Impact factor: 4.62

LOGAN JOURNAL OF BUSINESS AND ECONOMIC STUDIES
12(1)2025 LJBES

ISSN: 3067-2244

CORPORATE SOCIAL RESPONSIBILITY AND FIRM CHARACTERISTICS: A STUDY OF LISTED MANUFACTURING COMPANIES IN NIGERIA

Jonathan Mark Williams
Department of Accounting, School of Business, University of London, United Kingdom
DOI: https://doi.org/10.5281/zenodo.15745578

Abstract: The study examined the relationship between firm's attributes and social responsibility disclosure of listed companies in Nigeria. The specific objectives of the study are to: ascertain the relationship between leverage and social responsibility disclosure of listed companies; investigate the relationship between profitability and social responsibility disclosure of listed companies; and examine the relationship between audit firm's size and social responsibility disclosure of listed companies in Nigeria. Out of the population of seventy-two (72) firms, using judgemental sampling method, 33 firms were selected from the Nigerian Exchange Group. The data used were secondary data and were drawn from 2013 to 2022. The data used were sourced from the firm's annual report, Exchange fact book and Internet. The data collected were analysed using Pearson Correlation Matrix and OLS. The results show that profitability and Audit firm's size have positive relationship with social responsibility disclosure of listed companies in Nigeria; whereas leverage has negative relationship with social responsibility disclosure of listed companies in Nigeria. The study, therefore among others recommends that the Regulatory authorities should come up with clearly defined regulation on how to go about social responsibility issues as regards to leverage of the companies and the government should ensure full implementations of the regulations.

Keywords: firm's attributes, audit quality, Audit firm size, Audit fee, and Audit tenure

INTRODUCTION Background to the Study

In recent years, the trend of green business grows rapidly along with the paradigm shifts from single bottom line to the triple bottom line. The triple bottom line showed the responsibility of companies for considering three aspects of business namely profit, people and planet (Nnubia & Ezenwa, 2016, Elkington, 1997). Indeed, stakeholders urge companies to be more responsible for their activities and consider their decisions to include environmental and sustainable development issues (such as greenhouse gases, emissions, and waste that have a negative impact on companies' business and environment as whole) (Nnubia & Omaliko, 2016, Braam et al., 2016). Theories have argued that business units will be able to create wealth, employment and innovation and improve their competitiveness in business if companies work together to maintain their community, and society will also provide the right platform for the development of business units (Sandhu & Kapoor, 2010). Increasing sales and customer loyalty is the evidence of CSR advantage; hence, a number of studies have suggested that a large and growing market has been created by companies with high social responsibility (Nnubia & Ezenwa, 2016). Generally speaking, business units optionally can maximize their long-term returns through reducing its negative effects on society; therefore, nowadays a kind of belief among business units is increasing stating that their long-term success can happen through managing the company's operations, ensuring environmental protection and development of CSR (Samy, Odemilin & Bampton, 2010). Therefore, paying attention to social responsibility by organizations will ensure long-term interests even when the short-term costs of social responsibility are high. Firm attributes often used in empirical studies that investigate CSR determinants are financial characteristics such as leverage, profitability and investments in research and development (R&D) (Nnubia, Anaike & Mmadubuobi, 2023, Gamerschlag, Moller & Verbeeten, 2011; Padgett & Galan, 2010; Artiach et al., 2010). Ng and Koh (1994) stated that more profitable firms use more self-regulating mechanisms to ensure to the public that the organization is legitimate. Following this reasoning profitability is considered a determinant of CSR. Other studies such as Reverte (2009) and Purushothaman et al., (2000) suggest that leverage is a potential determinant of CSR. Following a stakeholder theoretical perspective, it is argued that the level of debt in the firm's capital structure influences the importance of this creditor stakeholder group, and as a result, management is more likely to address their financial claims than the claims of other stakeholder groups, for instance, stakeholder groups that want the firm to engage more in CSR activities. Therefore leverage is seen as a possible determinant that affects a company's level of CSR engagement.

1.2 Statement of Problems

The rising pressure on environmental issues from shareholders, government regulators, consumers, employees, and the public have inspired companies to pay more attention to the environmental performance (EP) (Ilinitch, Soderstrom & Thomas, 1998). Corporations are required to increase their financial performance continuously without ignoring environmental impacts (Muhammad, Mohamad & Ahmad, 2016). Thus, it is no wonder if accounting scholars has attracted to investigate the firm characteristics and consequences of environmental issues on business activities. Many studies of environmental disclosure in annual reports have focused on firms among developed markets such as the USA, the UK, Canada, Australia, and New Zealand, Japan and the European Union (Kolk, Walhain & Van de Wateringen, 2001) and leaving developing markets such as Nigeria. Secondly, growing number of environmental issues such as social and environmental disclosures, environmental investment, environmental performance, leadership style and environmental uncertainty have attracted scholars to study the relationship of such issues and business practice. Though, scholars (such as Akbas, 2014; Banasik, Barut & Kloot, 2010; Barbu, Dumontier, Feleaga & Feleaga, 2014; Carini & Chiaf, 2015; Iatridis, 2013; Loh, Deegan & Inglis, 2015; Pagell, Wiengarten & Fynes, 2013, Nnubia, Anaike & Onyeka, 2024) have investigated social and environmental disclosures. Moreover, previous studies are more concerned with environmental investment (Banasik et al., 2010; Jansson & Biel, 2011; Nakamura, 2014; Power, Klassen, Kull & Simpson, 2015; Testa, Gusmerottia, Corsini, Passetti & Iraldo, 2016). Some studies have also been done to investigate the issues of environmental performance (EP) (Rokhmawati, Sathye & Sathye, 2015; Sun, Hu, Yan, Liu & Shi, 2012).

