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Corporate Social Responsibility and Stock Exchange Listed Firms' Performance in Nigeria

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ABSTRACT

This study examined corporate social responsibility and quoted firms' performance in Nigeria using a sample of twenty (20) quoted firms on the Nigeria Stock Exchange. The study covered a period of seven (7) years (2010 – 2016). The objective of the study was to examine the relationship between corporate social responsibility, firm profitability, firm performance and firm size. Ordinary Least Square (OLS) regression technique was employed in testing the hypotheses. Based on the analysis, we find that there is no significant relationship between corporate social responsibility, firm performance and firm size. The study also revealed that there is a significant relationship between corporate social responsibility and firm profitability. The researcher recommends that firms should not just think of size increase rather size should be increased for the right reason, because a unit change in firm size decreases firm decision to engage in corporate social responsibility as observed in this study.

Keywords: *Corporate Social Responsibility, firms' performance, firms' size, stakeholders' theory, firms' profitability*

INTRODUCTION

At an earlier point in history, societal expectations from business organisations did not go beyond efficient resource allocation and its maximization. But today, it has changed and modern business must think beyond profit maximization toward being at least socially responsible to its society (Eze & Victor, 2013). Andrew (2013) observes that, in the current era, companies are not only responsible to their shareholders alone, but stands on the triple bottom lines of corporate responsibility which include social, environmental, and financial. Accountability of the business organisations is therefore extended not only to direct stakeholders

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but also to different external parties through the implementation of different socially desirable activities (Kakabadse, Rozuel & Lee-Davies, 2005). These social activities are no longer considered as a financial burden, but as social capital investment (Lang & Hornburg, 1998). They are also called ethical investment simply because they increase the positive impacts of an organisation. Corporate social responsibility (CSR) is the encompassing term for the undertaking of these social activities.

Ajide and Aderemi (2014) opine that Corporate Social Responsibility (CSR) concept is deepening among organisations and societies in Nigeria. It is regarded as the organisation's activity to make sustainable impact in society, and which in turn has the potential to create positive effect on the business organisations that engage in it. Business organisations incur huge expenditures on social responsibility because they regard Corporate Social Responsibility (CSR) as a public relations stunt used by large corporations to look good in front of customers and other stakeholders (Ajide and Aderemi, 2014).

According to Shehu (2014), the history of corporate social responsibility (CSR) is perhaps as old as the history of business itself, though the concept was not formally formulated until recently. Almost, every company worth its name by developing some sort of CSR program to the society, since there seems to be no way to avoid CSR, in some of the developed and developing nations; one cannot do business without being socially responsible (Rangan, Chase & Karim 2015). This is mainly to create a more harmonious relationship between the corporations and the society at large. The concept of CSR is now firmly rooted on the global business agenda, but in the case of Nigeria, the CSR is still at a slow pace which is mainly caused by various bottlenecks of environmental issues (Helg, 2007).

Corporate organisations operating in Nigeria are often accused of not being socially responsible to their host communities and the public in general (Adeyemo, Oyebibamiji & Alimi, 2013). Thus, this study is geared towards taking a critical look at organisations operating in Nigeria, their level of social responsiveness and the impact which they have on the socio-economic development of the country. Many organizations in Nigeria are driven by the need to make more profits to the detriment of all the stakeholders, while some do not adequately respond to the needs of host communities, employees' welfare, environmental protection and community development.

Empirical studies have been conducted to explore managerial response to social demands and the organizational performance, that the relationship between the market performance of a firm's common stock and its social

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responsibility has been a subject of contradiction. It is on this note that this study intends to investigate corporate social responsibility and stock exchange quoted firms' performance in Nigeria. The main objective of this study is to examine corporate social responsibility and stock exchange quoted firms' performance in Nigeria. The specific objectives are to:

i. Assess the extent to which corporate social responsibility impacts on the stock exchange quoted firms' performance in Nigeria
ii. Examine the relationship between corporate social responsibility and the stock exchange quoted firm's profitability level in Nigeria.
iii. Ascertain the relationship between corporate social responsibility and the stock exchange quoted firms' sizes in Nigeria.

This study has the following null hypotheses.

H_o1: There is no significant relationship between corporate social responsibility and the stock exchange quoted firms' performance in Nigeria.
H_o2: There is no significant relationship between corporate social responsibility and the stock exchange quoted firms' profitability level in Nigeria.
H_o3: There is no relationship between corporate social responsibility and the stock exchange quoted firms' sizes in Nigeria.

