DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON BREWERY FIRMS IN NIGERIA

ABADA UCHECHUKWU DANIEL (ACIB, ANIM, FCAI)
Department of Banking and Finance
Madonna University, Okija Campus
Nigeia
ucheabada@yahoo.com**, +2348023862353**

&

OKUMA NWACHUKWU CAMILLUS
Department of Banking and Finance
Madonna University, Okija Campus
Nigeria
Okumanc73@gmail.com**, +2348034076419**

Abstract
The study examined the determinants of Corporate Social Responsibility Disclosure on Brewery Firms in Nigeria. To be specific, the study examined the influence of firms' Size, and Return on Assets on Corporate Social Responsibility Disclosure (CSRD) of breweries in Nigeria. The study covered a period of 5 years i.e.2012 – 2015. The data for the study were sourced from the annual reports of listed breweries on Nigerian Stock Exchange (NSE). The application of Descriptive statistics and multiple regression analysis were considered suitable for the study. The findings of the study revealed that all the variables examined have significant and positive influence on Corporate Social Responsibility Disclosure. It was concluded that Corporate Social Responsibility Disclosure contributes greatly to a healthy economic and social life of the community.

Key words: Breweries, firm size, return on assets, corporate social responsibility disclosure.

Introduction
orporate Social Responsibility Disclosure is a medium through which business organization provide information to stakeholders about the activities in their environment. These activities may include economic responsibility of profit, the legal responsibility of the firm to comply to laws, ethics obligations to act on social classes and also the philanthropic responsibility to promote actions that promote social welfare. (Caroll, 1999).
Corporate Social Responsibility Disclosure (CSRD) is therefore a key tool for achieving effective communication of a company's social and environmental responsibility activities to stakeholders. It communicates the social and environmental effects of organizations' economic actions to particular groups within the society and the society at large (Mohammed, Saheed and Oladele, 2016).However, there is no global standard definition of corporate social responsibility, nor a definitive list of issues it encompasses. The most after cited definitions share a common theme: meeting legal requirements and broader expectations of stakeholders in order to contribute to a better society through actions in the workplace, market place and local community and through public policy advocacy and partnerships (Maya, Zadek, Guang , Yu, Hong and George ,2010).
Despite these different perspectives, there was broad recognition that corporate social responsibility often starts with charitable donations, the problems and opportunities for sustainable development which require a business contribution to solving social environmental and governance issues that goes beyond the bounds of charity'.
Corporate Social Responsibility Disclosure can be seen as a firm's strategy to create value by building trust or managing their reputation among their stakeholders. Business are after aware of and concerned about the impact of their activities on the environment, communities, employees and other relevant stakeholders.

Breweries in Nigeria have realized the potential benefits of being involved in Corporate Social Responsibility activities and have adopted disclosure guidelines for their businesses in order to report their Corporate Social Responsibility activities. They engage in CSR activities for several reasons which range from Philanthropy to conformity with institutional pressures from the external environment and explicit return benefits such as financial gains and stronger reputation (Lee & Shin, 2010).

Corporate Social Responsibility Disclosure in Nigerian brewing sector needs studying as it will provide a way to understand Corporate Social Responsibility performance which has the potential to lead to positive social change by reducing poverty and increasing business practices in Nigeria.

The objectives of the study are to:
- Evaluate the influence of firm size on Corporate Social Responsibility Disclosure of listed Breweries in Nigeria
- Determine the influence of Return on Assets on Corporate Social Responsibility Disclosure of Breweries in Nigeria.

This study is guided by the following questions:
- To what extent does firm size influence Corporate Social Responsibility Disclosure of Breweries in Nigeria?
- To what extent does Return on Assets influence Corporate Social Responsibility Disclosure of breweries in Nigeria

Statement of Hypothesis
In line with the objectives, the following hypotheses are formulated:
i. Firm size has no significant influence on Corporate Social Responsibility Disclosures of Breweries in Nigeria.
ii. ROA has no significant influence on Corporate Social Responsibility Disclosures of Breweries in Nigeria.

