringing policies that will encourage deposit money banks in Nigeria to embark more social activities

Further, the findings of the study assist managers on their corporate strategic plans and decision making. In addition, it enables creditors to identify banks that are legitimate enough to group of stakeholders, as well as investors and potential investors to identify banks that fully participate on CSR. It also gave them insights about how to assess the firm performance to take decision as which banks will invest their funds. Also the result of this work would add value to the existing knowledge as it concentrated towards filling identified gaps.

CHAPTER TWO
LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter covers introduction, concepts of the variables of the study have been presented. It also encapsulates the review of empirical literature after reviewing measurement of CRS and many approaches to CSR; as well the theoretical frameworks relevant to variables of the study are discussed. While the chapter covers the review of relevant theories that link independent and dependent variables.

2.2 Concept of Corporate Social Responsibility

Since the concept of CSR was introduced around 1950s, the definitions, debates and controversies regarding its effect on firm value have been the subject of considerable scholarly inquiry. A common theme in the definitions and description of what is considered corporate social responsibility entails activities beneficial to some segment of society that are beyond the self interested profit motive of the firm and beyond the strict requirements of the law (McWillians and Siegel, 2001). The commission of the European communities (2003) views CSR as the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large. This suggest that companies must be mindful of the important of communities and the environment when making decisions, balancing the need of stakeholders with that of business.

Gray, Kouhy and Lavers (1995) have been reported several forces in the literature behind the growing pressure in CSR disclosure. Some of these forces establish from the increase in regulatory pressure ranging from reporting requirements to government regulations that introduce compulsory business standards by which companies of all size have to follow and respect. Similarly Johnson (2003), growing demands from customers' side, employees, community and other stakeholders of concern is one of the factors that force corporate social and ethical involvement which resulted increase pressure by firms to disclose CRS activities.

CSR has became recognized by business organizations globally as a key to business success and a weapon to survive in the society, firms continuously faced more public calls asking for increase participation on CSR activities. As a result, companies involved in CSR, establishing sustainable and profitable business environment through developing new corporate strategies and the conduct of maintaining relationship with all stakeholders (Faris et al. 2012).

However, several researchers began to forward a variety of invaluable contributions in the literature concerning the CSR issue but yet; to date there is no generally accepted definition, measurement, procedures and approaches. This lack of consensus has led to greater confusion. CSR simply means treating the stakeholders of the firm in an ethical and social manner (Clarkson, 1995). Similar to that, Asyraf (2008) looks at CSR as a set of programs that symbolize corporate activities, beyond business primary motive of maximizing shareholders return. This covers environmental protection and restoration, employees caring, ethical practices, local community affairs involvement and proper resource management in socially responsible manner.

Carol (2009), view CSR as a set of approaches that encompass variety of issues revolving around companies describing their social, ethical and legal obligations to their stakeholders and the immediate environment within which they operate. Related to that, Etim (2011) viewed CSR as a business approach that respect ethics, communities, human and environment as integral elements that improve firm value and thus boost its competitive power.

According to Hopkins (2003), the term CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. 'Ethically or responsible' means treating stakeholders in a manner deemed acceptable in civilized societies, social includes economic responsibility; stakeholders exist both within a firm and outside. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation for people both within and outside the corporation. Hence, this study will make use of scoring system as proxies of CSR measurement. This study will adopt the defination suggested by Hopkins (2003), this is because the defination encompasse what CSR is all about. Hence, chosen as a guide to this study.

2.3 Measurement of Corporate Social Responsibility

Different types of CSR measure have been used by many scholars such as Abdu (2016), Abdulazeez (2016) and Shehu and Farouk (2013) were used the total value invested on CSR of a firm which have been criticized for using inappropriate measures of CSR, while proportions of number of pages that carries the information's of CSR in financial statements were used as proxy measures to assess CSR. Akintola (2010), Unerman (2000) and Gray et al. (1995). However, number of sentences to measure CSR have been selected by Abdullahi and Azhar (2010) and Ingram and Frazier (1980). These measurements have

been criticized because of high level of subjectivity. Therefore, to overcome such inadequacies the study used unweaghted approach to score items by considering the equal important for all items of information because is consistently claimed to be an authentic measure of disclosure and it does not add the element of subjectivity. This approach expresses the use of CSR information by a company in which an item scores one if it is disclosed and zero if it is not disclosed. Some of the study that made used of unweighted approach on CSR measurement include: Abu sufian (2012), Uwuigbe olubukunola ranti (2011), Mirfazli (2008), Imam (2000), Krippendort (1980), John echave and Shyam bhati (2010) and Mohammad Badralmuttakin (2014) among others.

2.4 Categories of corporate social responsibility

The pyramid of corporate social responsibility is depicted to portrays the four components of CSR, beginning with the basic building block notion that economic performance undergirds all else. At the same time, business is expected to obey the law because the law is society's codification of acceptable and unacceptable behavior. Next is business's responsibility to be ethical. At its most fundamental level, this is the obligation to do what is right, just, and fair, and to avoid or minimize harm to stakeholders (employees, consumers, the environment, and others). This is captured in the philanthropic responsibility, where business is expected to contribute financial and human resources to the community and to improve the quality of life. According to him, reason of introducing the pyramid is to be sure all of these kinds of responsibilities have always existed to some extent. Also explained that the model is simply to remind us that motives or actions can be categorised as primarily one or another of these four kinds. According to Wood and Jones (1996) Carroll's four domains have enjoyed wide popularity among Social Issues in

Management (SIM) scholars. This suggests that Carroll's CSR domains and pyramid framework remain a leading paradigm of CSR in the social issues in management field.

Despite the important of CSR in the organization there are several debates regarding first category organization should give priority. Carroll (1999) appeared to briefly retract his dubious equating of philanthropy with corporate citizenship and abandon his pyramid concept by re-conceiving his model as “the four faces of corporate citizenship”, but soon returned to his original construct (Carroll, 2000). Most recently, Carroll (2004) reproduced his 1991 CRS pyramid once again, but this time attempted to incorporate the notion of stakeholders in term of which economic responsibility contains the admonition to “do what is required by global capitalism”, legal responsibility holds that companies “do what is required by global stakeholders”, ethical responsibility means to “do what is expected by global stakeholders”, and philanthropic responsibility means to “do what is desired by global stakeholders”

In addition, Aupperle, Hatfied and Carroll (1985; 1984) performed the first empirical test of the four part CSR model by surveying 241 Forbes 500 listed CEOs using 171 statements about CSR. The statistical analysis supported the model in two ways:

(1) Confirming that there are four empirically interrelated, but conceptually independent components of CSR.

(2) Giving tentative support to the relative weightings of Carroll earlier assigned to each of the four components. It is worth noting, however, that in this second conceptualization, Carroll’s framework reflects the perceptions of business leader about the current relative importance of the four CRS categories, rather than historical or dependence perspective.

2.4.1 Economic Responsibility

Carroll (1991) looks Economic responsibility as a firm to Perform in a manner consistent with maximizing earnings per share, being as profitable as possible, maintaining a strong competitive position and high level of operating efficiency. The economic domain captures those activities which are intended to have either a direct or indirect positive economic impact on the corporation.The positive impact is based on maximization of profits and/or maximization of share value. Examples of direct economic activities include actions intended to increase sales or avoid litigation. Examples of possible indirect economic activities include activities that are designed to improve employee morale or the company's public image. Any activity that is pursued with improving profits and/or share value in mind is deemed to be economically motivated (Poitras 1994).

The study of Edmondson and Carroll (1999), tested Carroll's CSR pyramid on a sample of 503 large black-owned businesses in the USA, suggesting the importance of culture. The survey found that, while the economic component was rated as most important, ethical responsibilities were prioritized above legal responsibilities, and the differential between philanthropic and legal responsibilities was relatively small. A further study with a cultural dimension compared the views of 165 Hong Kong and 157 US students on CSR and found that Hong Kong students emphasized economic aspects more strongly than their US counterparts, and gave no difference in weighting between legal and ethical dimensions of CSR (Burton, Farh, & Hegarty, 2000).

2.4.2 Legal Responsibility

Carroll's category of legal responsibility is defined as obeying or complying with the law (1991). The legal responsibility is depicted as reflecting a view of "codified ethics" in the

sense that law embodies basic notions of fairness as established by lawmakers. It is stressed that it is business's responsibility to comply with these laws. A broader appreciation of the legal system and its influence on corporate activities indicates a much wider range of legally-based activities.

In an effort to extend the earlier empirical analysis (Aupperle, Hatfied and Carroll. 1985), Pinkston & Carroll (1996) performed a similar survey among top managers in 591 US subsidiaries of multinational chemical companies with headquarters in England, France, Germany, Japan, Sweden, Switzerland and the USA. Aggregate findings once again confirmed Carroll's four part weighted model but interestingly showed Germany and Sweden to be exceptions, where legal responsibilities were ranked the highest priority followed by economic, ethical and philanthropic aspects respectively.

2.4.3 Ethical Responsibility

The ethical responsibility of CSR includes those activities that are based on their adherence to a set of ethical or moral standards or principles. Ethical of CSR is any activities or practices that are expected or prohibited by society members although not codified into law. They are responsibilities which embody those standards, norms or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights Carroll (1991).

In the study conducted by Edmondson and Carroll (1999) tested Carroll's CSR pyramid on a sample of 503 large black-owned businesses in the USA, suggesting the importance of culture. The survey found that, ethical responsibilities were prioritized above legal

responsibilities. Comparison with the Aupperle, at el. (1985) findings also showed that in the intervening ten years the gap between the relative weightings of economic and legal responsibilities had decreased while ethical responsibilities had appeared to increase. Philanthropic responsibilities on the other hand had decreased in importance during this same period (Pinkston and Carroll, 1996).

2.4.4 Philanthropic Responsibility

The position of Carroll (1991) on philanthropic responsibility is encompasses those corporate actions that are in response to society's expectation that business be good corporate citizens. This includes activities engaging in acts or programs to promote human welfare or goodwill. Like business contribution in financial resources or executive time such as contribution to the arts, education or community. Philanthropic responsibility in Europe tends to be rather more compulsory via the legal framework than discretionary acts of successful companies or rich capitalist Crane and Matten (2004).

Summing up the various categories forwarded by various scholars, Carroll (1991) stated that, for CSR to be accepted by a conscientious business person, it should be framed in such a way that the entire range of business responsibilities are embraced. This suggested that four kinds of social responsibilities constitute total CSR: economic, legal, ethical. and philanthropic.

