



Gusau Journal of Accounting and Finance (GUJAF)

Vol. 5 Issue 2, October, 2024 ISSN: 2756-665X

A Publication of
Department of Accounting and Finance,
Faculty of Management and Social Sciences,
Federal University Gusau, Zamfara State -Nigeria

© Department of Accounting and Finance

Vol. 5 Issue 2
October, 2024
ISSN: 2756-665X

A Publication of
Department of Accounting and Finance,
Faculty of Management and Social Sciences,
Federal University Gusau, Zamfara State -Nigeria

All Rights reserved

Except for academic purposes no part or whole of this publication is allowed to be reproduced, stored in a retrieval system or transmitted in any form or by any means be it mechanical, electrical, photocopying, recording or otherwise, without prior permission of the Copyright owner.

Published and printed by:

Ahmadu Bello University Press Limited, Zaria
Kaduna State, Nigeria.

Tel: 08065949711, 069-879121

e-mail: abupress2013@gmail.com

abupress2020@yahoo.com

Website: www.abupress.com.ng

EDITORIAL BOARD

Editor-in-Chief:

Prof. Shehu Usman Hassan

Department of Accounting, Federal University of Kashere, Gombe State.

Associate Editor:

Dr. Muhammad Mustapha Bagudo

Department of Accounting, Ahmadu Bello University Zaria, Kaduna State.

Managing Editor:

Dr. Umar Farouk Abdulkarim

Department of Accounting and Finance, Federal University Gusau, Zamfara State.

Editorial Board

Prof. Ahmad Modu Kumshe

Department of Accounting, University of Maiduguri, Borno State.

Prof Ugochukwu C. Nzewi

Department of Accounting, Paul University Awka, Anambra State.

Prof Kabir Tahir Hamid

Department of Accounting, Bayero University, Kano, Kano State.

Prof. Ekoja B. Ekoja

Department of Accounting, University of Jos.

Prof. Clifford Ofurum

Department of Accounting, University of PortHarcourt, Rivers State.

Prof. Ahmad Bello Dogarawa

Department of Accounting, Ahmadu Bello University Zaria.

Prof. Yusuf. B. Rahman

Department of Accounting, Lagos State University, Lagos State.

Prof. Suleiman A. S. Aruwa

Department of Accounting, Nasarawa State University, Keffi, Nasarawa State.

Prof. Muhammad Junaidu Kurawa

Department of Accounting, Bayero University Kano, Kano State.

Prof. Muhammad Habibu Sabari

Department of Accounting, Ahmadu Bello University, Zaria.

Prof. Okpanachi Joshua

Department of Accounting and Management, Nigerian Defence Academy, Kaduna.

Prof. Hassan Ibrahim

Department of Accounting, IBB University, Lapai, Niger State.

Prof. Ifeoma Mary Okwo

Department of Accounting, Enugu State University of Science and Technology, Enugu State.

Prof. Aminu Isah

Department of Accounting, Bayero University, Kano, Kano State.

Prof. Ahmadu Bello

Department of Accounting, Ahmadu Bello University, Zaria.

Prof. Musa Yelwa Abubakar

Department of Accounting, Usmanu Danfodiyo University, Sokoto State.

Prof. Salisu Abubakar

Department of Accounting, Ahmadu Bello University Zaria, Kaduna State.

Prof. Isaq Alhaji Samaila

Department of Accounting, Bayero University, Kano State.

Prof. Sunusi Sa'ad Ahmad

Department of Accounting, Federal University Dutse, Jigawa State.

Prof. OnipeAdebenege Yahaya

Department of Accounting, Nigerian Defence Academy, Kaduna State.

Prof. Saidu Adamu

Department of Accounting, Federal University of Kashere, Gombe State.

Prof. Farouk Adeza

School of Business and Entrepreneurship, American University of Nigeria, Yola.

Prof. Fatima Alfa

Department of Accounting, University of Maiduguri, Borno State.

Dr. Nasiru A. Ka'oje

Department of Accounting, Usmanu Danfodiyo University Sokoto State.

Dr. Aminu Abdullahi

Department of Accounting, Usmanu Danfodiyo University Sokoto, State.