The study assessed the financials/Annual reports of listed breweries on Nigerian stock exchange with particular interest on their Corporate Social Responsibility disclosures from 2012 - 2016. 2012 was used as the take off year as that was the year of IFRS implementation in Nigeria.

Review of Related Literature
Conceptual Review
Corporate social responsibility disclosure has been in the spotlight for some years. Numerous scandals which occurred as a result of partial or non disclosure such as those involving Enron, Tyco, WorldCom etc shook the capital markets in developed countries (Alhazaimeh, Palaniappan & Almsafir, 2014).

According to Jerkins & Yakavlena, 2005) Corporate Social Responsibility Disclosure is a key tool for achieving effective communication of a company's social and environmental responsibility activities to stakeholders. It is also a medium through which companies inform their stakeholders the extent to which they have responded to social and environmental concerns through such media of disclosure as: annual reports, advertisements, or articles published detailing a company's activities; press releases etc.

Concept of Corporate Social Responsibility
Corporate Social Responsibility is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It is a broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Its purpose mainly is to drive change towards sustainability. According to Barnett and Salomon (2006), socially responsible companies enjoy some benefits such that:
- It is easier to attract resources;
- It can obtain quality employees;
- It is easier to market products and services;
- It can create unforeseen opportunities; and
- It can be an important source of competitive advantage.

It was also observed by Skare &Golja (2014) that a bigger share of socially responsible firms in an economy is related to higher economic growth. Thus, Corporate Social Responsibility is a significant determinant of economic growth at the level of an economy.

Theoretical framework
The theoretical framework that applies to this study is Contingency theory.
This is an organizational theory that claims that there is no best way to organize a corporation to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation.

According to Scott (1981) who described contingency theory in the following manner: "The best way to organize depends on the nature of the environment to which the organization must relate". Management and organization is an "open system" which embraced anomalies or challenges every now and then, which requires 'adaptable' and situational solution in order to overcome or solve the issue concerned.

Research Methodology
The research design adopted in this study is the Ex-post facto research design. This design is appropriate because it seeks to determine the extent of the association between the variables and to draw inferences. Such inferences concerning the relationship between the variables involved can then be used for purposes of prediction, in this case, the determinants of corporate social responsibility on Nigerian brewing industry.
The population of the study therefore is the Consumer Goods sector of the Nigerian capital Market while the sample size of the study is the determinants of Corporate Social Responsibility Disclosure on Nigerian Brewing Industry. The sample used here was drawn from raw data extracted from the annual reports of the various breweries listed on Nigerian Stock Exchange.

Model Specification
The Multiple Regression Model is represented as;
$$Y' = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mathcal{E}_t$$

The Model above has been explicitly expressed thus:

$$CSR_t = \beta_0 + \beta_1 FS_t + \beta_2 FA_t + \beta_3 ROA_t + \beta_4 LEV_t + \mathcal{E}_t$$

Where, CSR = *Corporate Social Responsibility Measured using the CSR*
                        Disclosure index
FS = *Firm Size measured using natural log on total assets*
ROA = *Return on Assets measured using profit after tax divided*
                        by number of ordinary shares
β_0 = Y-Intercept
$\beta_{1 - } \beta_4$ = *Slope of the coefficient*
$\mathcal{E}$ = error term

Description of Variables in the Model

Variable Names	Abbr.	Measurements

Dependent Variables		
Corporate Social Responsibility	CSR	CSR Disclosure Index
Independent Variables		
Firm size Return on Assets Cash Flow	FS ROA CF	Natural log on Total Assets Profit after tax/no. of ordinary shares Total Debt Total Assets Cash from operation Sales

Data Presentation
Champion Breweries Plc.
Series Data of the Variables – Champion Breweries Plc.

Year	CSR(₦m)	FS(₦m)	ROA(₦m)
2012	0	5978441	-2323933.7
2013	0	8125302	-2084857.8
2014	0	8053408	-1279256.6
2015	0	8043594	299328.916
2016	0	7794985	820824.096

Source: *Author's Computation from Annual Report and Accounts, 2016.*
In Table 2, the time series data indicate that the focal and explanatory variables which are corporate social responsibility, firm size and return on assets have some level of linearity among them. This linearity or otherwise has been revealed in subsequent analysis.

