Corporate Social Responsibility Disclosure and Firm Financial Performance

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Abstract
This study examines corporate social responsibility disclosure and firm financial performance. The secondary source of data collection was adopted in the study. The purposive sampling technique was used to select a sample size of twelve (12) listed deposit money banks in Nigeria. Ordinary Least Square regression analysis was used in this study. The findings revealed that employee relation disclosure has no significant effect on the firm performance of listed deposit-taking banks in Nigeria and that local community relation disclosure has a substantial impact on the strong financial performance of listed deposit-taking banks in Nigeria. The study concluded that corporate social responsibility activities have become the optimum solution to integrate moral principles in the banking world, which suggests that it is an increasingly important issue and has seen greater integration in the business world. The study recommended, among others, that more funds should be allocated for social donations and giftings to further drive the relevance and rationale of corporate social responsibility and that while corporate social responsibility is extended to the community at large, employees of banks should not be left behind as deliberate incentives should be provided periodically.

Keywords: *Corporate social responsibility disclosure, social donation and giftings, employee relation disclosure, local community relation disclosure*

1.0 Introduction

The environment in which organizations operate is dynamic, complex, and uncertain. As such, when conducting their daily business, they have to keep the interests of the general public in mind. Organizations have an impact on society and have a symbiotic relationship with the communities in which they are located. Because of this mutual dependence, organizations are expected to support one another. Organizations rely on society for personnel, security, and the purchase of their goods and services; community, on the other hand, expects them to contribute socioeconomically to the advancement of their surroundings. But only if they live up to each other's expectations will they have a harmonious relationship (Uwuigbe & Uadiale, 2016).

As a global phenomenon, corporate social responsibility (CSR) investment has been a successful corporate governance concept and management strategy in most multinational corporations (Amin-Chaudhry, 2016). Because of the industrial growth and economic prosperity of many countries, it continues to draw the attention of a large number of academics, economists, governmental and non-governmental organizations, and the general public (Uadiale & Fagbemi, 2012; Uwuigbe & Uadiale, 2016). Research has demonstrated that CSR investments have the potential to positively impact both business and societal development (Hategan & Curea-Pitorac, 2017). Essentially, more companies are starting to realize how beneficial it is to establish a strategic CSR agenda (Chaudhary, 2017; Famiyeh, 2017).

All stakeholders, including the government, the corporate organization, and the general public, view corporate social responsibilities (CSR) as a very relevant and contemporary issue. The public contended that having the privilege to donate to society through CSR carried out by other stakeholders is sufficient justification for having paid taxes and upheld other civil rights. Generally speaking, though, businesses that actively work to be socially responsible are seen as benefiting society and themselves; that is, businesses gain from their improved reputation, and community benefits from the social projects that businesses carry out. However, in the present era, companies are now actively involved in CSR after realizing the advantages and favorable return on their investment; this initiative has had a positive and profitable impact on society (Osisioma, Nzewi & Nwoye, 2015).
Businesses are starting to realize how important it is to uphold and contribute to society's values, as doing so will benefit the organization. But in recent years, firms have been forced to develop innovative strategies to fortify their corporate identities and win over stakeholders' moral sensibilities. Corporate social investment has successfully enhanced the public perception and financial performance of forward-thinking companies that currently disclose their CSR activities on their websites and annual financial reports (Lawal & Brimah, 2012).

2.0 REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Corporate Social Responsibility

Abeysinghe and Basnayake (2016) defined corporate social responsibility disclosure as a tool stakeholders use to assess corporate social performance. Nonetheless, Gautam, Singh, and Bhowmick (2016) contend that businesses reveal their CSR initiatives to meet goals and serve the interests of their stakeholders; these reports are typically presented as sustainability, corporate citizenship, or CSR reports.

Corporate social responsibility (CSR), according to Ekwe (2012), is a framework that encompasses all parties involved, including employees, clients, present and potential investors, communities, and governments. Corporate Social Responsibility (CSR) is defined by the World Business Council for Sustainable Development as the ongoing commitment made by businesses to act morally, promote economic growth, and enhance the standard of living for employees and their families, as well as the local community and society. This definition is comprehensive and fits many contexts. While in the past, the primary goal of business organizations was to maximize profits, companies now view maintaining corporate reputation and appropriate performance as critical organizational goals.