Dr. Nasiru Yunusa

Department of Accounting, Ahmadu Bello University Zaria.

Dr. Aisha Nuhu Muhammad

Department of Accounting, Ahmadu Bello University Zaria.

Dr. Lawal Muhammad

Department of Accounting, Ahmadu Bello University Zaria.

Dr. Bashir Umar Farouk

Department of Economics, Federal University Gusau, Zamfara State.

Dr Emmanuel Omokhuale

Department of Mathematics, Federal University Gusau, Zamfara. State

ADVISORY BOARD MEMBERS

Prof. Kabiru Isah Dandago, Bayero University Kano, Kano State.

Prof A M Bashir, Usmanu Danfodiyo University Sokoto, Sokoto State.

Prof. Muhammad Tanko, Kaduna State University, Kaduna.

Prof. Bayero A M Sabir, Usmanu Danfodiyo University Sokoto, Sokoto State.

Prof. Aliyu Sulaiman Kantudu, Bayero University Kano, Kano State.

Editorial Secretary

Yazid Kabir Ibrahim

Department of Accounting and Finance, Federal University Gusau, Zamfara State.

CALL FOR PAPERS

The editorial board of Gusau Journal of Accounting and Finance (GUJAF) is hereby inviting authors to submit their unpublished manuscript for publication. The journal is published in two issues of April and October annually. GUJAF is a double-blind peer reviewed journal published by the Department of Accounting and Finance, Faculty of Management and Social Sciences, Federal University Gusau, Zamfara State Nigeria. The Journal accepts papers in all areas of Accounting and Finance for publication which include: Accounting Standards, Accounting Information System, Financial Reporting, Earnings Management, , Auditing and Investigation, Auditing and Standards, Public Sector Accounting and Auditing, Taxation and Revenue Administration, Corporate Governance Issues, Corporate Social Responsibility, Sustainability and Environmental Reporting Issue, Information and Communication Technology Issues, Bankruptcy Prediction, Corporate Finance, Personal Finance, Merger and Acquisitions, Capital Structure, Working Capital Management, Enterprises Risk Management, Entrepreneurship, International Business Accounting and Finance, Banking Crises, Bank's Profitability, Risk and Insurance Issue, Islamic Finance, Conventional and Islamic Banks and so forth.

GUIDELINES FOR SUBMISSION AND MANUSCRIPT FORMAT

The submission language is English and must be a well-researched original manuscript that has not previously been submitted elsewhere for publication. The paper should not exceed more than 15 pages on A4 type paper in MS-word format, 1.5-line spacing, 12 Font size in Times new roman. Manuscript should be tested for plagiarism before submission, as the maximum similarity index acceptable by GUJAF is 25 percent. Furthermore, the length of a complete article should not exceed 5000 words including an abstract of not more than 250 words with a minimum of four key words immediately after the abstract. All references including in text citation and reference list, tables and figures should be in line with APA 7th Edition publication manual. Finally, manuscript should be send to our email address elfarouk105@gmail.com and a copy to our website on journals.gujaf.com.ng

PUBLICATION PROCEDURE

After receiving a manuscript that is within the similarity index threshold, a confirmation email will be sent together with a request to pay a review proceeding fee. At this point, the editorial board will take a decision on accepting, rejecting or making a resubmission of the manuscript based on the outcome of the double-blind peer review. Those authors whose manuscript were accepted for publication will be asked to pay a publication fee, after effecting all suggested corrections and changes made on the manuscript. All corrected papers returned within the specified time frame will be published in that issue.

PAYMENT DETAILS

Bank: FCMB

Account Number: 7278465011

Account Name: Gusau Journal of Accounting and Finance

FOR INQUIRY, CONTACT

Dr. A.U. Farouk

Department of Accounting and Finance,

Federal University Gusau, Zamfara State.