Log Transformation of the Time Series Data of the Variables -Champion Breweries Plc.

Year	CSR(₦m)	FS (₦m)	ROA (₦m)
2012	0	6.776588	
2013	0	6.90984	
2014	0	6.90598	
2015	0	6.90545	5.476149
2016	0	6.891815	5.91425

Source: *Author's Computation from Annual Report and Accounts, 2016.*
In Table 3, the time series data show the log transformation of the series; corporate social responsibility, firm size and return on asset. This was done in order to control the large variances in the variables and made the data fit for additional analysis.

Descriptive Statistics of the Variables - Champion Breweries Plc.

	CSR	FS	ROA
Mean	1.000000	6.877935	5.651389
Median	1.000000	6.905450	5.476149
Maximum	1.000000	6.909840	5.914250
Minimum	1.000000	6.776588	5.476149
Std. Dev.	0.000000	0.057064	0.239958
Skewness	NA	-1.448376	0.408248
Kurtosis	NA	3.175792	1.166667
Jarque-Bera	NA	1.754600	0.839120
Probability	NA	0.415904	0.657336
Sum	5.000000	34.38967	28.25695
Sum Sq. Dev.	0.000000	0.013025	0.230319
Observations	5	5	5

Source: *Author's Computation from Annual Report and Accounts, 2016.*
Guinness Nigeria Plc.
Time Series Data of the Variables – Guinness Nigeria Plc.

Year	CSR(₦m)	FS(₦m)	ROA(₦m)
2012	139,900	102534172	39172770

2013	40,154	88822002	31312362
2014	11,406	91488232	21505081
2015	11,207	88735120	19742323
2016	67,985	89122609	-4321135.9

Source: *Author's Computation from Annual Report and Accounts, 2016.*

In Table 5, the time series data indicate that the focal and explanatory variables which are corporate social responsibility, firm size and return on asset have some level of linearity among them. This linearity or otherwise has been revealed in subsequent analysis.

Log Transformation of the Time Series Data of the Variables – Guinness Nigeria Plc.

Year	CSR(₦m)	FS (₦m)	ROA (₦m)
2012	5.145818	8.010869	7.592984
2013	4.603729	7.948521	7.495716
2014	4.057133	7.961365	7.332541
2015	4.049489	7.948096	7.295398
2016	4.832413	7.949988	

Source: *Author's Computation from Annual Report and Accounts, 2016.*

In Table 6, the time series data show the log transformation of the series; corporate social responsibility, firm size and return on asset. This was done in order to control the large variances in the variables and made the data fit for additional analysis.

Descriptive Statistics of the Variables - Guinness Nigeria Plc.

	CSR	FS	ROA
Mean	54130.40	92140427	21482280
Median	40154.00	89122609	21505081
Maximum	139900.0	1.034708	39172770
Minimum	11207.00	88735120	-4321136.
Std. Dev.	53412.33	5919683.	16419715
Skewness	0.869121	1.373069	-0.675551
Kurtosis	2.339015	3.056151	2.367129
Jarque-Bera	0.720497	1.571756	0.463751
Probability	0.697503	0.455719	0.793045
Sum	270652.0	4.612308	1.074208
Sum Sq. Dev.	1.142310	1.401214	1.088715
Observations	5	5	5

Source: *Author's Computation from Annual Report and Accounts, 2016.*

Regression Analysis Results - Guinness Nigeria Plc.
Dependent Variable: CSR
Method: Least Squares
Date: 12/08/17   Time: 17:09
Sample: 2012 2016
Included observations: 5

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FS	8.924565	2.997130	2.977703	0.0063
ROA	-4.666659	1.354322	-3.445752	0.0098
R-squared	0.973598	Mean dependent var		4.537716
Adjusted R-squared	0.894394	S.D. dependent var		0.482265
S.E. of regression	0.156722	Akaike info criterion		-0.878123
Sum squared resid	0.024562	Schwarz criterion		-1.190573
Log likelihood	6.195308	Hannan-Quinn criter.		-1.716707
Durbin-Watson stat	2.557078			

Source: *Author's E-views Output, 2017.*

In table 8, the regression result indicates that corporate social responsibility is influenced by firm size and return on asset. The extent of the influence exerted on corporate social responsibility by firm size is significant and positive. While return on asset exerts a significant and negative effect on corporate social responsibility. This implies that a unit decrease in return on asset will lead to an increase in corporate social responsibility of Guinness Nigeria Plc. This was evidenced at 5 per cent level of significance at a p-value of 0.0063 and 0.0098 for firm size and return on asset respectively.