In developing countries like Nigeria, to the best of the researcher's knowledge, no studies exist that aims to evaluate the relationship between firm characteristics and social responsibility disclosure of listed companies in Nigeria from 2013 to 2022. Therefore, this study investigates the relationship between firm characteristics and disclosures of social responsibility (environmental information) in the annual reports of listed companies in

Nigeria. In this study, we consider leverage, profitability and audit firm's size as proxies for the independent variable and corporate social responsibility disclosure (CSRD) as dependent variable.

Objectives of the Study

The main objective of this study is to investigate the relationship between firm attributes and social responsibility disclosure of listed companies in Nigeria. The specific objectives are to:

1. Ascertain whether there is any relationship between leverage and social responsibility disclosure of listed companies in Nigeria.
2. Investigate whether there is any relationship between profitability and social responsibility disclosure of listed companies in Nigeria.
3. Ascertain whether there is any relationship between audit firm's size and social responsibility disclosure of listed companies in Nigeria.

Research Hypotheses

In order to address the issue raised above, the following hypotheses were formulated:

1. Leverage has no significant relationship with social responsibility disclosure of listed companies in Nigeria.
2. Profitability has no significant relationship with social responsibility disclosure of listed companies in Nigeria.
3. Audit firm's size has no significant relationship with social responsibility disclosure of listed companies in Nigeria.

REVIEW OF RELATED LITERATURE Corporate Social Responsibility (CSR)

CSR refers to the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm (Nnubia et al, 2023). He argues that it is the firm's obligation to evaluate its decision-making process in such way that the effects of its decisions on the external social system will accomplish social benefits along with the traditional economic gains which the firm seeks. Furthermore, he argues that social responsibility begins where the law ends. A firm is not being socially responsible if it merely complies with the minimum requirements of the law, because this is what any good citizen would do. Carrol (1979) explains business practice as a pyramid of responsibilities with economic responsibilities at the bottom, followed by legal, then ethical, and with philanthropic responsibilities at the top. She argues that CSR is about taking responsibility for the pyramid's top parts, as well as the economics and legal responsibilities of the firm; and significantly points out that CSR includes philanthropic contributions, however is not limited to it. Carrol (1999) developed this reasoning and explains that these responsibilities are less important than the other three categories. This is because firms are not seen as irresponsible if they do not fulfil these responsibilities. To fulfil all responsibilities firms should be profitable, while operating within the boundaries of the law, be ethical, and be a good corporate citizen (Nnubia et al, 2024). McWilliams & Siegel (2001) describe CSR as 'actions that appear to further some social good, beyond the interests of the firm and that which is required by law'. Despite the fact that this definition is often used in CSR literature, this definition has its drawbacks since it suggests that CSR actions should go beyond the interest of the firm. It implicitly suggests that actions could not be in the interest of the firm and the social good at the same time.

Firm attributes

Following internal or external theoretical perspectives or both, multiple studies have investigated several firm attributes as determinants of CSR (Nnubia et al, 2023, Gamerschlag et al., 2011; Reverte, 2009; Padgett & Galan, 2010; Artiach et al., 2010). They made use of size, profitability, leverage, firm age, audit firm age, capital structures or investments in R&D as firm attributes. Other firm attributes often used in empirical studies that investigate CSR determinants are financial characteristics such as leverage, profitability and investments in research and development (R&D) (Gamerschlag et al., 2010; Reverte, 2009; Padgett & Galan, 2010; Artiach et al., 2010). According to Ng and Koh (1994), more profitable firms use more self-regulating mechanisms to ensure to the public that the organization is legitimate. Following this reasoning profitability is considered a determinant of CSR. A few others as Reverte (2009) and Purushothaman et al., (2000) suggest that leverage is a potential determinant of CSR. In this work, the firm attributes considered are leverage, profitability, audit firm size.

Leverage

Leverage is a comparison between liabilities and equity that is used by company to support company's activity from external parties (Rusdianto 2013). It can be measured with total liabilities divided by total equity. Leverage in finance is the use of debt to increase the potential return on investments (Zhu, Yang, An, & Huang, 2014). Although there are several types of research conducted to study the relationship between financial performance and CSR, only a few researchers carried out on the relationship between leverage and CSR. For example, leverage, defined as the degree that a company borrows money to finance investment, was the subject of research by Zhu et al. (2014) and Di Giuli and Kostovetsky (2014) revealing that firms that are heavy on the level of leverage may be at risk of bankruptcy, especially during market downturns. The highly leveraged firm often fails to pay their creditors and may have trouble with financing in the future (Zhu et al., 2014).