elfarouk105@gmail.com

+2348069393824

FOR MORE INFORMATION, CONTACT

The Editor-in-Chief on +2348067766435

The Associate Editor on +2348036057525

OR visit our website on www.gujaf.com.ng or journals.gujaf.com.ng

TABLE OF CONTENTS

The Impact of Gender Diversity on Earnings Quality of Listed Financial Services Firms in Nigeria: Analysis of Two-Stage Least Squares <i>Joseph Olorunfemi AKANDE, PhD</i>	1-18
The Impact of Audit Quality on Firm’s Performance of Listed Consumer Goods Firms in Nigeria <i>Fatima Shehu Giwa, Prof. Benjamin Kumai Gugong, Gloria Pam Dachomo</i>	19-33
Women in Top Echelon Positions and their Effects on Carbon Emission Disclosure: Evidence from an Emerging Nation. <i>Saheed Olanrewaju Issa, Abdulkadri Toyin Alabi, Abdulbaki Teniola Ubandawaki</i>	34-47
CEO Characteristics and Financial Performance of Listed DMBs in Nigeria <i>Florence Bosede Ajagbonna, Benjamin Kumai Gugong, Augustine Ayuba, Idris Mohammed, Isuwa Dauda</i>	48-69
Post Covid-19 Pandemic: Comparative Study in the Value Relevance of Accounting Information Between Listed Manufacturing Firms and Listed Service Firms in Nigeria <i>Abbas, Abdulrahman Ngadi, Abubakar, Aliyu, Abdu, Abubakar</i>	70-87
Environmental and Social Information Disclosure Quality and Financial Performance of Listed Manufacturing Companies in Nigeria.: <i>Saka Tunde Abdulsalam, Ph.D</i>	88-108
The Impact of Corporate Social Responsibility on Bank Performance in Nigeria <i>Ibrahim Yinka Agbeyinka</i>	109-123
The Impact of Firm Characteristics on Accruals and Real Earnings Management of Listed Manufacturing Firms in Nigeria: <i>Muhammad, Aisha Chado</i>	124-142
The Impact of ESG Practices on the Risk Portfolio of Listed Oil and Gas Firms in Nigeria Using a Multilayered Criterion: <i>Joseph Olorunfemi Akande</i>	143-155
Effect of Selected Macroeconomic Variables on Stock Market Volatility in Nigeria <i>Hauwa Bayero Tijjani, Prof Sheikh Ahmad Abdullahi, Dr Ibrahim Mohammed, Dr Isma’il Tijjani Idris</i>	156-171
Moderating Effect of Audit Quality on Value Relevance of Fair Value Measurements Hierarchy of Listed Financial Services Companies: <i>Tesleem Olayinka Adeyemi</i>	172-202
Effect of Audit Quality Attributes and IFRS Adoption on Financial Reporting Quality of Listed Manufacturing Firms in Nigeria: <i>Muhammad, Aisha Chado</i>	203-221
Electronic Banking and Performance of Banking Sector in Nigeria <i>Kayode David Kolawole</i>	222-234

Do Audit Committee and Board Attributes Influence Environmental Disclosure: An Empirical Investigation of Listed Firms in Nigeria. <i>Haruna Muhammed Musa</i>	235-248
Impact of External Debts on Economic Growth in Nigeria <i>Ibrahim Yinka Agbeyinka</i>	249-261
Effect of Compliance Cost and Tax Burden on Tax Compliance of Small and Medium-Scale Enterprises in Benue State, Nigeria <i>Okpe Caleb John, Prof. Aliyu Nuraddeen Shehu, Prof. Bello A. Ahmad, Ahmed Aliyu Abdullahi PhD, Mohammed Musa Abdulkarim PhD</i>	262-282
The Effect of Bank Sectoral Credit and Exchange Rate on Financial Performance of Listed Manufacturing Firms in Nigeria. <i>Ibrahim Kabir Adedeji, Dr Ibrahim Muhammed, Prof. Muhammed Habibu Sabari Prof. Abiodun Popoola</i>	283-297
The Effects of Interest rate and Money Supply on Systematic Risk Associated with Return in Nigerian Exchange <i>Adedokun Rofiat, Prof. Sani Abdullahi, Dr. Ibrahim Mohammed, Prof. Ahmad Dogarawa</i>	298-314
Effect of Firm Attributes on the Growth of Healthcare Companies Listed on The Nigerian Exchange Group <i>Salisu Isyaku Dahiru, Adeyemi Tesleem, PhD, Suleiman Salami, PhD</i>	315-331
Corporate Social Responsibility and Performance of Firms in Lagos State Nigeria <i>Kayode David Kolawole</i>	332-343
Does Taxation Affect Banks' Profitability: Evidence from Nigeria <i>Emmanuel Imuede Oyasor</i>	344-356
Working Capital Management and Manufacturing Performance in Nigeria <i>Adedeji Daniel Gbadebo</i>	357-368
The Multidimensionality Foreign Direct Investment's Impact on The Economy <i>Emmanuel Imuede Oyasor</i>	369-383
Private Capital Formation, Public Sector Capital Formation and Economic Growth in South Africa. <i>Ahmed Oluwatobi Adekunle</i> ,.....	384-396
Macroeconomic Determinants and Stock Market Volatility amidst the Period of Economic Recession in Nigeria <i>Hauwa Bayero Tijjani, Prof Sheikh Ahmad Abdullahi, Dr Ibrahim Mohammed Dr Isma'il Tijjani Idris</i>	397-413

CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE OF FIRMS IN LAGOS STATE, NIGERIA

Kayode David Kolawole
Faculty of Economic and Financial Sciences
Walter Sisulu University,
Mthatha, Private Bag X1, South Africa.
kolawolekayode@yahoo.com
0000-0002-6704-267

DOI: <https://doi.org/10.57233/gujaf.v5i2.20>

Abstract

Corporate social responsibility (CSR) is widely practiced by multinational companies in developed countries. But Nigerian companies are not widely accepted the concept. Hence, this study examines the impact of CSR on the performance of companies in Lagos State. The study used primary data collected through a questionnaire survey. Ordered logit and Structural Equation Modelling method of multiple regressions was used to analyze the data obtained. The results indicate that educational accountability has a positive, statistically significant effect on service delivery at the 1% significance level. Environmental responsibility was also found to have a significant impact on service delivery. Ethical responsibility also shows a significant effect of service provision at the 1% level of significance. Additionally, a significant effect of service provision is found at the 1% level of financial responsibility. The study concludes that CSR plays an important role in increasing the performance of companies in Lagos State, Nigeria. For this reason, it is recommended that companies should prioritize education and CSR initiatives as these have been identified as key drivers of improved and sustainable customer service.

Keywords: C S R, performance of firms, Lagos State, Nigeria

1.0 Introduction

Corporations have duties to society that transcend beyond generating profit. Corporate decision makers must make choices and act in ways that reflect the relationship between the organization and society. Hence, it is imperative for a firm to persist in its dedication to ethical conduct and its role in fostering economic progress, all the while enhancing the well-being of its employees and the broader community. The business can boost its existing and future operations by engaging in various Corporate Social Responsibility (CSR) activities.

Hayat, Naim, and Aziz (2022) assert that CSR serves as a component of Corporate Governance, with the objective of addressing social concerns within management through a range of strategies aimed at mitigating prevailing social challenges and effecting societal transformation. CSR places significant emphasis on the active involvement of commercial businesses in community engagement. According to Siddig and Javed (2014), CSR continues to be a potent business strategy that not only offers assistance in outperforming competitors, but also serves as a crucial approach for organizations to foster growth within society.

However, Nigerian companies have encountered challenges related to both internal unhappiness among workers and investors, as well as outward dissatisfaction from the general public. Specifically, some companies in Lagos state fails to pay salaries yet threatening their staff with sack letter. These challenges have ultimately resulted in an image problem (Obiekwe & Nwaeke, 2019). Hayat, Naim, and Aziz (2022) asserted that companies in Nigeria sometimes engage in socially irresponsible conduct, including but not limited to customer deception, investor fraud, consumer endangerment, environmental pollution, and government deception. Likewise, the permissible location for industries, including waste disposal sites, to

be situated on statutory land is limited to a considerable distance from residential areas. Regrettably, this practice is widely misused and lacks practicality in many developing countries, including Nigeria.

CSR relationship with the financial performances of firms has been a subject of research in several academic works including Omoro, Kinyua, & Okiro (2014); Iqbal and others (2014); Muhammad (2017). However, it is necessary to carry out an evaluation of the effects of CSR on the non- financial corporate results with operations in Nigeria. Therefore, this study specifically examined the relationship between CSR and service delivery. Additionally, prior research has categorised corporate social responsibility as a single factor. This research categorised corporate social responsibility (CSR) into distinct categories, namely environmental responsibility, ethical responsibility, charitable responsibility, economic responsibility, and educational responsibility.