Corporate social responsibility has no single commonly accepted definition. The concept is an ambiguous one with unclear boundaries. It generally refers to business practices based on ethical values, with respect for people, communities and the environment (Lombardo, 2009). Keith (2001) views social responsibility as management's decisions and actions taken for reasons at least partially beyond the organisations direct economic or technical interest. Unugbro (2004) defines social responsibility as the obligation of corporate decision-makers to take actions, which protect and improve the welfare of the society which the organisation does business. That is to say in addition to their economic and legal obligations, they also owe the society some responsibilities.

Corporate Social responsibility can be defined as the organizational responsibility to develop their processes in a way that taking into the account social, environmental, and social aspects in their strategies and focusing on fulfilling the other Stakeholders interests as well (Ismail, 2009). Aguilera, Rupp, Williams, and Ganapathi (2007) reveals that corporate social responsibility forces the firms to work under the concept of socially responsible firm wherever they operate their business, legitimately fulfill the needs and take extra care of the concerns of all the stakeholders. All the interested parties of the firm's actions and performance that determine their future growth are called stakeholders of the firm (Donaldson & Preston 1995).

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As expressed by Bitchta (2003) in countries that have to follow the prescribed regulations about environment safety, maintaining better relationship between workforce and the firm, giving equal opportunities to all the workforce of the firm at workplace, providing better health and safety facilities to the workforce at workplace. By looking at the above statement we can conclude that the Government can also influence organizations to implement Corporate Social Responsibility as part of their strategies for the betterment of the general society and environment.

Corporate Social Responsibility

The Bali Roundtable on developing countries in 2002 recognized the business sector as a primary driver of economic development Adeyanju (2012) and Von Frantzius (2004) identified business involvement as critical in alleviating poverty and achieving sustainable development. Corporate social responsibility has to do with an organization going out of its way to initiate actions that will impact positively on its host community, its environment and the people generally. It can be seen as a way of acknowledging the fact that some business fall outs have adverse effects on the citizens and society and making efforts to ensure that such negative impact are corrected (Ite, 2004). Adeyanju (2012) believes that corporate social responsibility means that a corporation should be held accountable for any of its actions that affect people, communities, and its environment. It implies that negative business impacts on people and society should be acknowledged and corrected, if possible. It may require a company forgoing some profits if its social impacts are seriously harmful to some of its stakeholders or if its fund can be used to promote a positive social good.

There are various definitions of Corporate Social Responsibilities (CSR), each considered valuable in their own right and designed to fit the specific organization. The majority of definitions integrate the three dimensions to the concept, that is, economic, environmental and social dimensions. CSR had also been commonly described as "a demonstration of certain responsible behavior on the part of public and the private (government and business) sectors toward society and the environment" (El-Mallah, Aref & Sherif, 2019). Bonini, and Gorner (2011), defined CSR as achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment. CSR also means addressing the legal, ethical, commercial and other expectations society has for business, and making decisions that fairly balance the claim of all key stakeholders. In its simplest terms, it is: "what you do", "how you do it"

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"and when and what you say". In this sense, CSR is viewed as a comprehensive set of policies, practices and programmes that are integrated into business operations, supply chain, and decision-making processes throughout the company and wherever the company does businesses that are supported and rewarded by top management.

Also, Corporate Social Responsibility (CSR) is the concept that an enterprise is responsible or accountable for its impact on all relevant stakeholders (European Union, 2006). Kefas and Olulu-Brigs (2011) opine that "CSR is a term describing a company's obligation to be accountable to all its stakeholders in all its operations and activities. Socially responsible companies will consider the full scope of their impact on communities and the environment when making decisions, balancing the need of stakeholders with their need to make a profit". "CSR is concerned with treating the Richard and Okoye stakeholders of the firm ethically or in a socially responsible manner. Since stakeholders exist both within a firm and outside a firm, hence, behaving socially and responsibly will increase the human development of stakeholders both within and outside the corporation" (Clarkson, 1995).

Corporate Social Responsibility and Firms' Profitability

The link of the financial theories between the corporate social performance and company financial profitability are in light of equilibrium asset pricing models and on the efficient market hypothesis. It forecasts three conceivable relations. One course of reasoning proposes an unbiased relation (Amole, Adebiyi & Awolaja, 2012). It expects that the risk connected with compliance with Corporate Social Responsibility is not valued; accordingly, all organizations that are for or against corporate social responsibility do comply with CSR, with similar expected returns for investors which serve as the cost on equity capital for the companies (Shehu, 2014). This philosophy is in accordance with standard financial theory (risk return model) where just risk components are priced by the market determinants.