A crucial instrument for successfully informing stakeholders about a company's social and environmental responsibility initiatives is corporate social responsibility disclosure or CSRD. CSRD is the process of informing specific societal groups and the general public about the social and environmental repercussions of an organization's economic decisions (Onyinyechi & Ihendinihu, 2016). It serves as a channel by which businesses tell their stakeholders how much they have done to address social and environmental issues. Examples of disclosure tools include annual reports, booklets outlining the company's social activities, community development reports, environmental reports, product labeling that promotes ecological and other concerns, press releases, interim reports produced as supplements to the annual reports, websites, and video cassettes.

In general, there hasn't been much agreement on corporate social responsibility (CSR) (Wahba & Elsayed, 2015). The measurement and communication of data about how an enterprise's operations affect society and the environment are two of social accounting's primary characteristics. The voluntary aspect of corporate social responsibility (CSR) is its fundamental component, surpassing legal requirements, externality management, and the focus on multiple stakeholders. In terms of functionality, CSR guarantees corporate and environmental sustainability by acting as a proper strategic framework.

From a more dynamic perspective, corporate social responsibility (CSR) is understood as the triple bottom line – people, planet, and profit – which encompasses a broader range of values and standards for determining an organization's success. Nonetheless, divergent views on the significance of corporate social responsibility (CSR) in business operations have surfaced. For example, neoclassical economists advanced the idea that businesses should focus more on providing their clients with high-quality products and services, cutting expenses, and increasing profits—all while abiding by local laws and regulations (Ekundayo & Odhigu, 2016). The stance of neoclassical economists explicitly offers businesses a reasoned foundation on which to voluntarily participate in corporate social responsibility (CSR) to reap certain advantages from both their host community and society at large.

2.1.2 Corporate Social Responsibility (CSR) and Financial Performance

In general, a growing body of research indicates that companies may gain from CSR initiatives in both financial and non-financial ways (Famiyeh, 2017). The enlightened shareholder approach is the term used to characterize this viewpoint. It implies that to optimize long-term financial returns, corporate decision-makers need to take a variety of social and environmental factors into account. The business case for the CSR agenda has, nevertheless, drawn a lot of discussion and criticism. Critics of corporate social responsibility (CSR) contend that CSR is merely window dressing that distracts from the core economic role of businesses. In contrast, proponents of CSR argue that businesses would gain numerous benefits from operating with a

CSR perspective that is longer and broader than their own immediate, short-term profits (Olayinka & Olayiwola, 2017).

Wabara, Chijindu, and Emerole (2017) examined the potential relationship between social performance and financial performance in the banking industry using a sample of banks from both domestic and foreign banks. The study's findings did not reveal statistically significant evidence for a positive or negative correlation between social and financial performance. Uadiale and Fagbemi (2012) looked at how CSR affected the bottom line of a few listed Nigerian companies. The investigation's findings indicated that CSR positively affects a company's return on assets (ROA) and equity (ROE). They maintained that by funding CSR initiatives, businesses in Nigeria could improve their standing and generate higher profits. Therefore, a CSR agenda to Nigerian firms could improve their reputation, particularly for companies whose operations have a negative environmental impact.

The study conducted by Famiyeh (2017) investigated the relationship between corporate social responsibility (CSR) initiatives and the performance of Ghanaian firms. The findings indicated a positive correlation between the CSR initiatives of Ghanaian firms and their operational competitive performance, which includes cost, quality, flexibility, delivery performance, and overall performance. Additionally, Famiyeh showed that, in the Ghanaian business environment, competitive operational capabilities in terms of cost and flexibility would drive firms' overall performance. At the same time, delivery and quality would have little to no bearing on the firms' overall performance. Hategan and Curea-Pitorac (2017) discovered robust statistical evidence indicating a positive correlation between corporate social responsibility (CSR) initiatives and financial performance metrics of Romanian-listed companies. It is clear from these studies that three main lines of research relate to the connection between the financial performance of businesses and their CSR initiatives. The findings of Uadiale and Fagbemi (2012) list these as follows: (1) a positive correlation exists between CSR and financial results; (2) there is no correlation noted; and (3) there is a negative correlation observed. A firm's investment in CSR may theoretically lead to increased financial benefits through various other benefits like corporate reputation and brand image, customer loyalty, cost reductions, operational flexibility, and competitive advantage. This is supported by the literature's reported positive correlation between CSR and financial performance. According to Wahba and Elsayed (2015), a company's investment in CSR increases organizational capabilities and reputational capital, both of which help the company gain a competitive edge and financial boost. Therefore, it is possible to conclude that participating in CSR activities has more benefits than costs. However, the literature's findings of a negative correlation between CSR and financial performance could be read as supporting the conventional wisdom regarding CSR. It maintains that it is expensive because it requires additional costs to be socially conscious. Additionally, detractors contend that companies' participation in CSR is merely window dressing intended to avert governments' oversight of large, powerful multinational corporations (Testa & D'Amato, 2017).

