

CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE OF QUOTED MANUFACTURING FIRMS IN NIGERIA

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ABSTRACT

The research investigated how corporate social responsibility affects Nigerian manufacturing businesses' financial performance that is publicly traded. The 21 manufacturing businesses quoted on the Nigeria Exchange Group as of December 31, 2023, make up the population of the ex post facto study design. Ten (10) manufacturing companies that were quoted were chosen as sampled firms utilizing the filtering sampling methodology. The manufacturing companies quoted on the Nigerian exchange group's annual reports provided the data that was used. The information covers a ten-year span, from 2014 to 2023. Using STATA 13.0 software, the study employed multiple regression modeling as an analytical tool. The study found that the health expenditure used, community development cost expenditure, and training cost expenditure of listed manufacturing businesses in Nigeria are all negatively impacted by social responsibility of corporations (CSR) in a negligible way. The report thus suggested, among other things, that at the annual general meeting, shareholders ought to insist that the management of their company have a well-functioning corporate social responsibility framework.

Keywords: Health Expenditure, Community Development Cost Expenditure, Training Cost Expenditure, Asset Return, social responsibility of corporations.

INTRODUCTION

Manufacturing businesses used to be concerned about financial accountability. Organizations must become more successful in order to preserve their top positions and obtain a competitive advantage as the global business environment grows more competitive daily as a result of globalization and technological advancement (Togun & Nasieku, 2024). Governmental agencies and groups pushing the agenda for corporate social responsibility appear to be certain that taking on a social responsibility role will benefit the business sector financially. Achieving sustained competitive profit and long-term values for stakeholders and shareholders can be accomplished through social responsibility.

Businesses are currently under pressure to take responsibility for how their actions affect society and the environment on a global scale. Additionally, they must show how stakeholder communications and company activities consider social and environmental concerns (Igbekoyi, 2022). According to agency theory, owners who are capital providers are likely to be concerned about management's financial performance, thus they should consciously work to enhance it. According to Adebayo et al. (2020), strong financial performance increases stakeholder wealth. As a result, management is focused on elements that will boost profits and avoids initiatives that will incur additional costs.

Performance financially is an indicator of the company's sound financial standing and a means of assessing its rate of expansion. Financial performance, according to Nurhidayah (2020), is the process of figuring out, assessing, justifying, and resolving a company's financial issues over a given amount of time. Due to its critical function, financial performance is necessary for organizations to assess how well they have managed their finances. According to Mustafa and Handayani (2014), financial performance is a depiction of the state of the business that may be examined using financial analysis techniques to ascertain the state of the business beyond a predetermined time frame. One of the things that draws investors to a firm is the financial performance measurement as shown in its financial statements since it serves as the foundation for revealing the extent of management's involvement (Sholihah & Fadiana, 2021).

There are a number of research-based arguments in the literature regarding the applicability or lack thereof of corporate social responsibilities in the hosting environment; however, due to study methodology variations and setting-specific quirks, there isn't a consensus on the topic. Certain studies support corporate social responsibility because they increase profitability and promote societal and environmental stability. Some contend that it is wasteful and causes businesses to allocate resources to initiatives that aren't directly related to their bottom line. This highlights the need for further research into certain contexts to ascertain the long-term effects of implementing social responsibility of corporations, Wissink (2012).

In order to determine whether or not its institution plays a significant role, this study seeks to objectively assess the impact of implementing social responsibility of corporations on the profitability of manufacturing firms in Nigeria. The primary goal of the research is to assess how social responsibility of corporations affects Nigerian manufacturing businesses' financial performance. Additional particular goals are to: The purpose of this study is to: (i) examine the impact of health expenditure on the return on assets of Nigerian listed manufacturing companies.; (ii) ascertain the impact of community development expenses on the return on assets of Nigerian manufacturing companies that are quoted; and (iii) Examine the impact of training costs expenditure on the return on assets of Nigerian manufacturing enterprises that are listed. The following research theories have been developed and are ready for examination: The following hypotheses are supported by the data: Ho1: Health expenditure has no significant effect on return on asset of quoted manufacturing companies in Nigeria; Ho2: Community development cost expenditure has no significant impact on return on asset of quoted

manufacturing companies in Nigeria; and Ho3: Training cost expenditure has no significant effect on return on asset of quoted manufacturing companies in Nigeria.