Then again, if the risk related to Corporate Social Responsibility compliance is (accurately) estimated by the market forces, the same risk return standard would suggest a negative connection between corporate social performance and financial performance. Organizations which effectively represent the corporate social responsibility risk elements that are perceived as risk free ventures for investment - with respect to the organizations that overlook it. Thus, on a risk-adjusted premise, their normal returns are anticipated to be lower

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(Andrew, 2013). At last, the third view hypothesizes that the compliance with Corporate Social Responsibility standards is efficiently not priced by the participatory forces of market demand and supply. A positive connection takes after relying upon the indication of the inefficiency of the market (Parsa & Deng, 2008).

Corporate Social Responsibility and Firm Size

Company size is the size of the company's image, which can be assessed based on the volatility of the company's activities, which can be viewed from various aspects. Company size is the independent variable which explains variation in corporate social responsibility. Size of company is measured by the total assets. From an empirical perspective, various studies have found that there is a positive relationship between corporate social responsibility and firm size (Faris, Abedalfattah & Marwan, 2012). Uwalomwa (2011) identifies a significant positive relationship between the size of firms (financial sector) and the level of corporate social disclosure. This simply implies that the larger the size of a firm, the more they will be willing to invest on resources and corporate environmental technologies that are environmentally friendly. Parsa and Deng (2008) indicate that a positive change in company size leads to positive and significant change in amount of corporate social responsibility disclosure.

THEORETICAL FRAMEWORK

Two major theories were used to describe the relationship between corporate social responsibility and firm performance. These theories are social exchange theory or stakeholder theory (Jamali, 2006) and instrumental stakeholder theory as noted by (Gherghina, Vintila & Dobrescu, 2015). Stakeholder theory establishes relationship between relevant stakeholders such as customers, employees, shareholders and the shareholders wealth maximization. Gherghina, Vintila and Dobrescu, (2015) explained that the instrumental stakeholder theory describes a positive relationship between corporate social responsibility and firm values. The use of shareholders' funds effectively for corporate social responsibility undertakings will improve the value of shareholders.
The ability of the firm to be involved in corporate social responsibilities may make the society to view the firm in terms of good reputation and good image, which can indirectly affect the return on capital. Also, the stakeholder theory explains that shareholders are given returns by the firms due to stewardship of

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resources invested in the business. The stakeholder theory thus links the society as well as the shareholders in bringing about firm performance. The social exchange theory explains that as the society purchases from the firm, the firm also gives to the society by engaging in CSR programmes (Jamali, 2006). Therefore, the stakeholder theory explains the relationship between CSR, return on capital employed (ROCE) and market book value (MBV) (Donaldson & Preston 1995). The social exchange theory indirectly explains the relationship between CSR and firm size (Mitchell & Cropanzano, 2005).

In the research conducted by Faris, Abedalfattah, and Marwan (2012) titled Financial and non-Financial determinants of CSR using a sample of 60 listed Industrial companies in Amma stock exchange between 2006 and 2010 in Jordan, they made use of two models for 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 shares held by individual investors, percentage of ordinary shares held by Institutions, numbers of majority shareholders who hold 10% or more ordinary shares in the company, and leverage were regressed against the two models. The findings revealed that size and growth are significantly and positively related and influenced CSR of listed industrial companies in Jordan in all regression, while Institutional ownership was positively associated with CSR but insignificant in all models. On the other hand, leverage is found to be negatively associated and significantly influenced CSR in the two models, while Dividend was also reported to have negative but insignificant relationship with CSR in the two models.

A study carried out by Amole, Adebiyi and Awolaja (2012) on the impact of corporate social responsibility on the profitability of Nigerian companies, made use of ordinary least square (OLS) model of regression in testing the relationship between dependent and independent variables. The study used data on corporate social responsibility expenditure and profit after tax for the period of 2001-2010. It adopts model on the causal relationship between CSR and firms' financial performance (FFP). The results of the regression analysis revealed that for every unit change increment in the CSR expenditure, there will be 95% increase in the profit after tax of the firm. The R-Square value of 0.893 obtained shows that CSR accounted for 89% of the variation in the profit after tax of the bank. The study finds that there is positive relationship between firms CSR activities and profitability, stating the need for firms to demonstrate high level of commitment to corporate social responsibility based on stakeholder's theory in order to enhance their profitability in the long run. Luper (2013) shows that there is need for the

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Nigerian companies to rethink Corporate Social Responsibility (CSR) in all the key sectors (such as education, power, health, agriculture, and small and medium-sized enterprises) of the economy.