2.5. Approaches to Corporate Social Responsibility

Companies engage in CSR programs in order to reduce public criticism and discourage further government involvement into their business territory Faris, Abedalfattach and Marwan (2012). Firms must operate and involve in societal demand in order to achieve or

to increase corporate financial performance because firm that is socially responsible will simply be profitable and operate in the best interest of the stake holders. Poor social responsibility involvement on the part of corporation means poor corporate management and poor performance. Therefore, firm's activities can be risk or environmental management, value creation or philanthropic approach

2.5.1 Risk/ Environmental Approach

The correlation between CSR and strategic risk management has been founded by various scholars in the literature. Bowman (1980) stated that, corporate social responsibility is an instrument of shielding business from any social or environment risk. Following the above assertion is the work of Husted and Allen (2007) which suggested that, CSR is an essential component of corporate risk management. Heal (2005) agreed with Husted and Allen that good CSR practice reduces conflicts between companies, society and the environment. He further noted that risk management approach in this sense means reduction of conflicts as a major benefit of effective CSR programs. Orlitzky and Benjamin (2001) posited that a firm's ability to identify and manage different kinds of risks attributed to its business operation through CSR prsactice may increase its chances of making more profits.

However, Faris et al (2012) added that, companies engaged in voluntary corporate social responsibility not only for its physical potential impact in business but to avoid potential pressures from the immediate society, government regulatory and other nongovernmental agencies that enforce corporate social responsibility. Organizations that looked CSR as an environmental risk management activity believed that there are degree of correlation between spending on CSR and organizational performance which also believed that the only way to avoid environmental and societal harmful effects in their operations is to

engage in CSR practices. Burke and Logsdon (1996) concluded that, good CSR practices may particularly help companies to address many social and environmental problems. If that is true, then organization should consider CSR as a risk management activity.

2.5.2 Value Creation Approach

In contrary, some organizations viewed CSR as value creation activity, because they believed that firms to survive in the business environment as going concern entities, CSR activities must be part of their strategic corporate plans Where a firm's vision is to create business value, generate and maximize shareholders returns with fundamental increase in corporate economic wealth, then partnership with communities should be one of its focal objectives Baker (2008). This means that engaging in CSR activity increase value of the firm.

Companies are increasingly committed to CSR not only because of its potentiality and relevancy in managing risks but because of its ability of enhancing their reputation in the eyes of customers, potential investors, employees and regulatory agencies. An effective CSR practice can bring about the potentials of lifting and exposing the company to the highest point Andrew (2013). This means that good CSR policy implementation improves firm's competitive advantage and enhance share value.

2.5.3 Philanthropic Approach

Literature has forwarded several arguments regarding corporate community social involvement beyond acting as pure philanthropists. The superior dimension of this argument in the literature revolved around the primary motive of forming any business which is 'profit making'. This argument falls within the position of average stockholder

theorists, who a asserted that primary purpose of establishing any business is to maximize profits, therefore having firm's management engaging in any matter other than a profit maximizing goal is amounting to jeopardizing shareholders interest.

This is line with the economic argument of Fiedman (1970) against CSR. According to him, the primary responsibility of business is to make profit for its owners albeit while complying with the law of land. He further stressed that, the concern of any business is to make profits and to maximize shareholders wealth. This has practically contradicted the fundamental ideas of most contemporary businesses considering how they are increasingly becoming involved in social and environmental issues. Friedman (1970) viewed business as an economic institution and not a social one. Therefore, if business is able to discharge its fundamental functions, manage its affairs efficiently and operate within the law of the land, any social issue should be addressed by government. Thus, firm are only responsible to shareholders when they become involved in social matters otherwise these corporate motives are duly observed (Navarro, 1988).

In support of the philanthropic CSR argument, Carroll (1991) documented that, philanthropic responsibility encompasses business actions in response to society's expectation that defined businesses as good corporate citizens. He further stressed that, CSR as pure philanthropic means decision to evolve into social issues voluntarily, which is always guided by the ability and desire of business to engage in social matters that are not mandated or imposed by law. This includes some social programs such as charitable gifts and donations to less privilege supporting agencies, schools and other community developmental programs.

In agreement with Carroll's assertion, Jastram (2007) and Lin-Hi (2008) concluded that, some organizations looked at CSR as pure philanthropic activity, explaining that, CSR should be viewed as philanthropic activity since it is not guided or forced by any legislation. Therefore, any CSR participation is solely at a company's discretion, since there is no correlation between the amounts an organization spends on CSR and its overall performance. Similarly, Cyrus and Oyenji (2013) in their work noted that, firms are obliged to act as good corporate citizen by way of alleviating harm to stakeholders. This can only be accomplished via philanthropic attitudes, where firms are expected to contribute to financial and human resources development aspect of the community and to improve the quality of local life.

Moreover, it is increasingly becoming difficult to distinguish whether CSR practice is risk management, value creation and pure philanthropic in large organizations. But Ibrahim, Zam, Jamil and Norlia (2013) conveyed in their work that, whichever approach a firm chooses to incorporate in to its CSR policy framework, it should be flexible enough for practice across all levels of business policy targets, setting a high standard against which to measure its long term corporate successes.

2.6 Corporate Social Responsibility and Firm Performance

Empirical research into the effects of corporate social responsibility has produced mixed results. Some studies have suggested a positive relation, where as others have concluded that the effects are negative or insignificant.

Several studies produced results consistent with the notion that corporate social responsibility activities has relationship with firm performance (Amole at el, 2012 & Kenneth et al.,1985). Achua (2008) supported positive argument that, in spite the fact that

financial institutions do cause environment hazard, banks need to be socially responsible to enable them to build their " reputational capital'' which will enable them to attract high-quality employees, to change higher fees, negotiate better deals expand customer base, attract more investors and win public trust. He further stresses that banks could be seen to be responsible if they can figure out key areas that will help in developing their operating environment. Anecdotal evidence shows Corporate Social Responsibility (CSR) is one of the vital components that can help banks to earn trust reputations and confidence of stakeholders. Tanveer, Muhammad, Tahir, Shamila and Muhammad (2017), documented positive association between CSR and firm performance which is consistence with the work of Jie and Hassan (2016) and Yusoff and Adamu (2016) that recommended investment on the CSR activities improves the value of firms. However, authors have cited that corporate responsibility outcome improves employee and customer reputation and sustainability of business (Davis,1973; Ruf et al., 2001; Wijesinghe & Senaratne, 2008). Corporate responsibility also improve relationship with firm and constituencies Which may bring economic benefit (Moussavi and Evans, 1986).

On an other hand, those have concluded that there is a negative relationship between social responsibility and firm performance have argued that high responsibility results additional costs which can put firm in economic problem compared to those firms that have no or less social responsibility. They embrace the concept of maximizing the firms profit by using its resources. They are not in favor of the notion of investing resources on CSR (Bragdon and marlin,1972; Vance,1975; Margolis and Walsh, 2003; Makni et al., 2009; Cellier and Chollet, 2010; Wati et al., 2014; Iqbal et al., 2013; Babalola, 2012; Singh, 2014; Hirigoyen and PoulainRehm, 2014). The findings of this views believed that additional cost may occur from corporate responsibility activities like making extensive

charitable contributions, promoting community development and other social responsibilities. While some researchers have accepted that additional cost of the corporate social responsibility is set off by the benefits the corporate social responsibility. Therefore, there is no relationship (Carnell and Shapiro, 1987).

2.7 Review of Related Empirical Studies

Researches have been conducted in different countries at different times which suggested a link between CSR and factors influence firm to engage in CRS activities.

2.7.1 Firm Size and Corporate Social Responsibility

A positive relationship is expected between firm size and CSR disclosure. Several researchers such as Li and Zhang (2010), Uwalomwa (2011), Kavanagh, Bayoud and Slaughter (2012), Tazul-Islam (2012), Faris et al. (2012), Abu sufuyan (2012), Shehu and Farouk (2013), Vintila (2013), Akrout and Ben Othman (2013), Ebiringa (2013), have conducted researches on firm size and CSR disclosure; however, there was no agreement in the results they reported. The size of the reporting firm should have either a positive or a negative impact on the extent at which it is engaged in CSR practice and disclosure. Thus, it is expected that a large firm management would like to practice and disclose more of its CSR issue because that correlates to their internal and external activities, promotes innovation, competitive advantage, value creation and superior economic performance (Abu sufuyan, 2012).

A research work put forward by Mohammad Badrul Muttakin and Arifur Khan (2014) were they explored the potential firm and industry characteristics that determine the corporate social responsibility (CSR) disclosure practises by Bangladeshi listed firms. The

study used CSR disclosure checklist to measure the extent of CSR disclosure in the annual reports and multiple regression analysis to examine the determinants of CSR disclosure. The study indicated that CSR disclosure has positive and significant relationships with export-oriented sector, firm size and types of industries. Also indicated a negative relationship between CSR disclosure and family ownership. The overall findings of the study provide empirical evidence which suggested that a number of firm and industry characteristics are important determinants of the extent of CSR disclosures in a developing country like Bangladesh. The result of the study may not be applicable to banking industry.

In a related development, Kavanagh, Bayond and Slaughter (2012) carried out a study in Libya on the examination of factors affecting corporate social disclosure. Specifically, the study explored whether company age, industry type or company size has a potential influence on the levels of corporate social responsibility disclosure in the annual reports of Libyan companies. Hypotheses were tested using regression analysis on a sample of 40 annual reports from Libyan companies from 2007 to 2009. In addition, thirty-one of the financial managers and information managers expressed their perception about the determinants of corporate social responsibility disclosure in Libya. The quantitative findings revealed that there is a positive relationship between company age and industry type and the level of CSR disclosure. The qualitative findings also showed a positive relationship between all factors influencing levels of CSR disclosure used in the study and level of CSR disclosure in Libyan companies. The study should have considered more years.

Another research was conducted by Uwalomwa (2011) in Nigeria. The study investigated the association between firms' characteristics and the level of corporate social disclosures in the Nigerian financial sector. Using the judgmental sampling technique, a total of 31 listed firms have been selected for the study based on their level of market capitalization and direct financing of most firms from the manufacturing industry. Also, using the content analysis method of eliciting data, a scoring scheme was used for measuring the extent of corporate social disclosure in the annual report. The study observed that a positive association existed between a firm's characteristics and the level of corporate social disclosure. In addition, the study observed that corporate social disclosures by listed firms are still in its infancy. The result therefore calls for standard setting bodies to put in place a corporate social environmental reporting framework, in order to improve the level of corporate social disclosures among of listed firms in the financial industry. The study considered CSR disclosure for only one year and may best be considered many years.

Similarly, Shehu and Farouk (2013) empirically analyzed the determinants (financial and non-financial) of CSR of listed Deposit Money Banks (DMB"s) in Nigeria for the period of 2005-2011. The listed DMB"s are twenty-one (21) in numbers out of which a sample of thirteen (13) were used for the study. Specifically, the study seeks to find if financial and non- financial factors (proxied by Economic profit, firm size, dividend, Institutional ownership, firm growth and leverage) have any impact on Banks CSR. The study adopted multiple regression techniques and data were collected from secondary source through the annual reports and accounts of the firms. The findings revealed that Dividend paid, Institutional ownership, Firm growth, and Leverage is positively, strongly and significantly influencing the CSR practice of listed Deposit Money banks in Nigeria, while the Economic profit and Firm size have a positive impact on CSR of Banks but at 10%

level of significance. It is recommended among others that bank management should strive in making high economic profit, expanding the bank assets, and also maintain a consistent dividend payment while increasing their institutional Shareholders as it has been found empirically to be a determining factor for banks to embark on CSR. The study was limited to only measured CSR based on total amount invested, measurement of CSR may be better if it was based on global initiative index guidelines (CSR disclosure index).