2.1.3 Social Donation and Gifting

Donation is one of the corporate practices that help to enhance the image of the organization, thereby leading to its acceptability. Adeneye and Ahmed (2015) identified 35 areas in which corporate social responsibility can be disclosed. One of them is cash donations by the organization. CSR programs can take many forms, such as diversity initiatives, recycling programs, the use of green materials, support of community events, and donations of money to charitable causes. To get a competitive advantage over competitors and gain corporate image, companies have used donations as part of their CSR strategies. DonationsAccording to him, donation can be one-timea one-time and continuous donation; "One-time CSR costs include one-time donations such as the donations granted to support the Tsunami victims in 2004. One-time CSR costs include investment costs,, e.g., for installing smoke filters that are beyond legal requirements, and other one-time costs caused by the CSR activities in scope. Continuous CSR costs include donations intended to continuously support a certain cause and fees such as license fees to use certain labels or patents, which are paid continuously". Firm donation amounts do indeed improve campaign participation intentions. Further, the effects were fully mediated by consumer inferences. Donations can be monetary (Cash Donations) or non-monetary such as food,, clothing, houses, relief materials, etc.

Donations ought to be noted in the business's general ledger, much like any other significant financial transaction. The public ledger assists in keeping all of those essential transactions in one location, regardless of whether money is coming in or going out (Lewis, 2016). "Contributions shall be recognized as expenses in the period made and as decreases of assets or increases of liabilities depending on the form of the benefits given," states Statement of Financial Accounting Standards No. 116. For instance, giving away merchandise that is kept on hand for sale is recorded as a decrease in inventory and a contribution expense; likewise, cash contributions made without conditions are recorded as payables and contribution expenses. Contributions shall be measured at the fair value of the assets given or, if made in the form of a settlement or cancellation of a donee's liabilities, at the fair value of the liabilities canceled".

2.1.4 Employee Relation

Workers are the most essential part of an association. Their obligations towards workers incorporate convenient installment, a hygienic environment, tremendous and unbiased conduct, and urging them to join in administrative choices. Favorable workplaces i.e., make accessible advanced working instruments and hardware, ventilated workplaces, fantastic base, wellbeing and security gear at the work environment, and so forth because the representatives of a business association render administrations. They likewise include in the generation of products or administrations which the business association offers. In this way, chiefs should try to get the correct gauge of laborers in the workforce (Manukaji, Osisioma & Okoye, 2019).

From the accessible benefit, the state is qualified for a specific offer according to the wage charge laws. Most extreme straightforwardness must be applied regarding the use &loss account and the asset report. As dependable corporate substance or native, organizations ought to guarantee that they agree to the laws and directions endorsed by administrative powers. Help the government in financing and advancing social exercises, for example, supporting games programs, commitments towards fighting illnesses, e.g. Helps, and so on since the Nigerian government has indicated enthusiasm for the private area of the economy and this they do by controlling the exercises of every single profitable association to open intrigue and strengthening laws and setting up offices or administrative bodies to guarantee that these laws are held fast to. They have become a business defender through keeping up local peace and security.

Organizations are to defend the shareholders' speculation and endeavor to give a sensible profit for their venture. The essential enthusiasm of shareholders is how the business is fighting. The representing structure of any experience permits shareholders to impact an organization by practicing their voting rights. Hence, organizations ought to guarantee safe ventures through great and sound administration.

Purchasers are those individuals and associations that purchase the association's items and administrations. They, like this, trade assets, as a rule, in type of cash. Their support controls the achievement or disappointment of any association. They decide to offer strategies that ought to be utilized by the association in showcasing the association's items or administrations in the business sector. Potential clients and economic situations are broken down by promoting supervisors. That is the reason they guarantee that their item quality is top-notch, promptly accessible at appropriation, and costs are less with the goal that contenders won't have an edge over them in the business sector.