Profitability

Profitability is the measurement of excess revenue over expenses incurred. It is the ultimate output of a company (Pandey, Wu, Guru, & Buyya, 2010). It is defined as an indicator to the firms' performance in managing its assets (Nnubia et al, 2023). Profitability stems from the word 'profit' which many scholars have shown to be ambiguous. Profitability ratios are calculated to measure the operating efficiency of a firm. Not only management is interested in the profitability of a firm, but also stockholders. Companies with good news are more likely to engage in sustainability activities (Nnubia et al, 2023). Thus, it would be expected that managers of profitable firms would be motivated to disclose more information in order to distinguish themselves from the less profitable firms. Profitability could be measured in relation to sales or investment. It is mainly measured using ratios like the net profit margin, gross profit margin, operating margin and return on assets (ROA) and so on. For the purpose of this study, profitability will be measured using net profit margin.

Audit firm's size

Audit firm's size is the third predictor variable in this study. Companies that seek good quality of their financial reporting and hire a good auditor are expected to disclose more information and be more transparent about their CSR performance. The smaller auditing firms are more concerned to get more customers which are not true for large firms; it is not likely for them to rely on only a few customers. Therefore, large auditing firms push their clients for more disclosure. Agency theory suggests that auditing helps to mitigate the interest conflicts among investors and management (Xiao, Yang & Chow, 2004). Larger auditing firms such as (big4) have higher standards regarding the quality of information disclosed, since their incentive is to maintain their reputation and preserve their brand name (Huang & Kung, 2010). Moreover, if a company is audited by well-established auditing firm, analysts tend to extend higher recognition to the quality of their disclosure (Nnubia et al, 2024, Ahmed & Courtis, 1999).

Theoretical Expositions Leverage and CSR disclosure

Financial leverage is one of the things that can affect CSR disclosure. Generally speaking, companies with greater financial leverage seek to legitimize their actions against creditors and shareholders (Haniffa and Cooke, 2005). Andrikopoulos et al. (2014) examined the role of CSR reporting among financial institutions and concluded that financial institutions pay attention to the CSR. Their research on listed companies on the New York Stock Exchange shows that large corporations with high financial leverage have a high level of CSR disclosure. In Polish market, Dyduch and Krasodomska (2017) found a relationship between company turnovers, the duration of the stock exchange listing, inclusion in the Respect Index portfolio and foreign capital share, and the level of CSR disclosures. Similarly, Hibbit (2003) and Orij (2007) saw a positive association between CSR disclosure and financial leverage. The studies of Christopher and Filipovic (2008) and Ma and Zhao (2009) also showed that firms with high financial leverage are very likely to disclose more the CSR information. However, Veronica, Siregar and Bachtiar (2010) and Issa (2017) did not experience any linkage between financial leverage and CSRD index; additionally, Belkaoui and Karpik (1989) discovered a negative association between financial leverage and the level of CSR disclosure.

Profitability and CSR disclosure

There must be a kind of correlation between profits and other social goals, and the fair recognition of a social issue may have a positive effect on the short-term and long-term functions of the organization. Roberts (1992) and Chan and Kent (2003) supposed that social and environmental disclosures are positively related to corporate performance. Khojastehpour and Johns (2014) examined the impact of environmental CSR (climate responsibility and natural resource utilization) on corporate/brand reputation and corporate profitability. The results of their studies proved that environmental CSR positively is connected with the corporate/brand reputation and business profitability. In the context of Bangladesh, Bhuyan et al. (2017) found that long-term disclosure plays a key role in improving firm profitability. In addition, Platonova et al. (2018) suggested that there is a significant positive association between CSR disclosure and the financial performance of Islamic banks in the Gulf Cooperation Council countries. In short, many studies have shown that corporate financial performance is positively connected with the level of CSR disclosure (Issa, 2017), whereas some scholars have expressed another point about the impact of CSR.

Audit firm's size and CSR disclosure

In order to understand the relationship between the size of an audit firm and the level of CSR disclosure, we have to take into account a few very important points. First of all, exactly contrary to the agency theory, stewardship theory declares that the main purpose of corporate directors is to maximize shareholder' wealth (Salehi et al., 2017, Nnubia et al, 2024). According to the economic climate of Iranian firms between 2010 and 2015, it can be envisaged that managers improve their corporate financial situation using the publication of social and ecological information. Another interesting point is that big auditors are more conservative compared to small ones, and they often refuse to accept the poor financially firms (Salehi, Tarighi and Sahebkar, 2018). In fact, it is anticipatable that famous and bigger firms are usually audited by big audit firms because they have better financial resources and less engage in earnings management. In other words, most popular firms tend to disclose their social responsibilities so as to attract more attention from investors and other users of financial statements because local and international investors consider social and environmental information very important in investment decisions (Salehi et al., 2017). In this regard, Wuttichindanon (2017) believed that a firm that uses a Big 4 audit firm is more likely to participate in CSR disclosure. In Nigeria, Uwuigbe and Egbide (2012) also concluded that there is a positive association between the size of the audit firm and the level of CSR disclosure, although some studies such as Al-Gamrh and ALDhamari (2016) have shown no significant influence of audit firm size on CSR disclosure. In short, it is conceivable that there is a causal relationship between the level of CSRD and the size of the audit firm.