The study of Vintila (2013) explored whether profitability and company size have a potential influence on level of corporate social responsibility. The findings indicated that company size and profitability have an influence toward the corporate social responsibility. The study of Akrout and Ben Othman (2013) reported similar result. According to them, the level of environmental disclosure is substantially affected by company size and performance. Tazul-Islam (2012) and Faris et al. (2012) too reported that firm size is significantly and positively related with CSR. This serve as a challenge to Ebiringa et al. (2013) whose study found an insignificant negative correlation between CSR disclosure and firm size. Enny and Yulita (2013) also reported a negative relationship between size and CSR.

The apriori expectation of this study is that banking sector been among the largest industry in Nigeria would like to practice and disclosure more information on CSR because of economic advantages.

2.7.2 Profitability and corporate social responsibility

Various proxies of profitability have been use in previous researches such as return on assets, return on capital employed, return on investment, dividend stability, earning

growth, net profit to sales and profit margin. However, this study as mentioned earlier would use return on investment as proxies of profitability. Thus, the results forwarded in the literature by prior researches are mixed.

Furthermore, Hussainey, Elsayed and Abdulrazik (2011) empirically investigated the factors affecting corporate social responsibility disclosure in Egypt and found different relationship by using different measures of scoring system. The number of sentence that contains CSR information was proxied by CSR disclosure. The study made a significant contribution to the corporate social responsibility disclosure literature by offering the first study of its type under taken in Egypt as an example of a developing country that examined the determinants of individual and aggregated types of CSR information using a sample of 111 Egyptian listed companies for the period of 2005-2010, the findings among others showed that 66% of the Egyptian listed companies disclose on average 10-50 CSR statements. In addition, it found that product/customer information is used extensively by Egyptian listed companies compared with other types of CRS information. Finally, the study revealed that profitability is the main determinant for the aggregated and most of individual CSR information in Egypt. In the study six independent variables were used firm size, profitability (ROI), liquidity, gearing and three types of auditing firms to examine the relationship between firm characteristics and the level of corporate social responsibility disclosure. The findings will be better if used 1 & 0 as CSR disclosure index.

In study similar to that of Garmerschlag & Verbeenteen (2011) constructed a CSR disclosure index based on the Global Reporting Initiative (GRI) guidelines. Using content analysis (1 & 0), the study analyze 130 listed German companies' CSR disclosures (470 firm-year observations) to investigate the determinants of these voluntary disclosure

activities. The result shows that Garman companies' disclosures of all CSR issues are affected by their visibility shareholder structure and relationship with their US stakeholders. In addition higher profitability (ROI) is associated with more environmental disclosures. Finally, size and industry membership affect the amount of CSR disclosure.

The aims of the study conducted by Naser and Hassan (2013) were to measure the extent of corporate social responsibility and its determinant by non financial companies listed on Dhabi Securities Exchange. The study employed content analysis of the annual reports to measure the extent of CSR disclosure in Abu Dhabi companies. In addition, the study adopted multiple regression analysis to identify factors influencing the extent of corporate social responsibility disclosure. The independent variables are profitability, leverage, size, industry type, location of company's head office, ownership structure. The findings of the study indicated that the level of CSR disclosure by companies listed on Abu Dhabi securities exchange is low with an average of 34%, signifying that such a disclosure is still not primary concern to the companies. The result also suggested that the extent of CSR disclosure is influenced by profitability. However, the study considered CSR disclosure for only one year and may best be considered many years.

On the other hand, Abu-sufyan (2012) investigated the impact of corporate characteristics on corporate social responsibility disclosure (SCRD) in annual reports of listed companies in Bangladesh. To find the empirical result of the study, seventy (70) annual reports of non-financial companies for the year 2010 were taken as sample. The study showed that the mean score of CSRD is five and 75% companies discloses 7 items voluntarily which is 20% of total disclose-able items. Therefore, companies in general have not responded enough to disclose CSR items in their annual reports. The study revealed that profitability

has no statistically significant effect on CSRD. Panel data would have been better to the study than cross sectional data as panel data will allow for the study of many firms over a number of years.

However, Ebiringa et al. (2013) studied the effects of firm size and profitability on corporate social disclosure in Nigerian oil and gas companies. A sample of twenty quoted companies selected using the sample random sampling technique for 2011 financial year was employed in the study. The findings among others showed that an insignificant negative correlation exist between CSR disclosure and firm size. The profitability is significantly positively related to CSR disclosure of the companies. The study recommends that there is urgent need for regulatory agencies to develop a CSR disclosure framework that focuses considerably on utilizing firm profitability and providing incentives and penalties as the case may be for firms' corporate social responsiveness level. The study is limited by the use of cross sectional data in which case, the result may not be reliable. Therefore, the study should have considered more years in order to ensure the external validity of the findings.

Similarly, Abdu (2016) empirically examined the determinants of corporate social responsibility of listed Deposit Money Banks (DMBs) in Nigeria for the period of 2005-2013. Twelve (12) banks was selected as a sample of the study. The explanatory variables are profitability, leverage, firm size, economic value added and institutional ownership. The study adopted correlational and expost facto designs and data were analyzed with aid of GLS multiple regression technique. Using 108 firm-year paneled observations, fixed and random effects were established. The study revealed that profitability and leverage positively, strongly and significantly have an impact on CSR of listed DMBs in Nigeria at

1% level of significance, while firm size and institutional ownership negatively and significantly have an impact on CSR investment of listed DMBs in Nigeria at 1% and 5% level of significance respectively. However, EVA is found to have a negative but insignificant influence on the CRS investment of the listed DMBs in Nigeria. The study conclude that the profitability, leverage, firm size and institutional ownership constitute the determinants of CSR of listed DMBs in Nigeria. Therefore, the study recommended amongst others that management of the selected listed DMBs in Nigeria should improve on their banks profitability by extending into other activities that would generate more return as it has been proved to be an important factor that drives banks to invest in CSR. The study was limited to only measured CSR based on total amount invested, measurement of CSR may be better if it was based on global initiative index guidelines (CSR disclosure index).

In addition, Akano et al. (2013) investigated various types of social responsibility activities information that were disclosed by Nigerian commercial banks and the factors that determine the level of disclosure in their annual reports and accounts. The result indicated that commercial banks in Nigeria disclosed more information on human resources and community involvement and very low information on environmental, product quality and consumer relation. The independent variables are total assets, gross earnings and number of branches and the dependent variable is CSR disclosure proxied by environmental, human resources, product quality & consumer relation and community involvement. The result also suggested that value of total assets, gross earnings and number of branches are positively and significantly related with CSR disclosure level. However, the study is limited to only one financial year annual reports & accounts. The

result would have been different if panel data has been employed as it will allow for the study of many firms over a number of years.

More holistically, Istianigsih (2013) conducted a study on impact of firm characteristics on corporate social responsibility disclosure of the manufacturing companies listed on the Indonesian stock exchange for the period 2008-2010. The sample was selected from the manufacturing companies listed on the Indonesian stock exchange for the period 2008-2010. The study revealed that profitability has no significant impact on the CSR disclosure of listed manufacturing firms of Indonesia. The result of the study may not be applicable to banking industry.

There are divergent views on whether CSR practice and disclosure has relationship with profitability, some results reveal positive while others negative relationship. More so, the expectation of this study is that ROI would likely has positive relationship with CSR simply because firm makes more returns would invest more in corporate social responsibility.

2.7.3 Liquidity and corporate social responsibility

The International Financial Reporting Standards (2006) view liquidity as the available cash as a firm's position, after taking care of various financial obligations corresponding to a particular period of its operation. Liquidity measured in several ratios by different researchers such as liquid assets to deposit ratio, net loans to total assets ratio and net loans to deposit and borrowing. Liquidity is seen as blood or breath in the life of commercial bank and that the level of banks engagement in CSR and other related activities is determined to a greater extent by the banks' liquidity position Samad (2004). Firm with

large liquidity has advantage to solve its financial matters efficiently and effectively over the one that has lesser or even absence of it.

Specifically, Maleya and Willy (2013) conducted research on factors affecting the financial performance of listed companies at Nairobi Securities Exchange in Kenya. It was informed by trade off and the agency theories. The study adopted an explanatory research design and 29 listed firms (excluding listed banks and insurance companies) which have consistently been operating at the Nairobi securities exchange during the period 2006-2012 were sampled. Purposive sampling technique was used. The analysis of the data collected from financial statement followed a number of basic statistical techniques. Descriptive statistics (mean and standard deviation) and inferential statistics (Pearson correlation and multiple-regression) were used to analyze data. Pearson correlation was used to ascertain the interrelationship between the variables, whereas multiple-regression was used to assess the extent of the effect of the independent variables on the dependent variable. The findings showed that leverage had a significant negative effect on firm performance. Also the study revealed that liquidity, company size company age had a significant positive effect on financial performance. The study provides some precursory evidence that leverage, liquidity, company size and company age play an important role in improving company's performance. The study suggested that there is need to determine an optimal debt level that balances the benefits of debt against the costs of debt and developing sound techniques of managing current assets to ensure that neither insufficient nor unnecessary funds are invested in current assets as maintaining a balance between short-term assets and short-term liabilities is critical. The study also suggested that firms should expand in a controlled way with the aim of achieving an optimum size so as to enjoy economies of scale which can ultimately result in higher level of financial performance.

Furthermore, relevant is the work of Nevine (2013) who empirically investigated the impact of bank's service quality on customer satisfaction and improving firm performance, which in turn will affect the Corporate Social Responsibility implementation in the Egyptian Conventional banks versus Islamic banks to find out which of the banking streams are performing better. The sample of the study is 8 Conventional banks and the 2 major Islamic banks in Egypt were selected. The study compared the profitability, operations and liquidity ratios of Conventional and Islamic banks of Egypt. The study is done on the financial statements analysis for the period 2003-2009, based on Bankscope database. The study found that there is a positive relationship between the profitability and operation levels and liquidity performance, at both conventional and Islamic banks. Also the results revealed that conventional banking has better financial position than Islamic banking, which indicate their higher expenditure ability and commitment toward their Corporate Social Responsibility.

In another study Kartik (2012) examined the trends in liquidity management and their impact on profitability of Bharat Heavy Electrical Ltd for a period of 11 years (i. e. from 1999- 2000 to 2009-10). He attempted to observe the trend values of liquidity position of the company and to study the correlation between liquidity and profitability. Also he established the linear relationship between liquidity and profitability with the help of a multiple regression model. The study is based on secondary data collected from published annual reports of Bharat Heavy Electrical Ltd and from published annual report of Public Enterprise Survey. The available data have been analyzed by using some important managerial and statistical tools. Various statistical tests viz. t-test, F-test and Durbin-Watson test and Chi-square test have been applied in order to test the significance of the

results obtained. On the basis of overall analysis, it is therefore important to state that the selected company always tries to maintain adequate amount of net working capital in relation to current liabilities so as to keep a good amount of liquidity throughout the study period.