2.1.5 Local Community Relation

The issue of Corporate Social Responsibility (CSR) implementation in banks is considered vital due to its persistent influence on society. Although the banking sector, when compared with other sectors like manufacturing, petroleum, and other extractive organizations, does not assertively impact negatively on the environment, there is an increasing desire for corporate social responsibility from banks because of its relevance to the socio-economic growth of any nation (Ekundayo & Odhigu, 2016).

In Nigeria, many reasons can be adduced to justify the need for the upsurge in social responsibility implementation, especially by banks. Firstly, the community and its business sector have a symbiotic relationship. They are interdependent and should reinforce one another. Since banks form part of society, society should also be concerned about the wellbeing of the banks' business in the same way banks should be concerned about societal welfare. Secondly, banks derive numerous benefits from their community; Nigeria's financial sector has witnessed tremendous growth in the past ten financial years (2005-2014) post-consolidation predicated largely on the consolidation of banks and which has led to increased investor confidence in the local markets and stimulated the economy within a relatively stable political atmosphere that is evident in commendable Compounded Annual Growth Rates in assets (CAGR) and posting of huge profits. These are outcomes of banks' dependence on society for their labour force, clients, and customers.

Thirdly, it is a fact that banks are regulated by certain guidelines that they must comply with, or they become defaulters and thus socially irresponsible. This is coupled with the belief that the economic activities of banks at times have undesirable effects on host communities, including but not limited to rising incidence of armed bank robbery, hostage taking or kidnapping of bank workers, and traffic logjam in areas where banks are located (often occasioned by bullion vans which flaunt traffic rules and the use of numerous obstructive items to stop motorists from packing their vehicles close to bank premises). It should also be stated that some bank equipment poses particular risk to the environment. Such kit includes satellite masts which cause severe health hazards due to the cancerous effects of radio frequency radiations (RFR), noise cum vibrations, and carbon monoxide (fume) emissions from energy-generating plants. The latter may result in human unconsciousness, tissue damage, and in some cases, death. Finally, depositor's vulnerability to loss of hard-earned funds in times of distress, mergers, and acquisition of banks, as witnessed recently, are reasons why banks should be concerned about proactive CSR (Olayinka and Olayiwola, 2017).

Corporate social responsibility is familiar in Nigeria due to the long belief that organizations are responsible for contributing something back to the communities where they operate. In the past, specificfirms had executed certain programs to 'give something back' to host communities, especially in the petrochemical industry.

However, it is the incorporation of CSR implementation into organizations corporate strategy that is relatively new. The concept of CSR is commonly seen and executed as corporate philanthropy by companies in Nigeria at the moment, as cash donations and corporate gifts such as drinkable water, educational support, public infrastructure, medical and security aids, household items, clothing, and food items, etc. are mostly aimed at addressing socio-economic development challenges which confronted by civil society groups in the host communities and society, in general, have advocated. This is what is excused by observers as an entry model to CSR. However, there is limited government regulation to ensure sustainable, socially responsible behavior (Elif and Halil, 2017).

2.2 Theoretical Framework

Human capital, shareholder, and stakeholder theories are relevant to this study. However, this study is anchored on stakeholder theory. According to this theory, more is needed for organizations to focus exclusively on satisfying only equity holders or business owners but also consider another group of individuals who can undermine its performance by their actions. While views about CSR continue to alternate between these two extremes, this study is anchored on the stakeholder theory. This is mainly because, in as much as banks are expected to give back to the society they operate in, CSR expenditure should be done based on the banks' good financial position and availability of free resources to cater to the needs of both the owners and other stakeholders.

Stakeholder theory focuses on the relationship between a group of individuals who can affect or be affected by the achievement of the organizations' objectives (Ekwe M. C. (2012). Ekwe (2012)) is one of the foremost advocates of this theory and asserts that managers must satisfy a variety of constituents who are referred to as stakeholders (e.g. investors and shareholders, employees, customers, suppliers, government and competitors). A stakeholder is a person or a group that has/have, or claim(s) ownership rights or interest in an organization and its past, present, or future activities. Such claimed rights or interests result from actions taken by the organizations and may be legal or moral, individual or collective. Stakeholder includes both human and non-human entities. He argued that the non-human or natural environment can be integrated into the stakeholder management concept since the natural environment is one of the essential components of the business environment.