Stakeholder theory

The stakeholder theory is a theory of organizational management and business ethics that became the subject of great interest to scholars and business leaders in the 1970s (Van Limburg, Wentzel, Sanderman, & van Gemert-Pijnen, 2015). The proponent of stakeholder theory, Freeman (1984), stated that the primary objective of a business should be to create value for stakeholders. According to Freeman, stakeholders are any groups or individuals affected by or who can affect the achievements of the firm's objectives. Within the topic of CSR, stakeholder theory asserts that companies have social responsibilities that require them to consider the interests of all parties affected by their actions. In contrast to the traditional or shareholder view of a company, which argues that only the owners' or shareholders' interests are important, stakeholder theory argues that management should not only consider the interests of its shareholders in the decision making process, but also the interests of other stakeholders (Freeman, 1984). A firm's stakeholders include for example, employees, suppliers, customers, investors and governments, but can be defined broadly as 'any group or individual who can affect or is affected by the achievement of the firm's objectives (Freeman, 1984).

METHODOLOGY Research Design

The study adopted ex post facto research design. The reason for this is because the data used were secondary data and cannot easily be manipulated. The population of this study consist of all the listed manufacturing firms in Nigeria. According to the Nigerian Exchange Group, and the internet, there are seventy-two (72) quoted manufacturing firms in Nigeria. Using Judgmental sampling method, sample of thirty-three (33) manufacturing firms were purposively selected based on availability and accessibility of the required data. This was done after deleting those firms that were listed after the base year and those with inconsistence of data. Panel data were used over ten (10) years period from 2013 to 2022 due to data consistency availability on our focus variables in the study.

Method of data analysis

The study adopted a correlation matrix to investigate the relationship between firm characteristics and social responsibility disclosure of listed companies in Nigeria. Data collected were analysed using Pearson Correlation Matrix and ordinary least method with the help of E-view 8.1.

Model Specification

This study adopted a model used by Al-Gamrh and AL-Dhamari (2016) with modifications to suit this study.

The model of Al-Gamrh and AL-Dhamari (2016) is as follows:

$CSR = CSR = \beta_0 + \beta_1 SIZE + \beta_2\ INDY + \beta_3\ GOV + \beta_4\ AGE + \beta_5\ CAPTL + \beta_6 AUDTR + e$ Where:

CSR = CSR disclosure index

SIZE = log of total asset

INDY = Manufacturing companies assigned 1 and 0 otherwise

GOV = Government firms score 1 and 0 otherwise

AGE = Nature log of firms' age in years

CAPTL = A value of 1 is assigned if the firm issue new shares during the year

AUDTR = A firm scores 1 if audited by one of the big four auditing firms and 0 otherwise

Therefore, the model for this study is as follows:

CSRD = f (LEV, PRO, AFSIZ, µ)……………………………..……….I

$CSRD = \beta_0 + \beta_1 LEV_{it} + \beta_2 PRO_{it} + \beta_3 AFSIZ_{it} + ų$…………...….II

Where,

CSRD = corporate social responsibility disclosure

LEV = leverage

PRO = profitability AFSIZ = audit firm's size ų = Error term β_0 = Intercept

B1-β3 =- the independent variable co-efficient

Table 3.3: Variables Measurement

Variable	Measure
	Dependent variable
CSRD	= Community social disclosure in dummy (1,0) is measured as "1" for companies that have a section in the Annual Reports for social responsibility or community activities and "0" otherwise.
	Independent variables
LEV	= Total Liabilities divided by Total Assets
PRO	= Profit after tax divided by Total Assets
AFSIZ	= A firm scores 1 if audited by one of the big four auditing firms and 0 otherwise.

Decision Rules

Accept null hypothesis if the probability value is greater than the desired level of significant of 5%, otherwise reject.

DATA ANALYSIS

The summary of the analysis result and its corresponding interpretations of the relationship between firm attributes and social responsibility disclosure of listed companies in Nigeria are presented below.