In Nigeria, Andrew and Osuji (2013) empirically examined the effect of efficient liquidity management on banking performance in Nigeria particularly in the aftermath of several banking reforms, rescue mission by the Central bank of Nigeria (CBN) and the attendant Merger and Acquisitions.. The research design is survey design, accomplished through the administration of structured questionnaires. Data obtained were first presented in tables of percentages and pie charts and were empirically analyzed by Pearson product-moment correlation coefficient (r). Findings from the empirical analysis were quite robust and clearly indicate that there is significant relationship between efficient liquidity management and banking performance and that efficient liquidity management enhances the soundness of bank.

These findings which may have re-echoed results from similar researches re-emphasize that efficient liquidity management have important policy implications for developing and emerging economies. Considering the systemic consequences of liquidity problems, it is recommended that a more professional approach should be taken in its management.

Firm with large liquidity has advantage to solve its financial matters efficiently and effectively over the one that has lesser or even absence of it. Therefore, this study expected positive impact between liquidity and CSR of listed banks in Nigeria.

2.7.4 Gearing and corporate social responsibility

Gearing on the other hand explains the debt component of the capital structure of a firm. Reasons were advanced by several researchers that firm with a high gearing would have little resources to take care of some other objectives. However, firms' decision to engage in CSR practice may also be influenced by gearing this is because of attracting more investors to invest in their company which give stakeholders alarm that the firm has a good future survival and growth.

A research conducted by Shehu and Farouk (2013) empirically analyzed the determinants (financial and non-financial) of CSR of listed Deposit Money Banks (DMB"s) in Nigeria for the period of 2005-2011. The listed DMB"s are twenty-one (21) in numbers out of which a sample of thirteen (13) were used for the study. Specifically, the study seeks to find if financial and non- financial factors (proxied by Economic profit, firm size, dividend, Institutional ownership, firm growth and leverage) have any impact on Banks CSR. The study adopted multiple regression techniques and data were collected from secondary source through the annual reports and accounts of the firms. The findings revealed that Dividend paid, Institutional ownership, Firm growth, and Leverage is positively, strongly and significantly influencing the CSR practice of listed Deposit Money banks in Nigeria, while the Economic profit and Firm size have a positive impact on CSR of Banks but at 10% level of significance. It is recommended among others that bank management should strive in making high economic profit, expanding the bank assets, and also maintain a consistent dividend payment while increasing their institutional Shareholders as it has been found empirically to be a determining factor for banks to embark on CSR.

Similarly, Abdu (2016) empirically examined the determinants of corporate social responsibility of listed Deposit Money Banks (DMBs) in Nigeria for the period of 2005-2013. Twelve (12) banks were selected as a sample of the study. The explanatory variables are profitability, leverage, firm size, economic value added and institutional ownership. The study adopted correlational and expost facto designs and data were analyzed with aid of GLS multiple regression technique. Using 108 firm-year paneled observations, fixed and random effects were established. The study revealed that profitability and leverage positively, strongly and significantly have an impact on CSR of listed DMBs in Nigeria at 1% level of significance, while firm size and institutional ownership negatively and significantly have an impact on CSR investment of listed DMBs in Nigeria at 1% and 5% level of significance respectively. However, Economic Value Added (EVA) is found to have a negative but insignificant influence on the CRS investment of the listed DMBs in Nigeria. The study concludes that the profitability, leverage, firm size and institutional ownership constitute the determinants of CSR of listed DMBs in Nigeria. Therefore, the study recommended amongst others that management of the selected listed DMBs in Nigeria should improve on their banks profitability by extending into other activities that would generate more return as it has been proved to be an important factor that drives banks to invest in CSR. The study was limited to only measure CSR based on total amount invested, measurement of CSR may be better if it was based on global initiative index guidelines (CSR disclosure index).

Organizations' decision to engage in CSR practice may be influence by gearing this is because of attracting more investors to invest in their company which give stakeholders alarm that the firm has a good future survival and growth. Therefore, this study is set to find out whether gearing is one of the drivers of CSR of deposit money banks in Nigeria.

2.7.5 Dividend and corporate social responsibility

The association between dividend paid that expected to influences CSR of an organization has been established in different countries at different times, resulting into different views as to the impact it on CSR of a firm owing to variation in methodology and periods in which the study were conducted.

Specifically, Joonil and Yongbok (2015) conducted research on Dividend policy and corporate social responsibility which compare and contrast the dividend policies of multinational enterprise (MNE) subsidiaries with local firms in Korea and extract implications for corporate social responsibility (CSR). Their findings revealed that dividend policies of MNE subsidiaries in Korea are in general determined to meet remittance requirements imposed by their parent company and have weak correlation with local CSR and investment requirements for wealth creation by local stakeholders.

Furthermore, Faris, Abdelfattah and Marwa (2012) empirically analyzed financial and non financial determinants of CRS using a sample of 60 listed industrial companies in Amman stock exchange between the period 2006 – 2010 in Jordan. The researchers used two model for CSR (CSR, first measuring CSR as Training and Education, while in the second model, CSR was proxied with the value for Research and Development). Meanwhile growth, dividend, size, age, percentage of share held by individual investors, percentage of ordinary share held by institutions, number of majority share holders who hold 10% or more ordinary shares in the company, and leverage were regressed against the two models. The study found that Dividend has a negative but insignificant relationship with CSR in the two models. However, leverage reported negatively associated and significantly influencing CSR of Jordanian firms in both.

Similarly, Shehu and Farouk (2012) examined the determinants (financial and non financial) of CSR of listed Deposit Monet Banks (DMBs) in Nigeria for the period of 2005 – 2011. The listed DMBs are twenty one (21) in number out of which a sample of thirteen (13) were used for the study. Specifically, the study sought to find if financial and non financial factors (proxied by Economic profit, Firm size, Dividend, Institutional ownership, Firm growth and Leverage) have any impact on banks CSR. The study adopted multiple regression techniques and data were collected from secondary source through the annual reports and accounts of the firm. The findings among others showed that Dividend paid, Institutional ownership, firm growth, and Leverage are positively, strongly and significantly influencing the CSR practice of listed DMBs in Nigeria, while the Economic profit and Firm size have a positive impact on CSR of DMBs but at 10% level of significance.

This study go beyond to evaluate the relationship of dividend paid and CSR of DMBs in Nigeria but also examine the influence dividend paid has in driving firms to practice and disclose CSR information.

2.7.6 Firm growth and corporate social responsibility

Moreover, Shehu and Farouk (2012) examined the determinants (financial and non financial) of CSR of listed Deposit Monet Banks (DMBs) in Nigeria for the period of 2005 – 2011. The listed DMBs are twenty one (21) in number out of which a sample of thirteen (13) were used for the study. Specifically, the study sought to find if financial and non financial factors (proxied by Economic profit, Firm size, Dividend, Institutional ownership, Firm growth and Leverage) have any impact on banks CSR. The study adopted

multiple regression techniques and data were collected from secondary source through the annual reports and accounts of the firm. The findings among others showed that Dividend paid, Institutional ownership, firm growth, and Leverage are positively, strongly and significantly influencing the CSR practice of listed DMBs in Nigeria, while the Economic profit and Firm size have a positive impact on CSR of DMBs but at 10% level of significance. The study recommends that banks' managements should strive in making high economic profit, expanding the bank assets, and maintains a consistent dividend payment while increasing their institutional shareholders.

However, Faris, et al. (2012) empirically analyzed financial and non financial determinants of CRS using a sample of 60 listed industrial companies in Amman stock exchange between the period 2006 – 2010 in Jordan. The researchers used two model for CSR (CSR, first measuring CSR as Training and Education, while in the second model, CSR was proxied with the value for Research and Development). Meanwhile growth, dividend, size, age, percentage of share held by individual investors, percentage of ordinary share held by institutions, number of majority share holders who hold 10% or more ordinary shares in the company, and leverage were regressed against the two models. The findings indicated that size and growth are significantly and positively related and are influencing CSR of listed industrial companies in Jordan in all regression, while leverage was negatively associated and significantly influencing CSR in the two models.

Firm recorded consistent positive growth in much sensitive aspect of its operation would likely to participate more on CSR activities. However, the expectation of this study is that firm growth would play a vital role in estimating the CSR of listed DMBs in Nigeria. Indeed, most of the works reviewed above have focused on the variation in CSR disclosure

across developed countries where community awareness and society expectation on CSR is high. Therefore there is every possibility that, their findings with regard to CSR determinant may not be same to developing countries particularly Nigeria due to differences in nature of environment, methodology adopted, period of the studies and domain of their studies. It would be expected that conducting study on CSR determinant of Nigerian listed deposit money banks may establish distinct result. Hence, there is need to investigate the present situation separately.

2.8 Theoretical Framework

The theories of corporate social responsibility and firm performance include Stakeholder theory, Agency theory, Slack Resource theory and Legitimacy theory. Specifically, the study is underpinned on Stakeholder theory and Legitimacy theory.

2.8.1 Stakeholder theory

The stakeholder theory as the first theory use to underpin this study explained that a stakeholder is anyone who has "a stake in or claim on the firm" (Hasnas, 1998). This has been interpreted to include "any group or individual who can affect or is affected by the corporation" (Hasnas, 1998). It is perhaps more familiar in its narrow sense in which the stakeholder groups are limited to shareholders, customers, employees, suppliers, management, and the local community. Thus, stakeholder theory asserts that a business' financial success can best be achieved by giving the interests of the business' shareholders, customers, employees, suppliers, management, and local community proper consideration and adopting policies that produce the optimal balance among them (Hasnas, 1998). Similarly, According to Mitchell, Agle, and Wood (1997), "Managers who want to achieve certain ends pay particular kinds of attention to various classes of stakeholder . . .

managers' perceptions dictate stakeholder salience . . . and various classes of stakeholders might be identified based upon the possession of power, legitimacy, and urgency."

Welcomer, Cochran, Rands, and Haggerty (2003) posited that firms and stakeholders actively working together in hopes of mutual gain can have a significant impact on the firm. This viewpoint seeks to explain current corporate behavior rather than to argue for a more moral position. From a managerial point of view, corporate success depends on an ongoing process of stakeholder management in which the interests and demands of stakeholders are identified and dealt with appropriately (Freeman, 1984). Working with stakeholders can lead to the articulation of a shared vision to resolve problems and to innovate solutions to formerly gridlocked issues (Welcomer et al., 2003). Similarly, Jones and Wicks (1999) have argued that firms that look after the interests of key stakeholders and behave in a morally defensive fashion will, all else being equal, achieve greater success in the marketplace than will those that do not. In this context, it is not social issues to which corporations respond but rather stakeholder issues (Clarkson, 1995).