The underlying motive of this study was to examine the impact of corporate social responsibility (CSR) on the functioning of enterprises in the Lagos State because this region has vital functions in increasing the country's economic performance. Estimation techniques used in prior studies include Ordinary Least Square (OLS), analysis of variance (ANOVA), and logit regression. Furthermore, the present study proposed objectives will be achieved by employing the Structural Equation Modelling with Partial Least Square (PLS) 4.0 techniques. The method of choice is Partial Least Square (PLS) 4.0 with Structural Equation Modelling (SEM) as this enables a clear distinction between problems that are solved optimally for rational problems and heuristically for pragmatic problems. The application of PLS-SEM is preferred due to the capacity to analyses the total importance of weights of characteristics as well as it is not oriented to level of those qualities exclusively.

2.0 Theoretical and Empirical Review

Stakeholder Theory

Freeman proposed the stakeholder hypothesis in 1984. Managing an organization in accordance with one's principles and beliefs is the focus of this school of thought in corporate ethics and organizational management. According to Akinsulire (2011), the term "stakeholder" refers to those that have an interest in the firm's operations. Further development of Freeman's (1984) concepts on stakeholder management establishes connections between CSR and the firm's numerous stakeholders. It is possible to classify CSR theories into two branches: those that focus on how firms may manage CSR and those that attempt to answer when and why CSR matters for a company's bottom line.

When Rui, Muralidhar, Janney, and Paul (2001) proposed that CSR is the same as satisfying the needs of all stakeholders in a corporation, they established a connection between CSR and stakeholder theory. According to Waddock and Graves (1997), CSR is a way for a company to gauge how well it deals with its stakeholders. Businesses, according to stakeholder theory, have both verbal and nonverbal agreements, and it is on to their constituents to keep their word.

Empirical Review

Zhang and Liu in 2023 considered CSR and brand value of Chinese firms and it was revealed to positively impact performance of Chinese firms. However, in 2023, Coelho, Jayantilal and Ferreira examined CSR and financial performance in developed nations and revealed a positive effect of CSR on financial performance. In their 2021 study, Kolawole, Busari, and Abdulmumin looked at how CSR affected the efficiency of Nigerian deposit money

institutions. This research utilized two types of data: primary and secondary. The main data came from surveys, while the secondary data came from the accounting records of fourteen chosen Nigerian banking institutions. The study's objectives were attained through the use of ordered logistic and panel least square multiple regression analysis. From the Hausman test results, the study found that the random effects model is preferred over the fixed effects model for the analysis. Employing random effects model it has been established that CSR directly affects the performance of the employees and the profitability of the company with the coefficients being 0.043 and 0.059 respectively at a 5% level of significance. So, CSR significantly affects the performance of Nigerian deposit money institutions, according to the study.

Researchers Setiawan, Asrihapsari, Brahmana, Rizky, and Widawati (2022) looked into how CSR affected the success of Indonesian businesses. Because family ownership has a significant role in the relationship between corporate social responsibility and company performance, it is vital to take this into account while analysing Indonesian enterprises. 285 listed enterprises in Indonesia from 2015 to 2019 make up the study sample. We found that CSR had a beneficial effect on performance. Businesses who invest more in CSR tend to do better financially, which is a sign of how important they are. Additionally, company performance is severely impacted by the relationship of family ownership and CSR.

Similar research work was conducted by Itoya, Akhator, Igbokwe, and Owuze in 2022 on the impact of CSR on the financial performance of Nigerian banks. Their study employed three financial performance indicators. CSR shows a weak positive correlation with earnings per share, it had a strong positive correlation with gross earnings and a large positive correlation with profit after taxes, according to the correlation results. Also, while CSR spending had no discernible impact on EPS, it did have a notable impact on gross earnings and profit after tax for Nigerian banks.