Table 4.1: Descriptive Statistic of 33 quoted companies in Nigeria on firm's characteristics and corporate social responsibility disclosure over 10 years period

VARIABLES	CSRD	LEV	PRO	AFSIZ
Mean	0.675758	57.85542	5.410636	0.669697
Median	1.000000	56.84000	5.055000	1.000000
Maximum	1.000000	168.2000	53.96000	1.000000
Minimum	0.000000	4.280000	-70.34000	0.000000
Std. Dev.	0.468802	23.54458	13.08813	0.471036
Skewness	-0.750955	0.935786	-0.732756	-0.721620
Kurtosis	1.563933	5.923018	8.781524	1.520736
Jarque-Bera	59.37278	165.6437	489.1391	58.72853
Probability	0.000000	0.000000	0.000000	0.000000

Sum	223.0000	19092.29	1785.510	221.0000
Sum Sq. Dev.	72.30606	182380.2	56357.45	72.99697
Observations	330	330	330	330

Table 4.1 above shows the mean (average) for each variable, their maximum values, minimum values, standard deviation. The result provides some insight into the nature of the selected firms' data used for the study. Firstly, it was observed that over the period under review, the sampled firms in Nigeria have positive average corporate social responsibility disclosure (CSRD) of 0.675758. The maximum and minimum value of corporate social responsibility disclosure (CSRD) is 1.000000 and 0.000000 respectively. The large difference between the maximum value and the minimum value shows that the sampled firms used for the study are not dominated by either firms with high corporate social responsibility disclosure (CSRD) or firm with low corporate social responsibility disclosure (CSRD). Secondly, it was observed that Leverage (LEV) has a mean value of 57.85542, maximum value of 168.2000 and minimum value of 4.280000. The mean value indicates that the firm's leverage ability is about 5786% of the selected firms. On the maximum and minimum, the leverage is about 16820% and 428% respectively. Profitability (PRO) has a mean value of 5.410636, maximum value of 53.96000 and minimum value of -70.34000. The large difference between the maximum and the minimum profitability reveals that gyrating nature of the firm's profitability among the selected firms. The table above also shows that the audit firm's size (AFSIZ) has a mean value of 0.669697, maximum value of 1.000000 and minimum value of 0.000000. The large differences between the maximum and minimum value shows that the firm's data used for the study are homogeneous. Lastly, the Jarque – Bera (JB) which test for normality or the existence of outlier or extreme value among the data from the variables used for the study, the result shows that all the variables are normally distributed at 5% level of significance. This result means that any variables with outlier are not likely to distort our conclusion and are therefore reliable for drawing generalization.

Table 4. 2: Correlation matrix of 33 quoted companies in Nigeria over 10 years period

VARIABLES	CSRD	LEV	PRO	AFSIZ
CSRD	1.000000	-0.108296	0.188575	0.187990
LEV	-0.108296	1.000000	-0.398141	-0.029185
PRO	0.188575	-0.398141	1.000000	0.240420
AFSIZ	0.187990	-0.029185	0.240420	1.000000

The correlation matrix is to check for multi-colinearity and to explore the association between each explanatory variable and the dependent variable. The findings from the correlation matrix table (table 4.4 above) show that corporate social responsibility disclosure (CSRD) has a positive association with PRO (0.188575) and AFSIZ (0.187990); and negatively association with LEV (-0.108296). Leverage (LEV) has a negative association with PRO (-0.398141) and AFSIZ (-0.029185). Profitability (PRO) has a positive association with AFSIZ (0.240420). In checking for multi-colinearity, the study observed that no two explanatory variables were perfectly correlated.

Discussion of corporate social responsibility disclosure model regression results

Table below shows the result for OLS regression test of 33 quoted companies in Nigeria on firm's characteristics and corporate social responsibility disclosure over 10 years period.

Table 4.3: Nigerian Corporate social responsibility disclosure (CSRD) model

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	-0.453265	0.218526	-2.074196	0.0389
LEV	-0.001176	0.001099	-1.069666	0.2856
PRO	0.002220	0.002099	1.057655	0.2910
AFSIZ	0.042540	0.055675	0.764082	0.4454

R-squared	0.717475	Mean dependent var	0.675758
Adjusted R-squared	0.716202	S.D. dependent var	0.468802
S.E. of regression	0.429147	Akaike info criterion	1.163978
Sum squared resid	59.67002	Schwarz criterion	1.233052
Log likelihood	-186.0563	Hannan-Quinn criter.	1.191531
F-statistic	13.72239	Durbin-Watson stat	1.712651
Prob(F-statistic)	0.000000		

The R-squared which is the co-efficient of determination or measure of goodness of fit of the model, tests the explanatory power of the independent variables in any regression model. From our result, the R-squared (R^2) is 72% in CSRD model above. This showed that our model displayed a good fit because the R^2 is closer to 100%, these explanatory variables can impact up to 72% out of the expected 100%, leaving the remaining 28% which would be accounted for by other variables outside the models as captured by the error term. The F-statistics measures the overall significance of the explanatory parameters in the model, and it shows the appropriateness of the model used for the analysis while the probability value means that model is statistically significant and valid in explaining the outcome of the dependent variables. From table 4.3 above, the calculated value of the f-statistics is 13.72239 and its probabilities are 0.000000 which is less than 0.05. We therefore accept and state that there is a significance relationship between the variables. This means that the parameter estimates are statistically significant in explaining the relationship in the dependent variable. The t-statistics helps in measuring the individuals' statistical significance of the parameters in the model from the result report. It is observed from table 4.3 above that LEV, PRO and AFSIZ with its values as -1.069666, 1.057655 and 0.764082 respectively are not statistically significant at 5% level of significance. Our model is free from the problem of autocorrelation because the Durbin-Watson value is 1.712651 which is approximated as 2 (that means, the absence of autocorrelation in the model used for the analysis). The a'priori criteria are determined by the existing accounting theory and states the signs and magnitude of the variables from the result. Leverage (LEV) has negative sign and its values are -1.069666. Therefore, in the model above, this implies that decrease in LEV will insignificantly decreases the corporate social responsibility disclosure (CSRD) by 107%. Profitability (PRO) and Audit firm size (AFSIZ) have positive sign and its values are 1.057655 and 0.764082 respectively. In CSRD model above, this implies that increase in the both PRO and AFSIZ will increases the corporate social responsibility disclosure (CSRD) by 106% and 76% respectively. Though, the positive influence is not significant at 5% level.