2.8.2 Legitimacy theory

The theory is clearly explained by Davies (1973) that, companies need to perform well and undertake various socially responsible activities if they want to continue to survive and grow. Therefore, legitimacy means the level in which corporate activities meet the need of the member of the society, firm may embark into CSR practice in order to gain and have power and legitimacy.

Furthermore, expectation and perception of the society on social responsibility to an organization is very rudimental which have to look for a balance between their activities

and societal expectation. If society is not satisfied with a firm due to any unacceptable business conduct, it will withdraw the organization's contract in such a way as terminate its operations. Thus, the proponent of legitimacy theory is on the opinion that the management of the firm must ensure that their operations, decisions or action are always within the bounds and norms of society, and avoid taking any decision or action that is considered undesirable, harmful, disastrous or inappropriate to the health and safety of consumers, employees, community dwellers and the operating environment (Gray at el. 1995). This theory required corporate organization to respect law of the environment and avoid unnecessary wastes dump.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter specifically highlighted the design of the study, population and sampling technique, sources and method of data collection, technique of data analysis, variable measurement as well as model specification and justification for the techniques and method employed.

3.2 Research Design

Correlational research design was employed in order to examine the statistical relationship between two or more variables. Correlational research design was suitable for this study because it allowed the test for the expected association amongst CSR with its determinants and allowed prediction concerning the expected relationships between the variables

3.3 Population and Sample of the study

The population of the study comprised all the fifteen (15) Deposit Money Banks listed in Nigerian Stock exchange as at 31 December, 2016 (fact book 2016). The choice of the banking sector is based on the fact that they are among the biggest sector and play vital roles in Nigerian economy that invest more funds on CSR. Due to the nature of their activities, determinant of CSR evaluation is necessary. The facts that the study intended to evaluate firms dealing with services and out of fifteen listed DMBs in Nigeria, 11 banks were selected as sample of the study. The remaining banks were filtered out based on the criteria as follows:

1. any banks that are merged within the period of the study such as Intercontinental bank, Oceanic bank and Finback were removed from the population
2. Banks that were taken over by the NDIC like Afribank, Bank PHB were dropped out.
3. Remaining banks were dropped due to the inaccessibility of their complete annual reports and account for the period of the study.

3.4 Sources and Method of Data Collection

The study employed secondary sources of data in extracting the required information needed for this study. The data were extracted from Annual reports and accounts of the listed DMBs in Nigeria for the period of eleven (11) years (2006-2016), because the estimation of the model adopted for the study required data in form of financial information obtainable in financial statement.

In addition, the study further adopted the use of content analysis method of data collection in eliciting data from the annual report. This is due to the fact that the content analysis method is the most common source of data on corporate social environmental disclosure in annual reports (Milne and Adler, 1999). Also, it allows CSR information to be systematically classified and compared.

The formula for calculating the reporting items on CSR expressed in index form as:

$$CSRI = \frac{\text{Number of items reported on CSR}}{\text{Total number of items expected to be reported on CSR}} * 100$$

Table 1**:** **Items reported on corporate social responsibility**

SN	ITEMS
1	Cash donation program for disaster people
2	Charity program
3	Funding scholarship programs or activities
4	Education facilities for general people
5	Sponsor for sport, art & cultural program
6	Employment of physically challenged persons
7	Employment of minorities/women in the organization
8	Employee health & safety information
9	Employee training & education
10	Employee benefit/welfare
11	Any mention of policies or programs addressing work harassment & discrimination
12	Policies or procedure dealing with human right issue
13	Sponsoring public health project
14	Environmental awareness and education
15	Environmental research and development
16	Vision and mission statement

Source: Adapted from: Cormier et al. (2004), Ismail & Ibrahim (2009) and Akintola (2010)

3.5 Technique of Data Analysis

In order to achieve the objectives and to test the hypotheses, a functional relationship between the dependent variable and the independent variables are presented inform of regression equation. Multiple regression technique was used since the study examined sixed independent variables against one dependent variable. The choice of banking sector as the study population is because of big position it has on Nigerian economy in terms of

liquid, profit, growth and operation which expected to disclose more CSR activitie. This provides the basis for evaluating the relationship between CSR disclosure and it determinants. A panel regression technique is chosen in order to detect and measure the effect that cannot be simply observed by pure cross-sectional or pure time series data. Given the panel nature of the data, it is necessary to estimate for both Fixed and random effect. Other tests that were conducted include: multicollinearity test, normality test, heteroscedasticity test. The choice of this technique and tool will be more variability, less collinearity, more degree of freedom as estimates were efficient under it. They also allow the study separate cohort effects. The tool and technique will give information on time ordering of event and allow for control of separate unobserved heterogeneity.

3.6 Variable Measurement and Definition

The study used CSR as dependent variable while Firm size, ROI, Liquidity, Gearing, Dividend and Firm growth as independent variables. The formula and abbreviations used for measurement of all the variables are presented in the following table:

Table 2: **Variable Measurement and Definition**

Variable Acronym	Variable Name	Variable Measurement	Source(s)
CSR	Corporate Social Responsibility	Scoring 1 if the item is reported and 0 if the item is not reported	Uwuigbe (2011), Abu-sufyan (2012)
FS	Firm Size	Natural Log of total assets	Naser & Hassan (2013)
ROI	Return On Investment	Profit after tax / Book value of invested capital	Hussainey at el. (2011), Ramin, Klaus & Frank (2010)
LQ	Liquidity	Net loan / total assets	Abubakar (2016), Mabwe & Rebert (2010)
GRR	Gearing Ratio	Total liabilities over total assets	Naser & Hassan (2013)
DV	Dividend	dividend per share	Faris at el. (2012), Shehu & Farouk (2013)
GRTH	Growth	Change in total asset	Shehu & Farouk (2013), Muhammad (2014)

3.7 Model Specifications

In order to examine the factors that determine CSR, a multiple linear regression model is developed. The model is expected to capture the impact of Firm size, Return on Investment, Liquidity, Gearing Ratio, Dividend and Growth to CSR.

$$CSR_{it} = \alpha + \beta_1 FS_{it} + \beta_2 ROI_{it} + \beta_3 LQ_{it} + \beta_4 GRR_{it} + \beta_5 DV_{it} + \beta_6 GRTH_{it} + \varepsilon_{it}$$

Where:

α = Constant

β_1 - β_6 = Coefficient of the independent variables

FS_{it} = Firm Size

ROI_{it} = Return on Investment

LQ_{it} = Liquidity

GRR_{it}= Gearing Ratio

DV_{it} = Dividend

$GRTH_{it}$ = Growth

$_{it}$ = Panel data

ε_{it} = error term of the model

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter entails the preliminary analysis of the sample with the aid of descriptive statistics. This is followed by the presentation of the result, analysis and interpretation of the data extracted with a bid to testing the model adopted in this study. Also, findings are discussed and policy implications are drawn from the findings. The chapter ends with a discussion on the various robustness tests for the dependent and the independent variables of the study.

4.2 Descriptive Statistics

The descriptive statistics is first presented in table 4.1 in which the minimum, maximum, mean and standard of the data for the variables incorporated in the study are clearly described.

Table 4.1
Summary of Descriptive Statistics

VARIABLES	Min	Max	Mean	Std. Dev	N
CSR	0.31	0.92	0.6890	0.0991	121
FS	5.12	10.07	7.3495	1.4981	121
ROI	-10.52	17.47	1.7185	2.7350	121
LQ	0.00	0.81	0.4058	0.1412	121
GRR	0.12	1.16	0.8451	0.0933	121
DV	0.00	5	0.2674	0.7131	121
GRTH	4.89	8.97	7.3616	1.1745	121

Source: STATA OUTPUT (Appendix)

Table 4.1 presents the account of the descriptive statistics for the dependent and independent variables of the study. From the table, CSR has minimum and maximum values of 0.31 and 0.92 respectively and the mean value of 0.6890 as well as the standard

deviation value of 0.0991. The standard deviation values depicts how the investment in CSR moves between the minimum and the maximum value and a higher standard deviation implies the higher rate of deviation from the mean.

The table further depicts that the mean of the firm size of the sampled deposit money banks is 7.349 with standard deviation of 1.4981, and minimum value of 5.12 and 10.07 as the maximum value. This implies that the performance of the banks in terms of firm size is on average 7.349, and the standard deviation value indicates that the sampled banks firm size deviates from the mean value from both sides by 1.4981, implying that there is significant dispersion of the data from the mean because the standard deviation is higher.

Also, table 4.1 portrays that the ROI of the sampled deposit money banks has an average value of 1.7185 with standard deviation of 2.7350, and minimum value of -10.52 and 17.47 as the maximum value. The standard deviation value indicates that the sampled banks return on investment deviates from the mean value from both sides by 2.7350, implying that there is widely dispersed data from the mean because the standard deviation is large.

Moreover, table 4.1 portrays that the mean of the Liquidity of the sampled deposit money banks is 0.4058 with standard deviation of 0.1412, and minimum value of 0 and 0.81 as the maximum value. This implies that Liquidity of the sampled banks is on average 40.58%, and the standard deviation value indicates that the sampled banks' liquidity ratio deviates from the mean value from both sides by 14.12%, implying that there is significant dispersion of the data from the mean because the standard deviation is higher.

Moreover, table 4.1, indicates that gearing ratio has minimum and maximum values of 0.12 and 1.16 respectively and the mean value of 0.8451 as well as the standard deviation

value of 0.0933. The standard deviation value depicts how the gearing ratio moves between the minimum and the maximum value and a higher standard deviation implies the higher rate of deviation from the mean.

Moreover, table 4.1 indicates that the mean of the dividend of the sampled listed deposit money banks is 0.2674 with standard deviation of 0.7131, and minimum value of 0 and 5 as the maximum value. This implies that dividend of the sampled banks is on average 26.74%, and the standard deviation value indicates that the sampled banks' dividend deviates from the mean value from both sides by 71.31%, implying that there is significant dispersion of the data from the mean because the standard deviation is large. Finally, the mean of the Firm Growth of the sampled deposit money banks is 7.3616 with standard deviation of 1.1745, and minimum value of 4.89 and 8.97 as the maximum value. This implies that Firm Growth of the sampled banks is on average 73.616%, and the standard deviation value indicates that the sampled banks' firm growth deviates from the mean value from both sides by 11.745%, implying that there is significant dispersion of the data from the mean because the standard deviation is higher.

Table 4.2
Correlation Matrix

Variables	**CSR**	**FS**	**ROI**	**LQ**	**GRR**	**DV**	**GRTH**
CSR	1						
FS	0.3657*	1					
ROI	-0.0534*	-0.0195	1				
LQ	0.2229*	0.1871*	0.0026	1			
GRR	0.2398*	0.1588	-0.0035	-0.0372	1		
DV	-0.0565	0.1507	-0.0383	0.1172	-0.1933*	1	
GRTH	0.2379*	0.2607*	0.0247	-0.2314*	0.1155	0.1863*	1

Source: Correlation Matrix Results Using STATA

***.Correlation is significant at 0.01 levels (2-tailed)

**.Correlation is significant at 0.05 levels (2-tailed)

*.Correlation is significant at 0.10 levels (2-tailed)

Table 4.2 depicts that firm size, liquidity, gearing ratio and growth are positively associated with corporate social responsibility of the sampled listed deposit money banks in Nigeria, while return on investment is negatively associated with corporate social responsibility and dividend is negatively but insignificantly related with corporate social responsibility. This signifies that firm size, liquidity, gearing ratio and growth are positively and significantly correlated with corporate social responsibility, while return on investment is negatively and significantly correlated with corporate social responsibility and dividend is negatively insignificantly related with corporate social responsibility.