Descriptive Statistics of the Variables – Industry Data

	CSR	FS	ROA
Mean	4.845704	7.656879	6.839423
Median	5.014786	7.736454	6.704951
Maximum	5.316377	8.476001	7.951338
Minimum	3.886491	6.776588	5.476149
Std. Dev.	0.425383	0.598474	0.911693
Skewness	-1.076449	-0.067686	-0.291138
Kurtosis	3.011539	1.589265	1.742743
Jarque-Bera	3.862589	1.673750	1.599782
Probability	0.144960	0.433062	0.449378
Sum	96.91408	153.1376	136.7885
Sum Sq. Dev.	3.438063	6.805263	15.79252
Observations	20	20	20

Source: ***Author's Computation from Annual Report and Accounts, 2016.***
  Regression Analysis Results – Industry Data

Dependent Variable: CSR
Method: Panel Least Squares
Date: 12/10/17   Time: 11:06
Sample: 2012 2016
Periods included: 5
Cross-sections included: 4
Total panel (balanced) observations: 20

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FS	3.014973	0.719126	4.231398	0.0185
ROA	2.651384	0.448628	6.022749	0.0171
C	1.302984	2.314192	0.563040	0.5817
R-squared	0.810150	Mean dependent var		4.845704
Adjusted R-squared	0.700477	S.D. dependent var		0.425383
S.E. of regression	0.425484	Akaike info criterion		1.341141
Sum squared resid	2.715555	Schwarz criterion		1.590074
Log likelihood	-8.411412	Hannan-Quinn criter.		1.389736
F-statistic	0.997735	Durbin-Watson stat		1.129210
Prob(F-statistic)	0.439089			

Source: *Author's E-views Output, 2017.*

In table 10, the regression result indicates that corporate social responsibility is influenced by firm size and return on asset. The extent of the influence exerted on corporate social responsibility by firm size and return on asset are significant and positive. This was evidenced at 5 per cent level of significance at a p-value of 0.0185 and 0.0171 for firm size and return on asset respectively.

Test of Hypothesis One

Restatement of the Hypothesis in Null and Alternate forms:

Ho₁: Firm Size has no significant and positive influence on corporate social responsibility disclosure of Breweries in Nigeria

Ha₁: Firm Size has significant and positive influence on corporate social responsibility disclosure of Breweries in Nigeria

Decision Rule

Reject the null hypothesis (H_0), if the p-value of the t-statistics is less than 0.05. Otherwise accept the null hypothesis and reject the alternate hypothesis.

Presentation and Analysis of Result

Table 11: Result of the Regression for Hypothesis One

Dependent Variable: CSR
Method: Panel Least Squares
Date: 12/10/17   Time: 10:54
Sample: 2012 2016
Periods included: 5
Cross-sections included: 4
Total panel (balanced) observations: 20

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FS	4.863541	1.286484	3.780492	0.0014
C	-0.002330	0.167531	-0.013905	0.9891
R-squared	0.900011	Mean dependent var		4.845704
Adjusted R-squared	0.805544	S.D. dependent var		0.425383
S.E. of regression	0.437037	Akaike info criterion		1.277042
Sum squared resid	3.438026	Schwarz criterion		1.376615
Log likelihood	-10.77042	Hannan-Quinn criter.		1.296480
F-statistic	0.000193	Durbin-Watson stat		0.797839
Prob(F-statistic)	0.989059			

Source: *Author's E-views Output, 2017.*

The regression result indicates that corporate social responsibility is influenced by firm size. The extent of the influence exerted on corporate social responsibility by firm size is significant and positive. This was evidenced at 5 per cent level of significance at a p-value of 0.001. This implies that an increased firm size is highly probable to enhancing corporate social responsibility for any of the sampled firm.