Leverage (LEV), based on the t-value of -1.069666 and p-value 0.2856. Leverage appears to have a negative influence on corporate social responsibility disclosure (CSRD) of our sampled quoted companies in Nigeria, and was statistically insignificant at 5% since its p-value was greater than 0.05. This result therefore, suggests that we should accept null hypothesis and reject the alternate, which stated that Leverage has no significant effect on social responsibility disclosure. This means that decrease in leverage of sampled quoted companies indicates lower social responsibility disclosure of the firms in Nigeria. With negative influence on social responsibility disclosure, this conforms to our apriori expectation. This finding was in line with the findings of the studies of

Ghanasham and Hyderabad (2019), and Mahdi, Hossein and Malihe (2019), which confirms with the negative relationship between leverage and social responsibility disclosure.

Profitability (PRO), based on the t-value of 1.057655 and p-value 0.2910. Profitability appears to have a positive influence on corporate social responsibility disclosure (CSRD) of our sampled quoted companies in Nigeria, and was statistically insignificant at 5% since its p-value was greater than 0.05. This result therefore, suggests that we should accept null hypothesis and reject alternative hypothesis, which stated that profitability has no significant effect on social responsibility disclosure. This means that increase in profitability of sampled quoted companies indicates higher social responsibility disclosure of the firms in Nigeria. With positive influence on social responsibility disclosure, this conforms to our apriori expectation. This finding was in variance with the findings of the studies of Ghanasham and Hyderabad (2019), and Mahdi, Hossein and Malihe (2019), which confirms with the negative relationship between profitability and social responsibility disclosure.

Audit firm size (AFSIZ), based on the t-value of 0.764082 and p-value 0.4454. Audit firm size appears to have a positive influence on corporate social responsibility disclosure (CSRD) of our sampled quoted companies in Nigeria, and was statistically insignificant at 5% since its pvalue was greater than 0.05. This result therefore, suggests that we should accept null hypothesis and reject alternative hypothesis, which stated that audit firm size has no significant effect on social responsibility disclosure. This means that increase in audit firm size of sampled quoted companies indicates higher social responsibility disclosure of the firms in Nigeria. With negative influence on social responsibility disclosure, this conforms to our apriori expectation.

FINDINGS, CONCLUSION AND RECOMMENDATIONS

Results from the study indicate that Leverage appears to have a negative influence on corporate social responsibility disclosure (CSRD) of our sampled quoted companies in Nigeria. This was statistically insignificant at 5% since its p-values were greater than 0.05. This result therefore, suggests that we should accept null hypothesis and reject the alternate, which stated that Leverage has no significant effect on social responsibility disclosure. This means that decrease in leverage of sampled quoted companies indicates lower social responsibility disclosure of the firms in Nigeria. Profitability appears to have a positive influence on corporate social responsibility disclosure (CSRD) of our sampled quoted companies in Nigeria. This was statistically insignificant at 5% since its p-values were greater than 0.05. This result therefore, suggests that we should accept null hypothesis and reject the alternate, which stated that Profitability has no significant effect on social responsibility disclosure. This means that increase in profitability of sampled quoted companies indicates higher social responsibility disclosure of the firms in Nigeria. Audit firm's age appears to have a positive influence on corporate social responsibility disclosure (CSRD) of our sampled quoted companies in Nigeria. This was statistically insignificant at 5% since its p-values were greater than 0.05. This result therefore, suggests that we should accept null hypothesis and reject the alternate, which stated that audit firm's age has no significant effect on social responsibility disclosure. This means that increase in audit firm's age of sampled quoted companies indicates higher social responsibility disclosure of the firms in Nigeria.

The study, therefore recommends the following based on the findings of the study.

1. Regulatory authorities should come up with clearly defined regulation on how to go about social responsibility issues as regards to leverage of the companies and the government should ensure full implementations of the regulations.
2. Companies should embark on more rendering of social responsibility as this could leads to more profitability improvement.

3. At the annual general meeting shareholders should compel the management of their companies to have well-structured corporate social responsibility disclosure structure as regards to their audit firm size.

REFERENCES

Ahmed, K., & Courtis, J. K. (1999). Associations between corporate characteristics and disclosure levels in annual reports: a meta-analysis. The British Accounting Review, 31(1), 35-61.