The relationship amongst some of the variables themselves (autocorrelation) is found to be significant, though this may not be enough to conclude that multicollinearity exists among the explanatory variables of the study unless the variance inflation factor and tolerance values are comparatively beyond the established rules of thumb of less than one and ten respectively. Thus, the tolerance value and variance inflation factor (VIF) are advanced measures for assessing the harmful multicollinearity among the explanatory variables. The variance inflation factor and tolerance values are determined with the use of STATA and were found to be concurrently smaller than ten and one respectively, indicating the absence of harmful multicollinearity. This therefore, indicates the adequacy of fitting the model of the study with six independent variables.

4.4 Robustness test of dependent and independent variables

With a bid to ensuring the reliability and validity of the statistical inferences to be drawn for the study, the outcome of the robustness test conducted in this study was presented. The robustness test includes multicollinearity and serial correlation.

i. Multicollinearity test: This was carried out to ascertain whether there exists correlation among the explanatory variables themselves, which may affect the result of the study.

Table 4.2 shows the matrix of the linear relationship among the explanatory variables of the study. From the table, only liquidity and firm size(0.1871), dividend and gearing ratio(-0.1933), growth and firm size(0.2607) growth and liquidity(-0.2314) and growth and dividend(0.1863) are significantly related, while return on investment and firm size(-0.0195), liquidity and return on investment(0.0026), gearing ratio and firm size(0.1588), gearing ratio and return on investment(-0.0035), gearing ratio and liquidity(-0.0372), dividend and firm size(0.1507), dividend and return on investment(-0.383), dividend and liquidity(0.1172), growth and return on investment(0.0247), growth and gearing ratio(0.1155) are either positively or negatively related but not significant at all levels. This therefore, signifies the absence of harmful multicollinearity among the independent variables.

Furthermore, the low correlation amongst the independent variable means that multicollinearity is not a problem in the sample of the study. In order to prove and corroborate the absence of harmful multicollinearity among the explanatory variables, collinearity diagnostics tests are observed as the tolerance values and the variance inflation factor (VIF) depict the absence of harmful multicollinearity among the exogenous variables.

The tolerance value and variance inflation factor (VIF) are used as advanced measures for determining multicollinearity amongst the independent variables of a study. The variance inflation factor and tolerance value are computed using STATA and were found to be concurrently less than ten and one respectively, which by extension signifies the absence of harmful multicollinearity amongst the independent variables. This therefore, indicates the complete match of the make-up of the model with six independent variables. Furthermore, the absence of multicollinearity amongst the independent variables has been proven and authenticated by the tolerance values which were found to be simultaneously less than one.

ii. Heteroscedasticity Test: Breusch-Pagan / Cook-Weisberg is used to test the null hypotheses that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables. The alternative hypotheses states that the error variances increase (or decrease), as the predicted value of Y increases that is, the higher the predicted value of Y, the larger the error variances. Higher chi-square would simply indicate the presence of heteroscedasticity. With respect to the result obtained from the heteroscedasticity test conducted in this study, the chi-square value is small and the p-value is large, signifying the absence of heteroscedasticity.

This is therefore indicates conformity with the assumption number four of classical linear regression model which states that there must be constant variance, that is, the disturbances u_i reflecting in the population regression function are homoscedastic. Therefore, as a result of the absence of heteroscedasticity, the study decided to interpret the result based on the OLS regression model. This test would make whatever inferences drawn from the study to be reliable and valid.

4.5 Presentation and Interpretation of Regression Result

This presents the interpretation and discussion of the regression result of dependent variable (CSR) and independent variables of the study (firm size, return on investment, liquidity, gearing ratio dividend and growth). The presentation of the result takes the form of analyzing the relationship between the dependent variable and each independent variable as well as the analysis of the combined result of the model. Summary of the regression result obtained from the model of the study.

$$CSR_{it} = \alpha + \beta_1 FS_{it} + \beta_2 ROI_{it} + \beta_3 FLIQ_{it} + \beta_4 FGEA_{it} + \beta_5 FDIV_{it} + \beta_6 FG_{it} + \varepsilon_{it}$$

The Regression Result is presented in table 4.3 below:

Table 4.3
Summary of Regression Result

VARIABLES	Co-efficients	t-Statistics	p-value	Tolerance/VIF
Constant	0.3552	3.48	0.001	
FS	0.0171	2.71	0.008	0.821631/1.22
ROI	0.0017	0.54	0.588	0.975916/1.02
LQ	0.0693	1.07	0.288	0.880946/1.14
GRR	0.0721	0.76	0.448	0.945282/1.06
DV	-0.0063	-0.50	0.617	0.914005/1.09
GRTH	0.0157	1.92	0.058	0.800430/1.25
R^2			0.14	
F			3.13	
F-Sig			0.0071	

Source: STATA OUTPUT (Appendix)

The cumulative R^2, (0.14) which is the combined coefficient of determination indicates the extent to which the independent variables explain the total variation in the dependent variable. Thus, it signifies that 14% of the total variation in corporate social responsibility disclosure of listed deposit money banks in Nigeria is caused by firm size, return on investment, liquidity, gearing ratio, dividend and growth. This further implies that for every change in the determinants of corporate social responsibility of listed deposit money

banks in Nigeria, the corporate social responsibility disclosure would also be invariably affected.

The F-statistics or Wald chi-squared statistics are the same for the fact that, after normalization, chi-squared is the limiting distribution of the F as the denominator degrees of freedom goes to infinity. The F Statistics value of 3.13 which is significant at one percent level indicates that the model of the study is fit. The F-Sig value which is statistically significant at one percent level of significance (0.007) means that there is a 99.9 percent probability that the association amongst the variables of the study is not just by chance.

4.6 Hypothesis Testing

This portrays the univariate analysis carried out with a view to testing the hypotheses formulated in chapter one. Further, robustness tests were carried out with a bid to examine the output under varying findings of the study. The regression result used for the hypotheses testing is presented in table 4.3:

Table 4.3 indicates that only one independent variable (dividend) has a negative coefficient while all the remaining five of the independent variables (firm size, return on investment, liquidity, gearing ratio, and growth indicate positive coefficients. The first and the last of the independent variables (firm size and firm growth) are significant at one and ten percent levels, respectively. Basically, amongst the explanatory variables of the study, firm size and firm growth are statistically significant while the remaining independent variables are statistically insignificant at all levels. This therefore indicates that two of the independent variables used in the study explained and predicted corporate social responsibility disclosure in the listed deposit money banks in Nigeria while the rest are not

influential in predicting the corporate social responsibility disclosure. The result for each of the hypotheses is presented below:

Hypothesis 1

***H_{01}**: firm size has no significant impact on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.*

Firm size is found to be positively and significantly impacting on the corporate social responsibility disclosure of listed deposit money banks in Nigeria at 5% level of significance, indicating that the larger the firm size of listed deposit money banks in Nigeria, the more their corporate social responsibility disclosure. The firm size has significantly influenced the corporate social responsibility disclosure. Therefore, this result presents an evidence to reject hypothesis one of the study which states that firm size has no significant impact on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.

Hypothesis 2

***H_{02}:** return on investment has no significant impact on the corporate social responsibility disclosure of listed deposit money banks in Nigeria*

Return on investment is found to be statistically and positively insignificant at all levels which signifies that it is associated with the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This therefore means that return on investment positively but insignificantly affected the corporate social responsibility disclosure of listed deposit money banks in Nigeria.

In view of the result reported as regards return on investment depicting that the variable is statistically insignificant in driving the corporate social responsibility disclosure of listed deposit money banks in Nigeria. The study takes it as an evidence for failing to reject the null hypothesis two of the study. Thus, hypothesis two, H_{02} is retained.

Hypothesis 3

H_{03}: *Liquidity has no significant impact on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.*

Liquidity is found in this study to be positively but insignificantly associated with corporate social responsibility disclosure of listed deposit money banks in Nigeria. Thus, liquidity has not been influential in determining the corporate social responsibility disclosure of the selected listed deposit money banks in Nigeria.

The result therefore, provides an evidence for failure to reject the null hypothesis three. Thus, hypothesis three, H_{03} is retained.

Hypothesis 4

H_{04} *Gearing ratio has no significant effect on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.*

Gearing ratio is found to be statistically insignificant, meaning that it is not significantly associated with the corporate social responsibility disclosure of the selected listed deposit money banks in Nigeria. Hence, gearing ratio has not significantly determined the corporate social responsibility disclosure of listed deposit money banks in Nigeria.

Therefore, the result reported provides an evidence for the failure to reject the null hypothesis four, H_{04}. Thus, the study fails to reject the null hypothesis four, H_{04}.

Hypothesis 5

H_{05} *dividend has no significant influence on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.*

Dividend is found to be insignificant at all levels, indicating that it is negatively and insignificantly associated with corporate social responsibility disclosure of the selected listed deposit money banks in Nigeria. Hence, dividend does not significantly determine the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This therefore, provides an evidence for the failure to reject the null hypothesis five. Hence, the study fails to reject the null hypothesis, H_{05}.

Hypothesis 6

H_{06} *growth has no significant influence on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.*

Growth is found to be positively and significantly impacting on the corporate social responsibility disclosure of listed deposit money banks in Nigeria at 10% level of significance, indicating that the larger the firm growth of listed deposit money banks in Nigeria, the more their corporate social responsibility disclosure. The firm growth has significantly influenced the corporate social responsibility disclosure. Therefore, this result presents an evidence to reject hypothesis six of the study which states that firm growth has no significant impact on the corporate social responsibility disclosure of listed deposit money banks in Nigeria.

4.7 Discussion of Result

This subsection discusses the regression result obtained for each of the independent variables against the dependent variable.

4.7.1 Firm size and Corporate Social Responsibility disclosure

The firm size as per table 4.3 has a t-value of 2.71, coefficient value of 0.0171 and p-value of 0.008. This signifies that firm size positively and significantly influences the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This implies that for every one percent (1%) increase in firm size, corporate social responsibility disclosure would increase by the coefficient. The size of a firm measured in terms of the total assets affects the extent of a firm's corporate social responsibility disclosure. The result is not surprising since it is in line with a priori expectation of the study that the larger a firm becomes the more it would be willing to disclosure its social and environmental performances in its financial reports to varying groups of its stakeholders in order to build confidence in them that the company in which they have stake has concern for the community within which it operates. This simply means as the firm grows bigger it becomes more willing to disclose it social and environmental performance as this may have bearing in promoting the image of the firm in the eye of its assorted stakeholders and by extension, the legitimacy of its existence. The finding is in line with the proposition of stakeholder theory that a firm has many other responsibilities than shareholders wealth maximization including community, environmental, social and other philanthropic activities disclosures to its varying stakeholders. This is in line with the findings of Akrout and Ben-Othman (2013), Shehu and Farouk (2013), Li and Zhang (2010), Naser and Hassan (2013), Faris et al (2012) but it is not consistent with those of Eberinga et al (2013), Enny and Yulita (2013).