Empirically, using the data on commercial banks loans to SMEs provided by the CBN statistical bulletin for the period of ten years (2001-2010), the results show that, bank consolidation in Nigeria has led to a decline in SMEs financing to less than one percent on average in the study period, and there is no significant improvement in SMEs financing in Nigeria before and after bank consolidation. This clearly indicates that Nigerian Firms are not committed to their CSR (economic responsibilities) of financing to SMEs which is critical in mitigating these economic challenges and enhancing economic growth. The study recommends among others that, there should be further diversification in SMEs financing. In order to improve the CSR of Nigerian banks, there is also the need for firms to help in the training of SMEs owners as a matter of necessity on the need to maintain proper accounting records in the country.

METHOD

This study adopted quantitative research design. Data for the study were gathered from quoted companies published financial statement. The researchers analyzed the data gathered in order to reach conclusions about the study. The population of this study was made of all the quoted firms in the Nigerian Stock Exchange. A sample size of twenty (20) quoted firms on the Nigerian Stock Exchange was selected from different sectors. The published annual financial statement for a period of seven (7) years (2010 – 2016) were used.

This study explores the corporate social responsibility and quoted firms' performance in Nigeria, using a sample of 20 companies. The sample companies were selected from the breweries, conglomerates, food/beverages and tobacco, healthcare, industrial/domestic product and petroleum marketing sectors of the Nigerian Stock Exchange. These sectors are relevant because the shares of listed companies are most demanded, apart from those of the banking sector. The sampled companies were selected based on the accessibility of their annual reports. The annual reports of listed companies in Nigeria are difficult to access and very few companies make their annual reports available in the public domain.

The nature of this study necessitated the use of secondary data. The data for the selected quoted firms were sourced from Nigeria Stock Exchange fact books and firm's annual reports. The study used the Ordinary Least Square (OLS) as the research tool. The Ordinary Least Square is a statistical tool that enables the

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researcher to establish if there is any relationship between two variables. The computation of ordinary Least Square was based on the outcome of the regression which was used to test the various hypotheses formulated for this study.

The following variables are considered relevant in the specification of the model examining the impact of corporate social responsibility on firm performance in Nigeria. The function form of the model is specified as:

COSOREP = f(FSIZE, FPROF, FSIZE)

Consequently, the econometric model is specified below;

$COSOREP = \hat{a}o + \hat{a}_1 FPER + \hat{a}_2 FPROF + \hat{a}_3 FSIZE + U_t$

Where:

COSOREP	=	Corporate Social Responsibility
COPER	=	Firm performance
FPROF	=	Firm Profitability
FSIZE	=	Firm Size

OPERATIONALIZATION OF VARIABLES

S/N	Variables	Definition
1.	Corporate Social Responsibility	This is measured using the amount of corporate social responsibility of sampled firms as reported in the annual report/financial statement
2.	Firm Performance	This is taken as return on asset
3.	Firm Profitability	This is measured using profit after tax
4.	Firm Size	This is measured using total asset of the firm

RESULTS AND DISCUSSION

The results of the OLS regression are analyzed in the table below:

Table 1: Descriptive Statistics

Variables	Mean	Std. Dev.	Observation
COSOREP	7.236311	1.315055	84
FPER	0.004836	0.073778	84
FPROF	5.182731	1.624120	84
FSIZE	6.979143	1.435041	84

Source: E-views, 7.0.

Interpretation

Table1 above highlights that Corporate Social Responsibility (COSOREP) which is the dependent variable has a means of 7.236311 and a standard deviation value

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of 1.315055. Firm Performance (FPER) has a mean value of 0.004836 and a standard deviation of 0.073778. Firm Profitability (FPROF) has a mean value of 5.182731 and a standard deviation of 1.624120. Firm Size (FSIZE) has a mean of 6.979143 and standard deviation of 1.435041. The last column represents the number of samples in our observation.

Table 2: Correlations Analysis

	COSOREP	FPER	FPROF	FSIZE
COSOREP	1.000000			
FPER	-0.033412	1.000000		
FPROF	0.296837	-0.134633	1.000000	
FSIZE	0.265431	-0.034266	0.943887	1.000000

Source: E-views, 7.0.