Akbas, H.E. (2014). Company characteristics and environmental disclosure: An empirical investigation on companies listed on borsa istanbul 100 index. Journal of Accounting and Finance, 62, 145-164.

Al-Gamrh, B. A. & AL-Dhamari, R. A. (2016). Firm Characteristics and Corporate Social Responsibility Disclosure. International Business Management, 10 (18): 4283-4291.

Andrikopoulos, A., Samitas, A. & Bekiaris, M. (2014). Corporate social responsibility reporting in financial institutions: evidence from Euronext, Research in International Business and Finance, 32 (3), 27-35.

Artiach, T., Lee, D., Nelson, D., & Walker, J. (2010). The determinants of corporate sustainability performance. Accounting & Finance, 50(1), 31-51.

Banasik, E., Barut, M., & Kloot, L. (2010). Socially responsible investment: Labour standards and environmental, social and ethical disclosures within the SRI industry. Australian Accounting Review, 20(4), 387-399.

Barbu, E.M., Dumontier, P., Feleagă, N., & Feleagă, L. (2014). Mandatory environmental disclosures by companies complying with IASs/ IFRSs: The cases of France, Germany, and the UK. The International Journal of Accounting, 49(2), 231-247.

Belkaoui, A. & Karpik, P.G. (1989). Determinants of the corporate decision to disclose social information. Accounting, Auditing & Accountability Journal, 2 (1), 36-51.

Bhuyan, M., Lodh, S.C. & Perera, N. (2017). The effects of corporate social disclosure on firm performance: empirical evidence from Bangladesh. Accounting and Finance Association of Australia and New Zealand Conference, 1-36.

Braam, G.J.M., de Weerd, L.U., Hauck, M., & Huijbregts, M.A.J. (2016). Determinants of corporate environmental reporting: The importance of environmental performance and assurance. Journal of Cleaner Production, 129, 724-734.

Carini, C., & Chiaf, E. (2015). The relationship between annual and sustainability, environmental and social reports. Corporate Ownership and Control, 13(1CONT9), 771785.

Carroll, A. B. (1979). A Three-Dimensional Conceptual Model of Corporate Performance. Academy of Management Review.

Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. Business and Society.

Chan, C. & Kent, P.F. (2003). Application of stakeholder theory to the quantity and quality of Australian voluntary corporate environmental disclosures. AFAANZ 2003 Annual Conference, 57-57.

Christopher, T. & Filipovic, M. (2008). The extent and determinants of disclosure of global reporting initiative guidelines: Australian evidence. Journal of Contemporary Issues in Business and Government, 14 (2), 17-40.

Di Giuli, A., & Kostovetsky, L. (2014). Are red or blue companies more likely to go green?

Politics and corporate social responsibility. Journal of Financial Economics, 111(1), 158-180.

Dyduch, J. and Krasodomska, J. (2017). Determinants of corporate social responsibility disclosure: an empirical study of Polish listed companies. Sustainability, 9 (11), 19-34.

Elkington, J. (1997). Cannibals with Forks the Triple Bottom Line of 21st Century Business. Oxford: Capstone Publishing Ltd.

Freeman, R. Edward. (1984). Strategic Management: A Stakeholder Approach, Boston: Pitman Publishing Inc.

Gamerschlag, R., Möller, K., & Verbeeten, F. (2011). Determinants of voluntary CSR disclosure: empirical evidence from Germany. Review of Managerial Science, 5(2-3), 233-262.

Haniffa, R.M., & T.E. Cooke, (2005). The impact of culture and governance on corporate social reporting. Journal of Accounting and Public Policy, 24(5): 391-430.

Hibbitt, C.J. (2003). External Environmental Disclosure and Reporting by Large European Companies: An Economic, Social, and Political Analysis of Managerial Behaviour, unpublished doctoral thesis, Limperg Instituut, Amsterdam.

Huang, C.L. & Kung, F.H. (2010). Drivers of environmental disclosure and stakeholder expectation: evidence from Taiwan. Journal of Business Ethics, 96 (3), 435-451.

Iatridis, G.E. (2013), Environmental disclosure quality: Evidence on environmental performance, corporate governance and value relevance. Emerging Markets Review, 14, 55-75.

Ilinitch, A.Y., Soderstrom, N.S., & Thomas, T. (1998). Measuring corporate environmental performance. Journal of Accounting and Public Policy, 17(4-5), 383-408.

Issa, A. I. F. (2017). The Factors Influencing Corporate Social Responsibility Disclosure in the Kingdom of Saudi Arabia. Australian Journal of Basic and Applied Sciences, 11(10), 119.

Jansson, M., & Biel, A. (2011). Motives to engage in sustainable investment: A comparison between institutional and private investors. Sustainable Development, 19(2), 135-142.

Kassinis, G., & Vafeas, N. (2006). Stakeholder pressures and environmental performance. Academy of Management Journal, 49(1), 145-159.