2.3 Empirical Review

2.3.1 Social donation and giftings and firm financial performance

Agubata *et al*. (2021) examined the relationship between corporate social responsibility disclosure and money deposit banks' performance on the Nigerian Exchange Limited. The study established three specific objectives: the effect of community-related social responsibility disclosure, employee-related social responsibility disclosure and monetary values of social donations on the performance of the banks listed. The result of the random effect model indicated that all the variable measures of corporate social responsibility disclosure used do not significantly affect return on capital employed by the banks sampled. The study, however recommends that corporate social responsibility should be continued despite its non-significant effect on performance to ensure the sustainability of the banks.

Adeneye and Ahmed (2015) studied corporate social responsibility and company performance of firms in the UK. They employed the CSR index as the independent variable and company performance measured by market-to-book value (MBV), company size (SIZE), and return on capital employed (ROCE) as the dependent variable. Analysis was done with correlation and regression, and the result showed that MBV and CSR are positively and significantly related. Again, there is a positive but insignificant relationship between size and corporate social responsibility.

Aditya and Juniarti (2016) evaluated the effect of corporate social responsibility on accrual quality in Indonesia. The study employed the ordinary least square regression data analysis method and discovered that CSR performance does not explain the changes in the firms sampled accrual quality. Gherghina, Vintilă, and Dobrescu (2015) empirically evaluated the relationship between corporate social responsibility ratings and the market performance of U.S.-listed companies from 2008 to 2011. The study employed Tobin Q as the measure for the dependent variable and three dimensions of the Corporate Social Responsibility Index (CSRI): Citizenship (the community and the environment), Governance (ethics and transparency), and Workplace practices. Panel data regression results showed that CSRI has a positive relationship with firm value.

Ghana, Marfo, Chen, Xuhua, Antwi, and Yiranbon (2015) investigated Corporate Social Responsibility to revealto reveal its driving dynamics on the Firm's Profitability between 2005 and 2014. Ordinary Least Square Regression was employed, and the results show a negative relationship between companies' performance standards and Corporate Social Responsibility Investments (CSRI).

Vujicic (2015) investigated Corporate Social Responsibility's effect on US stock listed companies' store returns from 2002 to 2004. The dependent variable was measured as Return on Asset. Social scores were obtained from Morgan Stanley Capital International - MSCI, formerly KLD: Community, Employee Relations, and Environment. Ordinary least square regression was the method for his analysis. The study reveals that the KLD CSR score has a statistically significant negative impact on the firm performance.

Proposition One: Social donation and gifting have no significant effect on firm financial performance of listed deposit-taking banks in Nigeria.

2.3.2 Employee relation disclosure and firm performance

Manukaji, Osisioma, and Okoye (2019) examined the effect of human resources development on the performance of quoted companies in Nigeria. The study is anchored on resources-based view theory by Barney (1991). The study found that employee remuneration and training and development costs have significant effect on the performance of quoted companies in Nigeria. The size of employees was found to have an insignificant effect on the performance of mentioned companies in Nigeria. The study concludes that human resources development has a significant impact on the performance of quoted companies in Nigeria. The study recommends systemic and continuous evaluation of the human resources to determine those that need development.

Ekundayo and Odhigu (2016) investigated Nigeria's human capital accounting determinants. The study reveals that welfare and training cost significantly impact human capital in Nigeria. Edom, Inah, and Adanma (2015) examined the effect of human resource accounting on a firm's profitability using empirical evidence from Access Bank of Nigeria Plc. It was also discovered that there was a significant relationship between training cost, development cost, and the bank's profit.

Olayinka and Olayiwola (2017) investigated human capital reporting and corporate earnings using empirical evidence from Nigeria using 50 listed manufacturing companies. Findings revealed that the measure of human capital cost exerts a positive and significant impact on corporate profits, which therefore implies that the capitalization of human resource investment in the annual reports has the propensity to increase corporate profits. Ifurueze, Odesa, and Ifurueze (2014) examined the impact of aggregated human resource costs on profitability using time series data from 2002 to 2011. The findings show that there is a positive relationship between profitability and human resource cost

Ekwe (2012) investigated the connection between financial performance and intellectual capital in the Nigerian banking industry. The return on assets of Nigerian banks and the components of VAIC exhibited a statistically significant positive correlation. Additionally, a significant positive correlation existed between the constituents of VAIC and the Return on Equity of Nigerian banks. The study also showed that the employee productivity of Nigerian banks and the VAIC's parts had a significant positive relationship. The findings also demonstrated no statistically significant positive correlation between the VAIC's parts and the rise in bank revenue in Nigeria. The market-to-book value ratio of Nigerian banks and the VAIC components showed a positive correlation.