Interpretation

The table shows that the co-efficient of correlation of a variable with respect to itself is 1.000. This indicates that there exists a perfect correlation between a variable with respect to itself. The correlation co-efficient between the dependent variable and independent variables result showed that there exists a negative relationship between Firm performance (FPER) and Corporate Social Responsibility (COSOREP). The correlation co-efficient between Firm performance (FPER) and Corporate Social Responsibility (COSOREP) is -0.033412 which means the strength of relationship between them is about -0.03% which shows a weak negative relationship between Firm performance (FPER) and Corporate Social Responsibility (COSOREP). The result showed that there exists a positive relationship between Firm Profitability (FROF) and Corporate Social Responsibility (COSOREP). The correlation co-efficient between Firm Profitability (FPROF) and Corporate Social Responsibility (COSOREP) value 0.296837 which means the strength of relationship between them is about 0.29% which shows a weak positive relationship between Firm Profitability (FPROF) and Corporate Social Responsibility (COSOREP). Firm Size (FSIZE) exhibits a positive relationship between it and Corporate Social Responsibility (COSOREP). The correlation co-efficient between Firm Size (FSIZE) and Corporate Social Responsibility (COSOREP) value 0.265431 which means the strength of relationship between them is about 26% which shows a positive relationship between Firm Size (FSIZE) and Corporate Social Responsibility (COSOREP). The result obtained from the preliminary ordinary least square estimation technique is presented on table 3.

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Table 3: OLS Regression Analysis (Initial Output)

Dependent Variable	Independent Variables	Coefficient	Standard Error	T-Stat.	Prob.
COSOREP	C	6.349906	0.928875	6.836129	0.0000
	FPER	0.377111	2.000095	0.188547	0.8509
	FPROF	0.359761	0.274938	1.308514	0.1944
	FSIZE	-0.140413	0.308512	-0.455129	0.6502

Source: E-views, 7.0.

$$COSOREP = \hat{a}o + \hat{a}_1 FPER + \hat{a}_2 FPROF + \hat{a}_3 FSIZE + U_t$$

COSOREP = 6.349906 + 0.377111 (FSIZE) + 0.359761 (FPROF) – 0.140413 (FSIZE)
(0.18) (1.30) (-0.45)

R-Squared = 0.09
R-Bar-Squared = 0.05
F-stat = 2.65
DW-statistic = 0.86

Interpretation of Result

The coefficient of determination (R^2) with a value of 0.09 shows that about 9% of the total systematic variations in the dependent variable (Corporate Social Responsibility (COSOREP)), have been explained by the explanatory variables taken together. The adjusted R-Square shows that after adjusting for the degree of freedom, the model could still explain about 5% of the total systematic variations in Corporate Social Responsibility (COSOREP), while about 95% of the systematic variation in Corporate Social Responsibility (COSOREP) was left unaccounted for, which has been captured by the stochastic disturbance term in the model. This indicates a low fit of the regression line and also the model has a low forecasting power.

On the basis of the overall statistical significance of the model as indicated by the F-statistic, it was observed that the overall model was statistically significant since the calculated F-value of 2.65 was greater than the critical F – value of 1.66 at 5% level of significance. This implies that there exist a significant linear relationship between Corporate Social Responsibility (COSOREP) and all the independent variables Firm performance (COPER), Firm Profitability (FPROF) and Firm Size (FSIZE).

On the basis of the individual statistical significance, as shown by the t-statistic, it was observed that Firm performance (COPER) is positive and insignificant, since its calculated t-values of 0.18 is less than the critical t-value of 1.66 at 5% level of significance.

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The result revealed that Firm Profitability (FPROF) is also positive and insignificant, hence its calculated t-values of 1.30 is less than the critical t-value of 1.66 at 5% level of significance. Firm Size (FSIZE) is negative and insignificant since its calculated t-value of –0.45 is less than the critical t-value of 1.66 at 5% level of significance. The D.W. statistics of 0.86 showed the presence of first order auto-correlation in the model. Due to the problem of first order auto-correlation in the preliminary ordinary least square regression result, the model was re-estimated using Cochrane-Orcutt Method. The result is shown in table 4.