Decision
The P-Value of 0.0014 for firm size is less than a-value of 0.05; H_0 is therefore rejected and the alternate hypothesis accepted. However the study concludes that firm size has significant influence on corporate social responsibility disclosure of Breweries in Nigeria

Test of Hypothesis Two
Restatement of the Hypothesis in Null and Alternate forms:
Ho$_1$: Return on Assets has no significant and positive influence on CSRD of Breweries in Nigeria
Ha$_1$: Return on Assets has significant and positive influence on CSRD of Breweries in Nigeria
Decision Rule
Reject the null hypothesis (H_0), if the p-value of the t-statistics is less than 0.05. Otherwise accept the null hypothesis and reject the alternate hypothesis.
Presentation and Analysis of Result
Table 12: Result of the Regression for Hypothesis Three
Dependent Variable: CSR
Method: Panel Least Squares
Date: 12/10/17   Time: 11:01
Sample: 2012 2016
Periods included: 5
Cross-sections included: 4
Total panel (balanced) observations: 20

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ROA	5.149160	0.755052	6.819610	0.0000
C	-0.044369	0.109477	-0.405279	0.6900
R-squared	0.609043	Mean dependent var		4.845704
				0.425
Adjusted R-squared	0.546011	S.D. dependent var		4.383
S.E. of regression	0.435059	Akaike info criterion		1.267969
Sum squared resid	3.406974	Schwarz criterion		1.367542
Log likelihood	-10.67969	Hannan-Quinn criter.		1.287407
F-statistic	0.164251	Durbin-Watson stat		0.795546
Prob(F-statistic)	0.690049			

Source: *Author's E-views Output, 2017.*
The regression result indicates that corporate social responsibility is influenced by return on asset. The extent of the influence exerted on corporate social responsibility by return on asset is significant and positive. This was evidenced at 5 per cent level of significance at a p-value of 0.0000. This implies that an increased return on asset is highly probable to enhancing corporate social responsibility for any of the sampled firm.

Decision
The P-Value of 0.0000 for return on asset is less than a-value of 0.05; H_0 is therefore rejected and the alternate hypothesis accepted. However the study concludes that return on asset has significant influence on corporate social responsibility disclosure of Breweries in Nigeria

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS
Based on the outlined findings, requisite conclusions and recommendations were made.
Findings arising from this research were summarized as follows:
1. Findings from hypothesis one revealed that corporate social responsibility is influenced by firm size. The extent of the influence exerted on corporate social responsibility by firm size is significant and positive. This implies that the firm size is one of the key determinant to corporate social

responsibility. The adjusted R^2 is 0.805544 and this reveals that about 80% of the frequencies in corporate social responsibility disclosure was made by big sized firms.

2.	Findings from test of hypothesis two reveals corporate social responsibility disclosure is influenced by return on assets. The extent of the influence exerted on corporate social responsibility disclosure by return on assets is significant and positive. This implies that a unit increase in return on asset will exert a corresponding increase corporate social responsibility disclosure of the sampled brewing firms in Nigeria. The adjusted R^2 is 0.546011 and this reveals that about 54% of the variations in corporate social responsibility disclosure could be explained by return on assets while 46% could be explained by other factors.

This study identifies the determinants of corporate social responsibility disclosure by breweries in Nigeria. The study portray that corporate social responsibility contributes greatly to a healthy economic and social life in the community. A company has to give back to the society in which it operates, clean up all forms of pollution it has caused in its course of operation and also provide infrastructural facilities to the society as a way of giving back and developing the society. A company cannot progress positively in a retrogressing society. Hence, based on the findings of this research, it was concluded for the period under review that firm size and returns on assets have significant and positive impact individually on the social corporate responsibility disclosure.

In view of the findings above, this study recommends that:

1.	Brewing industries should endeavour to increase their firm size so as to increase corporate social responsibility knowing the positive externality attached for such positive step.
2.	Management of brewing industries should strive to increase their return on asset since it has a positive impact on the corporate social responsibility.

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