Proposition Two: Employee relation disclosure has no significant effect on firm performance of listed deposit-taking banks in Nigeria.

2.3.3 Local community relation disclosure and firm financial performance

Niresh and Silva (2018) investigated the relationship between corporate social responsibility disclosure and firm performance using data from Sri Lankan listed banks, finance, and insurance companies. Using panel data, the study discovered a significant correlation between corporate social responsibility disclosure and the financial performance of particular listed banks, finance, and insurance companies in Sri Lanka.

Elif and Halil (2017) researched the association between company performance and corporate social responsibility (CSR) of companies listed on Borsa Istanbul between 2009 and 2011. The study discovered a negative correlation between financial performance and CSR, suggesting that companies with higher annual report disclosure levels about their CSR initiatives also have lower returns on assets.

Benarova and Chovancova (2014) aimed to assess the awareness of the Slovac public concerning corporate social responsibility using a questionnaire to determine how the public understands corporate social obligation in Slovakia. The findings showed that socially responsible companies need to be sufficiently promoted, and people are only briefly familiar with the subject of CSR. It concluded that it would be an illusion to assume a smooth and rapid passage into the discipline of business life. Even in developed economies, it did not happen overnight, and it recommended that gradually individual entrepreneurs' behaviour be cultivated to shape a culture in-house management, inter-company competition and socially responsible corporate behaviour to the external environment.

Mohammed, Isa, and Muhammad (2013) examined the impact of CSR Disclosure on the profitability of quoted manufacturing firms in Nigeria. Using secondary data from the annual reports of the selected companies, the study shows a significant positive relationship between voluntary CSR Disclosure and ROA and a significant negative correlation between both environmental and information disclosures and ROA. To improve financial performance, the study recommends that quoted manufacturing firms undertake greater ecological management initiatives in the areas of pollution control and environmental conservation, and product-related disclosures.

Osisioma, Nzewi, and Nwoye (2015) examined the relationship between CSR and the financial performance of selected firms in Nigeria. The study shows a significant positive relationship between CSR cost and corporate profitability. Odetayo, Adeyemi, and Sajuyigbe (2014) investigated the impact of CSR on the corporate profitability of Nigerian banks. They find a significant positive relationship between expenditure on CSR and the profitability of Nigerian banks. One (2014) examined the effect of the corporate social responsibilities of banks on the Ebonyi State University community. The regression estimates show that monetary and nonmonetary donations by the bank significantly explain the host community's confidence in the bank. It, concludes that banks' CSR boosts the community's confidence in their activities.

Sanni, Olayiwola, and Abdul-Baki (2014) argued that spending on CSR expenditure without knowing the future returns generated for an organization could cumulatively put an organization into financial problems. In their work, they examine the impact of CSR expenditure on Nigerian Deposit Money Banks (DMBs) profitability.

Proposition Three: Local community relation disclosure has no significant effect on firm financial performance of listed deposit-taking banks in Nigeria

3.0 Analytical framework and model specification

The ex-post factor research design is used in this study due to the fact that the researcher cannot manipulate the variables. This method was adopted since social scientific research problems lend themselves to something other than experimental and controlled inquiry of the ex-post factor kind. Also, this research design makes it impossible to directly select, control, and manipulate the factors necessary to study cause-and-effect relationships. The population of this study consists of Nigerian listed companies on the Nigerian Exchange Group (NGX) as of 31st December, 2021. Since all the listed firms cannot be used for the study, the study is limited to twelve (12) deposit money banks listed on the Nigeria Exchange Group (between 2012 and 2021). The essential criteria forfor selecting these firms are their capitalization prowess and specialization. In determining the sample, the purposive sample technique was used to derive the sample size. Purposive sampling was used to ensure that the sample represented a diversity of perspectives.

The study used the Ordinary Least Square (OLS) regression analysis method to investigate the impact of independent variables on dependent variables. A multiple linear regression model was used to establish the significance of the model. The results obtained from the model are presented in tables to aid and ease the analysis.

Model Specification

The study employed multiple regression technique of analysis using Least Squares regression estimation. This method was adopted because it enhance easy presentation and interpretation of data.