Table 4: OLS Regression Analysis (Final Output)

Dependent Variable	Independent Variables	Coefficient	Standard Error	T-Stat.	Prob.
COSOREP	C	6.224478	1.004904	6.194102	0.0000
	FPER	0.827896	1.398321	0.592064	0.5555
	FPROF	0.629562	0.205931	3.057149	0.0031
	FSIZE	-0.316475	0.242284	-1.306213	0.1953

Source: E-views, 7.0.

$$COSOREP = \hat{a}o + \hat{a}_1FPER + \hat{a}_2FPROF + \hat{a}_3FSIZE + U_t$$

$$COSOREP = 6.224478 + 0.827896(FSIZE) + 0.629562(FPROF) - 0.316475(FSIZE)$$

(0.59) (3.05) (-1.30)

R-Squared	=	0.39
R-Bar-Squared	=	0.36
F-stat	=	12.80
DW-statistic	=	1.95

Interpretation of Result

The coefficient of determination (R^2) with a value of 0.39 shows that about 39% of the total systematic variations in the dependent variable Corporate Social Responsibility (COSOREP), have been explained by the explanatory variables taken together. The adjusted R-Square shows that after adjusting for the degree of freedom, the model could still explain about 36% of the total systematic variations in Corporate Social Responsibility (COSOREP), while about 64% of the systematic variation in Corporate Social Responsibility (COSOREP) was left unaccounted for, which has been captured by the stochastic disturbance term in the model. This indicates a moderate fit of the regression line and also the model has a good forecasting power.

On the basis of the overall statistical significance of the model as indicated by the F-statistic, it was observed that the overall model was statistically significant

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since the calculated F-value of 12.80 was greater than the critical F – value of 1.66 at 5% level of significance. This implies that there exists a significant linear relationship between Corporate Social Responsibility (COSOREP) and all the independent variables Firm performance (COPER), Firm Profitability (FPROF) and Firm Size (FSIZE).

On the basis of the individual statistical significance, as shown by the t-statistic, it was observed that Firm Performance (FPER) is positive and insignificant, since its calculated t-values of 0.59 is less than the critical t-value of 1.66 at 5% level of significance. The result revealed that Firm Profitability (FPROF) is also positive and significant, hence its calculated t-values of 3.05 is greater than the critical t-value of 1.66 at 5% level of significance. Firm Size (FSIZE) is negative and insignificant since its calculated t-value of –1.30 is less than the critical t-value of 1.66 at 5% level of significance. The Durbin-Watson (D.W.) statistics value of 1.95 which can be approximated to 2.0 is a significant improvement on the preliminary OLS and hence indicates the absence of autocorrelation.

In order to test the hypotheses of the study, the t-statistic obtained from the regression result were used. The study adopted 5% level of significance under the one-tailed test. Our decision rule is that we accept the alternative hypothesis if the T-calculated is greater than the T-critical value (from table distribution) otherwise we reject and accept the null. The t-critical value is 1.66 at 5% (0.05) significant level and at 84 degree of freedom (one-tailed). .

From the empirical analysis it was observed that Firm Performance (FPER) with a calculated t-value of 0.59 is less than the critical t-values of 1.66 at 5% level of significance. We therefore accept the null hypothesis; that there is no significant relationship between corporate social responsibility and firm performance, which means there is no significant relationship between corporate social responsibility and firm performance. .

The empirical analysis shows that Firm Profitability (FPROF) with a calculated t-value of 3.05 is greater than the critical t-value of 1.66 at 5% level of significance. We therefore reject the null hypothesis there is no significant relationship between corporate social responsibility and Firm Profitability.

From the empirical analysis it was observed that Firm Size (FSIZE) with a calculated t-value of -1.30 is less than the critical t-values of 1.66 at 5% level of significance. We therefore accept the null hypothesis which states there is no relationship between corporate social responsibility and firm size.

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CONCLUSION AND RECOMMENDATIONS

The outcome of this study offers an important insight on corporate social responsibility and stock exchange quoted firms' performance in Nigeria. From this study, we observed that firm profitability has positive and significant relationship with corporate social responsibility hence influences corporate organizations decision to be socially responsible, while firm performance and firm size exhibit a negative and insignificant relationship with corporate social responsibility for the period under study. It therefore recommends that, firms should not just think of size increase rather size should be increased for the right reason, because a unit change in firm size decreases a firm's decision to engage in corporate social responsibility as observed in this study. The management and corporate organization should consider the maximization of firm profitability, as firm profitability is a major determinant of firm decision to engage in corporate social responsibility as seen in this study.

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