Khojastehpour, M. & Johns, R. (2014). The effect of environmental CSR issues on corporate/brand reputation and corporate profitability. European Business Review, 26 (4), 330-339.

Kolk, A., Walhain, S. & Van de Wateringen, S. (2001). Environmental reporting by the Fortune Global 250: exploring the influence of nationality and sector. Business Strategy and the Environment, 10 (1), 15-28.

Loh, C.M., Deegan, C., & Inglis, R. (2015). The changing trends of corporate social and environmental disclosure within the Australian gambling industry. Accounting and Finance, 55(3), 783-823.

Ma, L.F. & Zhao, Y. (2009). Corporate social disclosure and determinants analysis in listed companies in China. Security Market Guide, 3, 3-9.

McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. Academy of Management Review, 26(1), 117-127.

Mohammad, A. G., Mohamad, N. R., & Ahmad, N. (2016). Board Characteristics and Corporate Social Responsibility Disclosure in the Jordanian Banks. Corporate Board: Role, Duties & Composition, 12 (1), 84 – 100.

Nakamura, E. (2014), Does environmental investment really contribute to firm performance? An empirical analysis using Japanese firms. Eurasian Business Review, 1(2), 91-111.

Ng, E. J., & Koh, H. C. (1994). An agency theory and probit analytic approach to corporate non-mandatory disclosure compliance. Asia-Pacific Journal of Accounting, 1(1), 29-44.

Nnubia, I. C., Anaike, C. L. & Mmadubuobi, L. C. (2023). Board Attribute and corporate Social responsibility disclosure: Evidence from Nigeria and South Africa. Open Access Journal of Social Sciences Research, 1(3), 1-20.

Nnubia, I. C., Anaike, C. L. & Onyeka, C. M. (2024). Board Attribute and corporate Social responsibility disclosure: An Empirical Analysis listed manufacturing companies in Nigeria. Journal of Global Interdependence and Economic sustainability, 2(3), 1-17.

Nnubia, I. C. & Ezenwa, E. A. (2016). Environmental Accounting for Sustainable Development in Nigeria. Journal of Accounting, Business and Social Sciences, 1(1), 323333.

Nnubia, I. C. & Omaliko, E. L. (2016). The Role of Accounting in Supporting Adaptation to Climate Change in Nigeria. De academia international journal of Science and Contemporary Studies, 2(1), 155-161.

Orij, R. (2007). Corporate Social Disclosures and Accounting Theories: An Investigation, European Accounting Association, Lisbon, 25-27.

Padgett, R. C., & Galan, J. I. (2010). The effect of R&D intensity on corporate social responsibility. Journal of Business Ethics, 93(3), 407-418.

Pagell, M., Wiengarten, F., & Fynes, B. (2013), Institutional effects and the decision to make environmental investments. International Journal of Production Research, 51(2), 427446.

Pandey S, Wu L, Guru SM, & Buyya R. (2010). A particle swarm optimization-based heuristic for scheduling workflow applications in cloud computing environments. InAdvanced information networking and applications (AINA), 2010 24th IEEE international conference on 2010 Apr 20 (400-407). IEEE.

Platonova, E., Asutay, M., Dixon, R. & Mohammad, S. (2018). The impact of corporate social responsibility disclosure on financial performance: evidence from the GCC Islamic banking sector. Journal of Business Ethics, 151 (2), 451-471.

Power, D., Klassen, R., Kull, T.J., & Simpson, D. (2015). Competitive goals and plant investment in environment and safety practices: Moderating effect of national culture. Decision Sciences, 46(1), 63-100.

Purushothaman, M. A. Y. A., Tower, G., Hancock, R., & Taplin, R. (2000). Determinants of corporate social reporting practices of listed Singapore companies. Pacific Accounting Review, 12(2), 101-133.

Reverte, C. (2009). Determinants of corporate social responsibility disclosure ratings by Spanish listed firms. Journal of Business Ethics, 88(2), 351-366.

Roberts, C.B., (1992). Environmental disclosures: A note on reporting practices in mainland Europe. Accounting Auditing Accountability J., 4(1), 62-71.

Rokhmawati, A., Sathye, M., & Sathye, S. (2015). The effect of GHG emission, environmental performance, and social performance on financial performance of listed manufacturing firms in Indonesia. Procedia-Social and Behavioral Sciences, 211, 461-470.

Rusdianto, U. (2013). CSR Communications - A Framework for PR Practitioners. Yogyakarta: Graha Ilmu.

Salehi, M., Tarighi, H. & Rezanezhad, M. (2017). The relationship between board of directors' structure and company ownership with corporate social responsibility disclosure: Iranian angle", Humanomics, 33 (4), 398-418.

Salehi, M., Tarighi, H. & Safdari, S. (2018). The relation between corporate governance mechanisms, executive compensation and audit fees: evidence from Iran. Management Research

Samy, M., Odemilin, G. & Bampton, R. (2010). Corporate social responsibility: a strategy for sustainable business success – an analysis of 20 selected British companies", Corporate Governance: The International Journal of Business in Society, 10 (2), 203-217.