REVIEW OF RELATED LITERATURE

Concept of Corporate Social Responsibility (CSR)

One might approach social responsibility of corporations from a variety of viewpoints. Since many authors and organizations have different points of view, the idea lacks a universally recognized definition. According to Wissink (2022), one may notice that the different definitions provided are based around three themes. Corporate relationships to sustainability in the economy, society, and environment are these subjects. This is why corporate social responsibility is denoted by a number of phrases, including corporate morality, excellent Sustainable business, social performance, corporate citizenship, and business citizenship responsibility, and business citizenship, (Igbekoyi, 2022).

As a result, the idea is closely pertaining to the sustainability principle, which maintains that companies ought to make choices on how their operations will affect society and the environment over the long and short terms in addition to financial considerations like profits and dividends (Tilt, 2019).

Financial Performance

The act of carrying out financial performance is the term used to describe financial activities. The financial outcome, in its broadest definition, describes the degree to which monetary objectives are being or have been met (Matuszak & Róaska, 2017). What impact does corporate social responsibility have on banks' bottom lines? US, UK, and Journal of Management and Corporate Governance empirical data, 3, 8–26. It is the process of translating the goals and practices of a company into financial terms. It is used to evaluate a company's overall financial standing over a certain time frame. It can also be used to compare companies that are similar within the same industry or to compare industries or sectors generally (Nurhidayah, 2020).

Different authors have identified different financial performance metrics. Regarding the proxy for performance, researchers are divided (Lausten, 2002). Several researchers have considered return on equity (ROE), return on assets (ROA), and return on capital employed (ROCE) as surrogates for financial success. According to Swartz and Firer (2005), ROA and ROE are two common financial performance metrics that could come under scrutiny in the future. The study uses return on asset (ROA), an accounting measure of corporate performance, due to the limitations of yield on invested capital (ROCE) and ROE, or return on equity.

Return of Asset

Financial performance, according to Barsoum and Refaat (2000), is a system of information that aids managers in supervising the procedure for performance. Its two main functions are to support the target-

setting process by facilitating and organizing communication between all company components, including individuals, teams, processes, and functions. The other entails gathering, examining, and sharing information about the efficacy of people, practices, products, companies, endeavors, etc. A company's capacity to make money off of its resources are mentioned as yield on assets. Because of the increased rate of return or dividends, assets with a greater return on assets are more effective at producing net profits and make the company more attractive to investors (Mildawati & Inas, 2022). Businesses that participate in CSR initiatives enjoy a growing level of community trust, which enhances the company's brand and merchandise. As a result, the public is more likely to be aware of the company's products and be more inclined to use them. A company's return on assets (ROA) will be impacted by an increase in earnings due to a growing market interest in its products. Consequently, a higher rate of return or dividend will make the company more attractive to investors (Pratiwi et al., 2020). The institution's commitment to corporate social responsibility (CSR) is reflected in the ROA, which also indicates the asset productivity in creating net profit. Because of the increased rate of return or dividend, investors will find the company more enticing (Galih & Winarsih, 2021).

Community Development Cost

Oti *et al.* (2017) emphasized that the foundation of community development is a company's initiative to mitigate the impact of its externalities on the host communities. The term "community development cost" (CDC) describes projects that a community undertakes in collaboration with outside organizations or businesses in order to empower individuals and groups of people by giving them the tools they need to bring about change in their local areas. These abilities are frequently focused on utilizing community resources and gaining political clout by organizing sizable social groupings around shared goals. Community developers need to be aware of how to influence a community's place in relation to bigger social institutions as well as how to collaborate with individuals (Bradly, 2023). The process of creating vibrant, long-lasting communities founded on social justice and respect for one another is known as community development contribution. It involves influencing power structures to get rid of obstacles that keep people from getting involved in matters that directly impact their lives. The principles of justice, equality, accountability, choice, participation, mutuality, reciprocity, and ongoing learning are expressed through donations to community development. The fundamental goals of community development are empowerment, enablement, and education.

Training Cost

The term "training cost" refers to the costs associated with internal education programs designed to raise employee and host community standards of living by improving knowledge and skills. Weber (2019) defines learning as a process that focuses on maximizing human and organizational potential as well as constructing future skills, whereas training is a series of activities that respond to current demands and are instructor-focused. In its most basic form, training is a management tool designed to help people grow their knowledge and skill sets in order to improve customer relations and an organization's overall productivity, effectiveness, and efficiency. In addition to trying to increase communities' capacities and performance, management's dedication to training serves as a means of inspiring staff members and

giving them a sense of importance inside the company. One should not undervalue the program's emotional benefits. A personnel that has received proper training and development will have higher morale, which will boost dedication to the company and ultimately raise production (Belal et al., 2024).