The empirical model of the study is economically expressed as follows;

$EABIT_{it} = \beta_0 + \beta_1 LOCAD_{it} + \beta_2 SODD_{it} + \beta_3 EMPHSD_{it} + \mathcal{E}_{it}$

Where;

B_0 = Constant

B_1- β_3 = Coefficient of parameters estimated

EABIT = Financial Performance

LOCAD = Local community relation disclosure

SODD = Social donation and gifting

EMPHSD = Employee relation disclosure

$\mathcal{E}_{it}$ = Error term

4.0 Estimation techniques and discussion of findings

Table 4.1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max	Pr(Skew)	Pr(Kurt)
EABIT	747	14.17086	346.336	-1466.617	7029.232	0.0000	0.0000
LOCAD	747	.5490716	.4979164	0	1	0.0270	0.0000
SODD	747	.7877984	.4091382	0	1	0.0000	0.0787

EMPHSD	747	.9403183	.2370534	0	1	0.0000	0.0000

Source: Researcher's Computation Using STATA

Table 4.1 presents the summary of the descriptive statistics for the dependent and independent variables for seven hundred and forty-seven (747) observations. It shows that performance measure has a mean value of about 14.1709 and a standard deviation of about 346.336. The maximum value of the variable is 7029.2 while the minimum is -1466.62. The maximum values for all other variables are 1 all through while the minimum for all the variables are 0 respectively.

For Social donation and gifting, mean value was 0.7878 and standard deviation of 0.4091. The corresponding values for the others are: Employee relation disclosure, 0.9403 and 0.2371 respectively; Local community relation disclosure, 0.5491 and 0.4979 respectively. The p-values of the skewness and kurtosis statistics show that nearly in all the cases the data are judged to be normally distributed at 5% level of significance.

Table 4.2: Correlation Matrix

	EABIT	LOCAD	SODD	EMPHSD
EABIT	1.0000			
LOCAD	-0.0318	1.0000		
SODD	-0.0032	0.2931	1.0000	
EMPHSD	0.0355	0.0863	0.1444	1.0000

Source: Researcher's Computation Using STATA

Table 4.2 shows that there are mixed correlations between the various variables used in the study. The table shows positive correlation between performance measure and employee relation disclosure while the measure and the other variables are negatively correlated. The table shows that no two of the explanatory variables are perfectly correlated or nearly so. Thus, the problem of multicolinearity is absent in this model.

Testing of Hypothesis

Test Statistic

The statistical tool used in testing the stated hypotheses is the regression test procedure which uses the individual significance test (t-test) and the overall significance test (chi-squared-test). The goodness of fit of the model is tested using the coefficient of determination. The estimation of these statistics is done using the STATA computer software.

Significance Level

The level of significance adopted in this study in testing the stated hypotheses of this study is 5%. This level is usually considered adequate for studies in management and other behavioural sciences.

Decision Rule

The critical p-value used in these tests is 0.05. Thus, the researcher accepts a given alternative hypothesis as being accepted if calculated p-value is less than or equal to 0.05, otherwise the researcher accepts the null hypothesis that there is no significant effect.

Table 4.3: Summary of Regression Result

Variable	OLS Regression	ROBUST Regression
LOCAD	-24.863(0.353)	3.3577(0.000)
SODD	1.4958(0.964)	3.7716(0.000)
EMPHSD	55.92(0.302)	-1.1638(0.493)
_cons	-25.96(0.637)	5.9913(0.001)
F-Stat	0.62(0.0036)	13.49(0.0000)
N	747	747
VIF	1.08	
Heteroscedasticity	4.01(0.0451)	
R-Squared	0.0025	
Adj R-Squared	-0.0015	

Source: Researcher’s Computation Using STATA

Table 4.3 shows that the explanatory variable does not account for much of the systematic variations in the dependent variable. The table shows the very moderate value of R-squared of 0.0025. This moderate value of the R-squared statistic suggests that many other variables explain changes in the dependent variable. For the model, the p-value of the F statistic (0.0036) shows that the model overall is suitable for estimating the stated model. The VIF test (1.08) shows the absence of multi-colinearity, so there is no need to drop any variable. Also, the heteroscedasticity is 4.01 with a p-value of 0.0451, showing that there is a significant heteroscedasticity problem, so there is a need for a robust regression.