4.7.2 Return on investment and Corporate Social Responsibility disclosure

Table 4.3 reveals that return on investment has a t-value of 0.54, coefficient value of 0.0017 and a significance value of 0.588. This signifies that return on investment does not

significantly influence investment in corporate social responsibility by the listed deposit money banks in Nigeria. This implies that increase in return on investment may not necessarily lead to any increase in corporate social responsibility disclosure by the selected listed deposit money banks in Nigeria since it is not significant at all levels. The result is surprising because it is not in line with our apriori expectation that the more a bank makes profit the more it would be motivated to disclosure CSR. This may be due to the level of anxiety of the banks managers to achieve certain level of growth, and so in order to attain that, a bank may adopt an austerity measure which would help slash down the expenditures of the bank into other activities such as CSR. This could be justified by the fact that when a firm fully engages in CSR activities it would be voluntarily motivated to disclose such to its stakeholders. The finding is in line with the proposition of stakeholder theory that a firm is responsible group of stakeholders. The finding is in line with Istiagsih (2013), Abu Sufyan (2012), Garmerschlag and Verbeenteen (2011) but contradicts that of Eberinga *et al. (2013)*

4.7.3 Liquidity and Corporate Social Responsibility disclosure

The liquidity as per table 4.3 has a t-value of 1.07, coefficient value of 0.0693 and p-value of 0.288. This signifies that liquidity positively but insignificantly influences the corporate social responsibility of listed deposit money banks in Nigeria. This implies that for every increase in liquidity, corporate social responsibility disclosure may increase by the coefficient. This result is surprising because it is not in line with our a priori expectation that liquidity should have greater influence in predicting and determining the corporate social responsibility disclosure of the sampled firms but considering the nature of the variable, it may not be surprising that firms with higher liquidity tend to disclose more of corporate social responsibility simply because they try to signal to the stakeholders that

they are doing well and can discharge responsibilities of its stockholders as well as give back to the immediate community. Again, sometimes higher amount of liquidity by a firm means higher CSR performance and by extension its disclosure. This is in line with the findings of Maleya and Willy (2013).

4.7.4 Gearing ratio and Corporate Social Responsibility disclosure

The gearing ratio as per table 4.3 indicates a coefficient value of 0.0721, t-value of 0.76 and p-value of 0.448. This signifies that gearing ratio positively but insignificantly predicts the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This implies that for every increase in gearing ratio, corporate social responsibility disclosure may increase by the coefficient. This may be as a result of the fact when a firm has gearing ratio into its capital structure, it will always want to invest in corporate social responsibility so as to signal to the stakeholders that they are doing well and convince community and investors alike that it still has a brighter future. Again, sometimes higher amount of gearing ratio by a firm means higher performance which could also pave way for more investment in corporate responsibility and hence its disclosure. This is in line with the findings of Abdu (2016), Akrout and Ben-Othman (2013), Shehu and Farouk (2013), Naser and Hassan (2013), Faris et al (2012) but it is not consistent with Istianigsih (2013).

4.7.5 Dividend and corporate social responsibility disclosure

Going by the regression result in table 4.3, dividend has a significance value of 0.617, coefficient value of -0.0063 and t-value of -5.0. This signifies that dividend is negatively but insignificantly affecting the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This implies that increase in firm dividend may lead to decrease

in corporate social responsibility disclosure by the coefficient value. This may be as a result of the fact that a firm may not want to disclose so much of its CSR activities to its stakeholders in order to divert their attention from the possible illusion that the firm is using what should have been part of the dividend paid to them on other activities This result does not conform with apriori expectation of the study that dividend should be influential in determining the corporate social responsibility disclosure of the sampled firms. This corroborates the findings of Joonil and Yongbook (2015), Shehu and Faruok (2013) and contradicts those of *Faris et al.* (2012), Abusufyan (2010) and Eberinga *et al. (2013).*

4.7.6 Firm growth and corporate social responsibility disclosure

From table 4.3, it can be clearly seen that the t-value of firm growth is 1.92, a coefficient value of 0.0157 with a significance value of 0.058. This signifies that growth is positively and significantly determining the corporate social responsibility of listed deposit money banks in Nigeria. This implies that for every ten percent (10%) increase in growth, the corporate social responsibility disclosure of listed deposit money banks in Nigeria increases by the coefficient. This is simply because they try to signal to the stakeholders that they are doing well and can discharge responsibilities of its stockholders as well as give back to the immediate community. The result is not surprising as it's in line with apriori expectation that the more a listed deposit money bank grows the more it will be willing to participate in CSR and by extension increasing its level of CSR disclosure. This may be in support of the propositions of legitimacy that firm is expected to strike an effective balance between its economic gains and corporate social responsibility. The finding is in line with those of Hussainey, Elsayed and Abdel Razik (2011), Eberinga et al (2012), Vintila (2013), and Akrout, Ben-Othman (2013)and Abdu (2014) and contradicts

the findings of Ismail et al (1999), Akhtaruddin (2005), Alam and Deb (2010), Abusufyan (2010), Hossain et al (2006), Reverte (2009) and Istianighi et al (2013).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The study examines the determinants of corporate social responsibility disclosure of listed deposit money banks in Nigeria. A linear regression model was employed in order to explain and predict empirically the corporate social responsibility disclosure in the listed deposit money banks in Nigeria. The model employed for this study evaluates the relationship and effects of six exogenous variables (firm size, firm liquidity, return on investment, gearing ratio, dividend and firm growth) on corporate social responsibility disclosure, with the aid of least squares technique.

The study is based on the belief that corporate social responsibility disclosure is a contending issue that calls for attention in the academics, amongst practitioners and corporate arena, amongst others. Therefore, this study aims to evaluate the forces that influence corporate social responsibility disclosure of listed deposit money banks in Nigeria. The exogenous variables of this study constitute the determinants of corporate social responsibility, and these are firm size, firm liquidity, return on investment, gearing ratio, dividend and firm growth. The six determinants of corporate social responsibility form the bases of hypotheses one to six of the study. While corporate social responsibility disclosure was measured with corporate social responsibility disclosure index by the selected firms as proxied by Faris *et al.* (2012).

The findings of this study are based strictly on the panel data extracted for the period of eleven years (2006-2016) of the eleven (11) sampled listed deposit money banks out of the population of fifteen listed deposit money banks in Nigeria as at 31st December, 2016. The

result indicates that two of the independent variables (firm size and firm growth) are positively significant in explaining the corporate social responsibility disclosure of the selected banks. While the remaining four of the independent variables appear to be statistically insignificant in predicting the corporate social responsibility disclosure of listed deposit money banks in Nigeria. Amongst the four insignificant explanatory variables, dividend appears to be negatively insignificant in influencing the corporate social responsibility of the selected listed deposit money banks in Nigeria.

5.2 Conclusion

Emanating from the discussion and analysis in the preceding chapter, the study concludes as follows:

First, the study was an attempt to statistically and empirically document evidence on the combination of six independent variables (firm size, firm liquidity, return on investment, gearing ratio, dividend and firm growth) that form the determinants of corporate social responsibility disclosure. Secondly, the study found a statistically significant positive relationship between the firm size and corporate social responsibility disclosure. This implies that size of a firm represented by total asset plays a significant role in determining and influencing the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This also corroborates or substantiates the propositions of the legitimacy theory that a firm is responsible to group of stakeholders to which community, environment, and employees amongst others form a part. It is therefore concluded that firm size is amongst the powerful forces of CSR since it exerts a prominent role in determining the CSR of listed deposit money banks in Nigeria.

In addition, firm liquidity was found to have positive but insignificant effect on corporate social responsibility disclosure of listed deposit money banks in Nigeria. This implies that liquidity does not play an important role in encouraging firms to engage in corporate social responsibility disclosure. The study therefore, concluded that liquidity may not be one of the strong determinants of CSR disclosure as it plays an insignificant role in determining the CSR of listed deposit money banks in Nigeria.

Furthermore, the study found a positive insignificant effect of return on investment on the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This implies that return on investment may not be a crucial factor in determining the level of corporate social responsibility disclosure amongst the listed deposit money banks in Nigeria. Therefore, the study concluded that return on investment may not be amongst the determinants of CSR as it appears not to play a prominent role in influencing the CSR disclosure of listed deposit money banks in Nigeria.

Furthermore, gearing ratio was found to have a positive but insignificant effect on the corporate social responsibility disclosure of listed deposit money banks in Nigeria. This implies that gearing ratio does not play any significant role in predicting the corporate social responsibility disclosure. Hence, the study concluded that gearing ratio may not be amongst the influential determinants of CSR disclosure of the sampled listed deposit money banks in Nigeria.

Moreover, the study found a negative insignificant association between dividend paid and corporate social responsibility of listed deposit money banks in Nigeria. This implies that the amount paid as dividend to shareholders does not play a pivotal role in predicting the

sampled banks' corporate social responsibility disclosure. Thus, the study concluded that dividend paid is not one of the determinants of CSR of the sampled listed deposit money banks in Nigeria.

More so, firm growth was found to have positive significant impact on corporate social responsibility of listed deposit money banks in Nigeria. This implies that firm growth plays a crucial role in predicting, determining and encouraging firms to engage corporate social responsibility disclosure. The study therefore, concluded that firm growth is one of the strong determinants of CSR as it plays a prominent role in determining the CSR of listed deposit money banks in Nigeria. On the overall, the study concluded that two of the exogenous variables (firm size and firm growth) have significantly played a role in determining the corporate social responsibility disclosure, while the remaining independent variables were found to be insignificant in terms of predicting the corporate social responsibility disclosure of the selected banks.