Theoretical Review

Agency Theory

Jensen and Meckling (1976) introduced the Agency theory. One significant premise that has received substantial attention in the literature and empirical confirmation is the agency hypothesis. Agency theory is one of the theories that many scholars and researchers have studied in-depth in a variety of works, such as foreign ownership and earning management. Jensen and Meckling (1976) proposed the tenets of the agency theory. The idea typically illustrates a conflict of interest between the owner (client) and management (agent). There is a conflict of interest because of our prevailing authority. They highlight the existence of the gap between managers and investors as one of the basic tenets of agency theory. Agency theory states that external governance mechanisms like securities analysts, activist owners, and the market for corporate control may dissuade managers from acting opportunistically (Bolanle et al. 2017).

Stakeholders' Theory

R. Edward Freeman first proposed the stakeholder idea in the year 1984. In his groundbreaking work "Strategic Management: A Participant Perspective," Freeman presented this paradigm as a fresh viewpoint on the management of companies. This approach offered a substantial divergence from the dominant perspective on corporate management that is centered on shareholders. "Stakeholder theory" is an ethical and management paradigm that argues that companies should consider the interests of all parties involved in its operations, not just shareholders, when making decisions.

Theory Relevant to the Study

The theory of stakeholders, which is an organizational management theory that corporate ethics that covers morals and values in managing an organization, serves as the theoretical foundation for this study. The notion of stakeholders endeavors to tackle the question of whom or what truly matters. Additionally, this hypothesis is instrumental in nature of business that incorporates the market- and resource-based viewpoints while also adding a socio-political level.

Empirical Review

Adeleye and Audu (2023) investigated the effect of dividend policy on listed Nigerian oil and gas firms' financial performance. Seven of the ten oil and gas businesses listed on the Nigerian Exchange Group as of December 31, 2022, were chosen by purposive sampling techniques for the sample size, which was based on a correlational study methodology. These seven listed firms' annual reports and accounts provided the data, which was taken from 2013 to 2022. Using STATA 13 software, a linear regression model known as Ordinary Least Squares (OLS) was utilized for data analysis. The study's cumulative R²

of 0.0859 meant that the independent variables' combined contribution could account for 8% of the variance in the financial performance of listed oil and gas businesses. The analysis found a slight, but statistically significant, negative correlation between dividend per share (DPS) and the return on assets of listed oil and gas businesses in Nigeria. It also discovered that the return on assets was significantly positively impacted by profits per share (EPS). Additionally, the analysis showed that the Dividend Payout Ratio (DPR) had a minor negative effect on the return on assets. The management of Nigeria's listed oil and gas businesses should concentrate on improving managerial practices and investigating ways for optimal resource usage in order to optimize returns, as per the study's recommendations. Furthermore, the research indicates that consistently raising the dividend payout ratio will indicate good financial standing, enhancing firm value and shareholder wealth for Nigerian listed oil and gas businesses.

Adeleye *et al.* (2023) examined how board diversity affects the corporate social responsibility of Nigerian oil and gas companies. With the population made up of the ten (10) listed oil and gas companies that were quoted on the Nigerian Exchange Group floor as of December 31, 2022. The research employed a correlational study design. The methodology used to calculate the sample size. Data were also generated from the annual reports and directors of the selected firms. The companies collected data between 2016 and 2022. With the aid of Stata 13, multiple regression models were employed as the analysis method in the investigation. The combined impacts of gender diversity (GD), board composition (BCOM), and board size (BS) indicate a 12% difference in corporate social responsibility (CSR), according to the data, which had an overall R-sq of 0.1159. This proved that the study's model suited the data and that the independent variables had been applied and blended effectively. According to the study, board size (BS) has a minimal positive impact on corporate social responsibility, but board composition (BCOM) has a large harmful effect. The impact of gender diversity (GD) on Nigerian oil and gas businesses' corporate social responsibility is negligible. The report advised that rules be adopted to promote reduced female depiction on the boards of all oil and gas companies in order to ensure diversity in the decision-making process. It was also suggested that oil and gas firms with a social conscience have fewer independent directors on their boards.

Ehijiele *et al.* (2022) examined the connection between listed consumer goods companies' corporate financial performance and their dedication to the business social responsibility. As a result, research revealed a substantial correlation between CSR and net profit following taxes (NPAT). Additionally, there is a strong and positive correlation between revenue and corporate social responsibility. The study's recommendations were based on the findings, which indicated that increasing investments in corporate social responsibility would help Nigeria's fast-moving consumer products companies raise their net profit before taxes.