With a coefficient of 3.716, the results indicate that Social donation and gifting positively impact firm performance, while the probability value of 0.000 suggests that the positive impact is significant. This leads to the acceptance of the null hypothesis, thus favoring the alternative view that Social donation and gifting have a significant effect on the firm performance of listed deposit banks in Nigeria, and the impact is positive.
With a coefficient of -1.1638, the results indicate that Employee relation disclosure negatively impacts the firm performance of listed deposit banks in Nigeria. In contrast, the probability value of 0.493 indicates that the negative impact is insignificant. This leads to the rejection of the alternate hypothesis, thus the acceptance of the null hypothesis. The researcher accepts that employee relation disclosure does not significantly impact the performance of listed deposit banks in Nigeria and that such an effect is negative.

With a coefficient of 3.3577, the results indicate that Local community relation disclosure positively impacts the firm performance of listed deposit banks in Nigeria. At the same time, the probability value of 0.000 suggests that the positive impact is significant because it is less than 0.05. This leads to accepting the alternate hypothesis, thus rejecting the null hypothesis. The researcher assumes that Local community relation disclosure significantly affects the firm performance of listed deposit banks in Nigeria.

4.1 Discussion of Findings

This study examined the relationships among the variables: Social donation and gifting, employee relation disclosure, and local community relation disclosure. The results indicate that almost all the variables are typically distributed at a 5% significance level. The correlation matrix shows the variables have mixed relationships. The results also indicate the absence of multi-colinearity.

The study's findings are as follows: With a coefficient of 3.7716, the results indicate that social donation and gifting positively impact return on assets. In contrast, the probability value of 0.000 suggests the positive impact is significant. This leads to the rejection of the null hypothesis. Thus, the acceptance of the alternate view that social donation and gifting have a significant impact on the firm performance of listed deposit banks in Nigeria, and the effect is positive. The result agrees and is consistent with the findings of Vujicic (2015) and Adeneye and Ahmed (2015) but was not compatible with the findings of Aditya and Juniarti (2016), Ghana *et al*. (2015) and Gherghina (2015). This inconclusiveness may have resulted from varying degrees of institutional backdrops.

Similarly, with a coefficient of -1.1638, the results indicate that Employee relation disclosure negatively impacts the firm performance of listed deposit banks in Nigeria. In contrast, the probability value of 0.493 indicates that the negative impact is insignificant. This leads to accepting the alternate hypothesis, thus rejecting the null hypothesis. The researcher assumes that Employee relation disclosure does not significantly impact the performance of listed deposit banks in Nigeria and that such an effect is negative. The result agrees with the findings of Manukaji et al. (2019), Elif and Halil (2017), and Ekwe (2012) but is not consistent with the findings of Edom et al. (2015) and Olayinka and Olayiwola (2017).

With a coefficient of 3.3577, the results indicate that Local community relation disclosure positively impacts the firm performance of listed deposit banks in Nigeria. At the same time, the probability value of 0.000 suggests that the positive impact is significant because it is less than 0.05. This leads to accepting the alternate hypothesis, thus rejecting the null hypothesis. The researcher assumes that Local community relation disclosure significantly affects the firm performance of listed deposit banks in Nigeria. The result agrees with the findings of Osisioma et al. (2018), Sanni et al. (2014), and Mohammed et al. (2013) but is not consistent with the findings of Onwe (2014). This was a result of using different industrial sectors.

5.0 Conclusion and Policy Recommendations

Corporate Social Responsibility activities have become the optimum solution to integrate moral principles in the banking world, suggesting that CSR is an increasingly important issue and has seen greater integration in the business world. Consequently, in recent years, there has been an increasing awareness among corporate organizations (banks included) of the need to provide information on the social, environmental, and economic aspects of their operations.

The practice of CSR has gone beyond the conventional individual firm's practices. It has become a global phenomenon and a thriving corporate governance concept and management strategy in most multinationals. Although the motivation behind firms' investment in CSR has been an unresolved issue for which previous research has yielded mixed results, this study has provided empirical evidence on the effect of corporate social responsibility disclosure on the financial performance of banks in Nigeria.

The following recommendations are hereby made:

i. More funds should be allocated for social donations and gifting to drive the relevance and rationale of corporate social responsibility.
ii. While corporate social responsibility is extended to the community, bank employees should be included, and deliberate incentives should be provided periodically.
iii. The study also recommends that for banks' sustenance, they should endeavor to spend more on their CSR engagements by contributing more percentage of their profit after tax towards alleviating critical socio-economic and environmental problems within the society in which they carry out their operation to enhance their profitability and thus sustainable developments.

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