5.3 Recommendations

The study makes and directs recommendations to individuals and firms that are directly or indirectly involved with corporate social responsibility disclosure in the context of listed deposit money banks in Nigeria.

i. It is argued that larger corporations are more likely to disclosure CSR activities because of the greater public scrutiny over their behavior. Thus, the larger the firm seems to be, the more it disclosure CSR activities to ensure that the public sees the organization as legitimate entity. In addition, larger firms also face more pressure to disclose their social activities for various groups in society. Therefore, the study recommended that the management of DMBs should effectively strengthen the general public awareness about

CSR. Awareness generation can be advertised through the media to highlight the good work done by them. . This will motivate others to disclosure more of their corporate social responsibility activities and play an effective role in addressing issues such as access to education, health care and livelihood opportunities for a large number of people in Nigeria.

ii. Many CSR activities are taken up in urban areas and localities for their development. Therefore, the impact of such projects does not reach the needy and the poor in the rural areas people. However it does not mean that there are no poor and needy in urban Nigeria; they too equally suffer from want of basic amenities, services and requirements. Therefore it is recommended that managements of DMBs should also actively consider their interventions in rural areas on education, health and infrastructures as this will directly draw the rural people cloth to the banks and improve their banks liquidity also encourage the bank to increase degree of its corporate social responsibility disclosure.

iii. The management of listed deposit money banks should not give much attention to return on investment since it has been proved not to be an important factor in terms of decision with respect to corporate social responsibility disclosure.

iv. The Government should consider rewarding and recognizing firm for effective participation on CSR. Some relaxation should be given like tax breaks for social and development projects covered under CSR activities; this will give management of the sampled listed deposit money banks chance to improve upon the proportion of debt in their capital structure. It will encourage voluntary participation of greater number of corporate firms to disclose CSR activities.

v. One of the factors enabling management of listed deposit money banks in Nigeria to disclose CSR activity in high level of flexibility is dividend paid. Therefore, this confirms to large extent that more profitable firms use more self-regulating mechanisms to ensure to the public that the organization is legitimate. Following this rationality, The management should improve on the amount paid as dividend as it influences the degree of its corporate social responsibility disclosure

vi. The management of the listed deposit money banks in Nigeria should be improved upon the banks' growth by extending into other profitable opportunities as the higher their growth rate the more they will be willing to disclose more of its corporate social responsibility.

5.4 Limitations of the study

As is usual with other studies, the result of this study is limited to listed deposit money banks in Nigeria. Therefore, the findings and recommendations are only applicable to listed deposit money banks in Nigeria, as the determinants of corporate social responsibility may not be the same in other sectors and or economies.

5.5 Suggestions for Further Studies

This dissertation empirically examines the determinants of corporate social responsibility of listed deposit money banks in Nigeria and is believed to have paved way for further researches in the following areas:

The study measured the influence six independent variables (firm size, firm liquidity, return on investment, gearing ratio, dividend and firm growth) on the corporate social

responsibility disclosure. It is therefore suggested that further studies should incorporate more variables (such as industry type and earnings per share) into the model as this would lead to further understanding and identification of the forces behind the social responsibility disclosure of listed deposit money banks in Nigeria.

The study measured corporate social responsibility on the basis of thirteen (16) corporate social responsibility disclosure check list. It is therefore suggested that further studies consider increasing the number of disclosure index as it may lead more robust data on corporate social responsibility disclosure.

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APPENDIX

A) RESULT

```
. xtset id year, yearly
       panel variable:  id (strongly balanced)
        time variable:  year, 2006 to 2016
                delta:  1 year
```

```
. xtsum csr fs roi lq grr dv grth
```

Variable		Mean	Std. Dev.	Min	Max	Observations
csr	overall	.6890909	.09918	.31	.92	N = 121
	between		.051799	.6081818	.7618182	n = 11
	within		.0858902	.3909091	.9081818	T = 11
fs	overall	7.439587	1.498116	5.12	10.07	N = 121
	between		1.094303	6.162727	8.976364	n = 11
	within		1.070814	6.13595	11.25504	T = 11
roi	overall	1.718512	2.735036	-10.52	17.47	N = 121
	between		1.496329	-.1936364	4.476364	n = 11
	within		2.329808	-9.968761	18.02124	T = 11
lq	overall	.4058678	.1412956	0	.81	N = 121
	between		.0724305	.3145455	.5463636	n = 11
	within		.1231075	.0458678	.9013223	T = 11
grr	overall	.845124	.0933552	.12	1.16	N = 121
	between		.0358677	.7663636	.8854545	n = 11
	within		.0868096	.1987603	1.150578	T = 11
dv	overall	.267438	.7131895	0	5	N = 121
	between		.5507503	0	1.889091	n = 11
	within		.4801983	-1.581653	3.378347	T = 11
grth	overall	7.361653	1.174582	4.89	8.97	N = 121
	between		1.053366	5.460909	8.383636	n = 11
	within		.6021039	5.143471	10.17256	T = 11

```
. sktest csr fs roi lq grr dv grth
```

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	joint adj chi2(2)	joint Prob>chi2
csr	121	0.0172	0.0088	10.72	0.0047
fs	121	0.8688	.	.	.
roi	121	0.0000	0.0000	43.49	0.0000
lq	121	0.1033	0.2745	3.93	0.1399
grr	121	0.0000	0.0000	.	0.0000
dv	121	0.0000	0.0000	.	0.0000
grth	121	0.0012	0.0004	18.35	0.0001

```
. swilk csr fs roi lq grr dv grth

                    Shapiro-Wilk W test for normal data

    Variable |     Obs       W           V         z       Prob>z
-------------+--------------------------------------------------
         csr |     121    0.97663      2.265     1.832     0.03344
          fs |     121    0.85395     14.153     5.939     0.00000
         roi |     121    0.79760     19.614     6.671     0.00000
          lq |     121    0.98296      1.652     1.124     0.13040
         grr |     121    0.64757     34.152     7.914     0.00000
          dv |     121    0.49434     49.001     8.723     0.00000
        grth |     121    0.85759     13.800     5.883     0.00000
. sfrancia csr fs roi lq grr dv grth

                    Shapiro-Francia W' test for normal data

    Variable |     Obs       W'          V'        z       Prob>z
-------------+--------------------------------------------------
         csr |     121    0.97971      2.163     1.544     0.06135
          fs |     121    0.86026     14.891     5.405     0.00001
         roi |     121    0.77963     23.483     6.316     0.00001
          lq |     121    0.98121      2.003     1.390     0.08232
         grr |     121    0.62664     39.786     7.371     0.00001
          dv |     121    0.52745     50.357     7.843     0.00001
        grth |     121    0.86319     14.579     5.362     0.00001


. spearman csr fs roi lq grr dv grth, star (0.05)
(obs=121)

             |      csr       fs      roi       lq      grr       dv     grth
-------------+------------------------------------------------------------------
         csr |   1.0000
          fs |   0.3657*  1.0000
         roi |  -0.0534  -0.0195   1.0000
          lq |   0.2229*  0.1871*  0.0026   1.0000
         grr |   0.2398*  0.1588  -0.0035  -0.0372   1.0000
          dv |  -0.0565   0.1507  -0.0383   0.1172  -0.1933*  1.0000
        grth |   0.2379*  0.2607*  0.0247  -0.2314*  0.1155   0.1863*  1.0000
. reg csr fs roi lq grr dv grth

      Source |       SS       df       MS              Number of obs =     121
-------------+------------------------------           F(  6,   114) =    3.13
       Model |  .166880589     6  .027813432            Prob > F      =  0.0071
    Residual |  1.01351929   114   .00889052           R-squared     =  0.1414
-------------+------------------------------           Adj R-squared =  0.0962
       Total |  1.18039988   120  .009836666           Root MSE      =  .09429

------------------------------------------------------------------------------
         csr |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
          fs |   .0171807   .0063385     2.71   0.008     .0046241    .0297373
         roi |   .0017316   .0031857     0.54   0.588    -.0045793    .0080424
          lq |   .0693133   .0649037     1.07   0.288    -.0592605    .1978871
         grr |   .0721336   .0948317     0.76   0.448    -.1157273    .2599946
          dv |  -.0063306   .0126239    -0.50   0.617    -.0313384    .0186773
        grth |    .015715   .0081908     1.92   0.058     -.000511     .031941
       _cons |    .355209    .102192     3.48   0.001     .1527675    .5576504
------------------------------------------------------------------------------

. hettest

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of csr

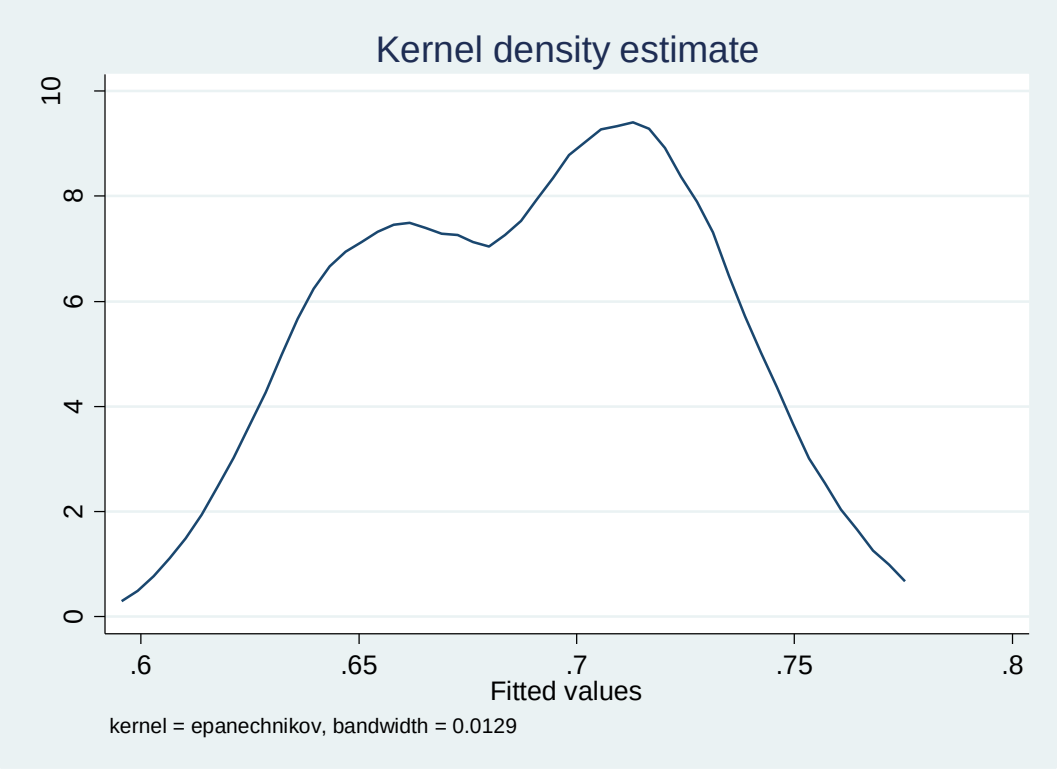
         chi2(1)      =     2.09
         Prob > chi2  =   0.1482
```

```
. vif
```

Variable	VIF	1/VIF
grth	1.25	0.800430
fs	1.22	0.821631
lq	1.14	0.880946
dv	1.09	0.914005
grr	1.06	0.945282
roi	1.02	0.975916
Mean VIF	1.13	

```
. predict e
(option xb assumed; fitted values)

. kdensity e
```



B) ADJUSTED POPULATION

1. Access Bank PLC
2. Diamond Bank PLC
3. Eco Bank PLC
4. First Bank PLC

5. GT Bank PLC
6. IBTC Bank PLC
7. Sterling Bank PLC
8. Union Bank PLC
9. UBA PLC
10. Unity Bank PLC
11. Zenith Bank PLC