Jarikre and Cordelia (2021) examined the monetary results and social responsibility of Nigerian companies. The research is centered on the philosophies and problems related to the CSR operations of Nigerian consumer goods corporations. The findings showed that social responsibility of corporations had a small but favorable impact on net asset per share, earnings per share, and profit after taxes.

According to the report, corporate social responsibility should demand greater focus and dedication from businesses since it guarantees benefits beyond financial gain, which ultimately improves financial success.

Ogala *et al.* (2020) assessed how social responsibility of corporations reporting affects Return on assets for oil and gas firms in Nigeria. The study employed content analysis and the ex-post facto research approach. Information was extracted from the annual reports and accounts of ten (10) oil and gas companies that were selected as a sample. The study found that, albeit not very much, corporate social responsibility reporting has a negative effect on return on assets. The study made several recommendations, including that Regulatory agencies ought to press Nigerian companies to submit reports on sustainability through cost reductions, divestiture of some assets, or halting the purchase of new equipment.

Gap in Literature

Regarding the aforementioned, a number of studies have demonstrated that an investigation into social responsibility of corporations has been the subject of numerous studies. Nevertheless, utilizing data from ten (10) manufacturing firms quoted on the exchange with Nigeria group for the period of ten (10) years from 2013 to 2022, none of the previously reviewed literatures have been able to focus on how corporate social responsibility affects Nigerian manufacturing companies' financial results.

METHODOLOGY

Financial performance and corporate social responsibility was investigated in this study of listed manufacturing enterprises employing an ex post facto research design in Nigeria. As of December 31, 2023, there were twenty-one quoted manufacturing enterprises on the Nigeria exchange group, making up the study's population. Using the filtering sampling technique, ten quoted manufacturing enterprises made up the sample size. The research employs secondary sources for data collecting, and documentation serves as the instrument of record-keeping. The NGX information book, the manufacturing businesses' yearly reports, and the daily official lists of the NGX are where the data were taken from. Multiple regression analysis is the method used in this investigation. Three dependent variables and one independent variable, the CSR index, comprise the methodology.

Model Specification

The financial performance as determined by Return on Asset (ROA) is the dependent variable in this study. Corporate Social Responsibility, as determined by Health Expenditure (CSRHE), Community Development Cost (CSR CDC), and Training Cost Expenditure (CSRTC), is the independent variable. The following described functional relationship is taken from Nguyen *et al.* (2020) and Oladejo (2020):

$$ROA = f(CSRHE + CSR CDC + CSRTC) .$$

The econometrically, the model is stated thus:

$$ROA = \alpha + \beta_1 CSRHE_{it} + \beta_2 CSR CDC_{it} + \beta_3 CSRTC_{it} + e_{it} \text{ -----Model 1}$$

Where: β_1 , β_2 and β_3 are parameters estimate.

ROA = Return on Asset
 CSRHE = Corporate Social Responsibility Expenditure on Health
 CSRDC = Corporate Social Responsibility Expenditure on Community Development Cost
 CSRTC = Corporate Social Responsibility Expenditure on Training Cost
 α = Constant
 e = Error term
 i = Firms
 t = Periods
 A-priori expectations: β_1, β_2 and $\beta_3 < 0$

Variables and their Measurements

Table .1: Variable Measurement and Justification

Variables	Type	Measurement and Justification
Return on Assets	Dependent	measured by dividing a company's net income by total assets (Uadiale & Fagbemi, 2011)
Health Expenditure (CSRHE)	Independent	Measured as the sum of all financing agents managing funds to purchase health goods and services Weber (2019),
Community Development Cost Expenditure (CSRDC)	Independent	Measured as the Community development cost extracted directly from the CSR Disclosures note, Oti et al (2017).
Training Cost Expenditure (CSRTC)	Independent	Measured as the TC represent expense made on education in term of scholarship and is extracted direct from the CSR Disclosures note, Weber (2019),

Source: Author’s Compilation (2024)

DATA ANALYSIS AND DISCUSSION OF FINDINGS

Descriptive Statistics

Table 2: Summarises the descriptive statistics of the entire data set.

Variables	Obs	Mean	Std.Dev	Min	Max
ROA	100	0.001	0.004	0	0.025
CSRHE	100	0.076	0.071	-0.100	0.264
CSRDC	100	5.895	14.519	-11.485	85.090
CSRTC	100	0.196	0.205	-0.204	1.048

Source: STATA Output

Table 2 revealed that the return on asset (ROA) ranges from a minimum of 0 to a maximum of 0.025, with a mean value of 0.001, which falls between the two ranges and indicates a good spread across the study period. Additionally, the Table demonstrates that ROA's mean is greater than the standard deviation (0.004), indicating that its growth was sluggish during the period of time in question. According to Table 2, the Health Expenditure (CSRHE) ranges from -0.100 at the least to 0.264 directors at the maximum, with a mean value of 0.076 that falls between the two extremes, suggesting a good distribution during the study period. Additionally, the Table shows that CSRHE's mean is greater than the standard deviation. (0.071), indicating that its growth was sluggish during the duration of study.

Additionally, Table 2 demonstrated that community development cost Expenditure (CSRCDCE) has a average value of 5.895 that falls between the lowest and highest levels, showing a good spread within the study period, and a minimum value of -11.4855, a high value of 85.090. Additionally, the data shows that CSRCDCE has a standard deviation of 14.519, which is higher than the mean and suggests that it experienced rapid growth throughout the period under consideration. According to Table 2, the Training Cost Expenditure (CSRTC) has a mean value of 0.196, a maximum value of 1.048, and a minimum value of -0.204, all of which are within the ranges that indicate a decent distribution across the duration under study. Additionally, the table shows that CSRTC possesses a standard deviation of 0.205, which is higher than the mean and suggests that it experienced rapid growth during the period under consideration.

Correlation Matrix

The degree of correlation between independent and dependent variables is ascertained using the correlation matrix. To ascertain whether a multicollinearity problem is present, it is also utilized to determine whether the independent variables themselves are related to one another. The Pearson correlation matrix (Table 3) for the data set illustrates the degree of interdependencies between the variables.

Table 3

Variable	ROA	CSRHE	CSRCDCE	CSRTC
ROA	1			
CSRHE	-0.156	1		
CSRCDCE	-0.109	0.563	1	
CSRTC	0.079	0.889	0.408	1

Source: STATA Output

The correlation's outcomes between health expenditure, community development cost expenditure, training cost expenditure, and the principles of return on asset are shown in Table 3. Table 3's result indicates that, among listed manufacturing businesses in Nigeria, health expenditure (CSRHE) and return asset (ROA) have a 15% weak and negative association. This link is noteworthy at the one percent threshold of significance, with a correlation coefficient of -0.156. The correlation coefficient of -0.109, which is substantial at the one percent mark of significance, indicates that there is an 11% negative and weak association. The table shows the relationship between listed manufacturing businesses in Nigeria's community development cost expenditure (CSRCDCE) and return on asset (ROA). Additionally, the correlation coefficient of -0.079, this is important at the 1% level of significance, indicates that there is a weak and negative 8% link between listed manufacturing companies in Nigeria's training cost expenditure (CSRTC) and return on asset (ROA). In conclusion, the correlations among the independent variable's proxies indicate a modest link, with all coefficients falling below the 0.90 threshold proposed by Gandhi (2003).

Regression Analysis

The regression results for the independent variable (health expenditure, community development cost expenditure and training cost expenditure) and the dependent variables (return on asset) are shown in this section. The interpretation of the relationship between each dependent and independent variable, both singly and collectively, comes next. An overview of the regression results derived from the study's model is provided below, along with the regression results themselves:

Table 4: Regression Model

Variables	Coefficient	Z-values	p-values
Constants	0.080	0.00	10.56
CSRHE	-2.739	-1.57	0.119
CSRCDCE	-3.865	-1.09	0.278
CSRTC	-3.991	-0.79	0.430
R-Squared	0.0246		
Wald chi2	83.70		
Prob>chi2	0.000		

Source: STATA Output

Test of Hypotheses

Ho₁: Health expenditure has no significant effect on return on asset of non-financial firms in Nigeria.

For the period under consideration, return on asset (ROA) had an insignificantly negative impact regarding the outcome of health expenditure (CSRHE) of Nigeria's listed manufacturing firms, as demonstrated by Table 4's coefficient of -2.739 and associated p-value of 0.119. This suggests that listed manufacturing companies in Nigeria will see a -2.739 reduction in health expenditure (health expenditure) for every unit increase in return on asset. This leads to the null hypothesis being rejected, which claims that the health expenditure of listed manufacturing companies in Nigeria is not significantly impacted by corporate social responsibility spending.

Ho₂: Community development cost expenditure has no significant effect on return on asset of non-financial firms in Nigeria.

Table 4 indicates that, for the period under consideration, return on asset (ROA) had an insignificantly negative influence on community development cost expenditure (CSRCDCE) of listed manufacturing companies in Nigeria, with a coefficient of -3.865 and a corresponding p-value of 0.278. This suggests that the community development cost expenditure (CSRCDCE) of Nigerian listed manufacturing companies will drop by -3.865 units for every unit rise in social responsibility of corporations. This leads to the rejection of the null hypothesis, according to which investments made in return on asset have no appreciable impact on the community development cost expenditure among the listed manufacturing companies in Nigeria.

Ho₃: Training cost expenditure has no significant effect on return on asset of non-financial firms in Nigeria.

Table 4 further demonstrates that, during the period under consideration, listed manufacturing companies in Nigeria's training cost expenditure (CSRTC) is negatively impacted by return on asset (ROA) in an

insignificant way, with a coefficient of -3.991 and a corresponding p-value of 0.430. This suggests that a unit increase in ROA will result in a -3.991 fall in training cost expenditure of Nigeria's listed manufacturing enterprises. This makes it impossible to reject the null hypothesis, which states that investments made by listed manufacturing companies in Nigeria for return on asset have no appreciable impact on their return on capital.

Discussion of Findings

The results of this study showed that the health expenditure of Nigerian manufacturing companies that are quoted is negatively impacted by return on asset (ROA) although not significantly. This suggests that a unit increase in ROA will result in a -2.739 fall in the health expenditure (CSRHE) of Nigerian manufacturing companies that are quoted. The results are also consistent with the stakeholder theory, which is an organizational management and corporate ethics theory that deals with morality and values in management. The health expenditure of quoted manufacturing companies is negatively impacted by return on asset, but not significantly. This outcome is in line with the conclusions of Nuryaman (2020); (Adeleye *et al.*, 2023) and Setiawan and Janet (2018). Nevertheless, the results conflict with those of Keffas, Olulu-Briggs (2015); Adeleye & Audu (2023) and (Lungu *et al.* 2018).

The results of this study show that the community development cost expenditure for quoted manufacturing companies in Nigeria is negatively impacted by return on asset (ROA) although not significantly. This suggests that a unit increase in ROA will result in a -3.865 fall in the community development cost expenditure (CSRCDCE) of Nigerian manufacturing companies that are traded. The results are also consistent with the stakeholder theory, which is an organizational management and corporate ethics theory that deals with morality and values in management. Return on asset effects on listed manufacturing businesses' community development cost expenditure is negligible. This result is consistent with the findings of Nuryaman (2020); (Adeleye *et al.*, 2023) and Setiawan and Janet (2018). Nonetheless, the results do not align with those of Keffas, Olulu-Briggs (2015); Adeleye & Audu (2023) and (Lungu *et al.* 2018).

The results of this study showed that the training cost expenditure used by listed manufacturing companies in Nigeria is negatively impacted by return on asset (ROA) although not significantly. According to this, listed manufacturing companies in Nigeria will see a -3.991 reduction in training cost expenditure (CSRTC) with every unit rise in corporate social responsibility. The results are also consistent with the stakeholder theory, which is an organizational management and corporate ethics theory that deals with morality and values in management. The return on capital used by listed manufacturing companies is negatively impacted by return on asset, but not significantly. This outcome is in line with the conclusions of Nuryaman (2020), (Adeleye *et al.*, 2023) and Setiawan and Janet (2018). Nonetheless, the results do not align with those of Keffas, Olulu-Briggs (2015); (Adeleye & Audu 2023) and (Lungu *et al.* 2018).

CONCLUSION AND RECOMMENDATIONS

This study indicates, based on its data, that there is little cumulative effect of the chosen ROA's on the monetary results of manufacturing firms listed in Nigeria. However, when the variables are taken into account individually, the effect becomes less pronounced. The study comes to the conclusion that health expenditure, community development cost expenditure, and training cost expenditure are all negatively and negligibly impacted by social responsibility of corporations.

Based on the results of the investigation, we so suggest the following:

- i. Management of manufacturing companies should make sure that corporate responsibility is ingrained in their policy statements and supported by an efficient budget
- ii. The study suggested that shareholders force the administration of their businesses to establish a well-organized social responsibility of corporations' structure at the annual general meeting.
- iii. Employee effectiveness and efficiency in carrying out their duties must increase since corporate social responsibility includes a financial component. Effective and efficient businesses are able to create goods at a lower cost, which implies that some of the money saved could be applied to addressing social challenges.

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