From 2012–2017, Nguyen, Nguyen and Nguyen (2022) studied the impact of CSR on the bottom lines of Vietnamese publicly traded companies. The study estimates its models using the System Generalised Method of Moments and the Fixed Effects Model. To the best of this research knowledge, this study advances the literature by investigating impacts of CSR in a developing country context with reference to economic, environmental and social measures. The result shows that there is significant negative relationship between CSR disclosure and overall firm performance. However, according to the analysis of three different perspectives CSR has a positive yet relatively weak effect on financial performance, however, environmental responsibility has a substantially negative effect. When looking at the impact on company performance, the economic factor is insignificant. The environmental CSR category is the most onerous since it requires more cautious use of these investments and greater government support to make sure they are efficient.

Using accounting-based financial performance measures, Yunusa, Jerry, and Ayuba (2023) investigated the impact of CSR on listed consumer goods enterprises in Nigeria. This study drew from a total of twenty (20) publicly traded consumer goods firms in Nigeria, with sixteen (16) of those firms serving as the sample population. The study relied on secondary data obtained from the sampled companies' financial statements and annual reports from 2010 to 2019. Using content analysis, CSR served as the independent variable. The dependent variable here is financial success as measured by the ABFPM in the form of ROA, ROE, and ROS. Multivariate multiple regression, correlation analysis, and descriptive statistics were utilized to

analyse the study's data. According to the results, there is a strong negative correlation between CSR and ABFPM among listed consumer products businesses in Nigeria.

Solanke, Olugbamiye, Olasehinde, Efuntade, Olaniyi, and Kolawole (2023) used secondary sources to assess the impact of CSR on the monetary performance of Nigeria's listed oil and gas sector. The research used financial statements from five different oil and gas industries that were publicly traded between 2011 and 2020 as its sample size. Data collected from the Nigerian exchange group was ran via regression analysis. CSR is the notion that has aims at improving the economic performance of a firm whilst at the same time addressing environmental concerns. Surprisingly, economic, donation and legal obligations were not found to have any effect on the companies' ROA or ROE as averaged out by NAICOM oil and as well as the gas firms in Nigeria.

Similarly, Olubunmi (2023) explored the effect that CSR has on the performance of the Manufacturing firms in Nigeria. They also revealed that, there is a significant positive relationship between CSR and EPS but a negative relationship between CSR and NPM.

3.0 Methodology

A correlational research design was adopted for this study and it is used to examine the statistical association between two or more variables of the specified framework. All companies in Lagos State were used for the population of the study. The state was adopted for the fact it is the most economic viable state in Nigeria. However, the sample size was determined by Creswell and Creswell (2012). *Sample Size - Infinite Population* (where the population is greater than 50,000).

$$SS = \frac{Z^2 \cdot p \cdot (1-p)}{C^2} \dots \dots \dots (1)$$

SS = Sample Size

Z = Z-value (1.96 for a 95 percent confidence level)

P = Percentage of population picking a choice, expressed as decimal (0.5)

C = Confidence interval, expressed as decimal (.04 = +/- 4 percentage points)

$$SS = \frac{3.8416 \times .5 \times .5}{0.0016} \dots \dots \dots (2)$$

SS = 600

$$NewSS = \frac{ss}{1 + \frac{(ss-1)}{Population}} \dots \dots \dots (3)$$

Note: Calculate the sample size using the infinite population formula first. Then, use the sample size derived from that calculation to calculate a sample size for a finite population.

Example:

$$NewSS = \frac{600}{1 + \frac{(600-1)}{13988}} \dots \dots \dots (4)$$

New SS = 575.631

New SS ≈ 576

The method used for sampling in response to the quantitative data will be Krejcie and Morgan sample size estimates. This formula uses normal approximation for a 95% confidence level and 3.5% level of margin of error. Currently the selected companies have employed 12,402 people. The formula used to determine the sample size is provided below:

$$N = \frac{X^2 * N * P * (1 - P)}{(ME^2 * (N - 1)) + (X^2 * P * (1 - P))}$$

Where:

n= Sample size

X²= Chi-square for the specified confidence level at 1 degree of freedom

N= Population Size

P= Population proportion (.50 in this table)

ME= designed Margin of Error (expressed as a proportion)

$$n = \frac{[(12,402) (0.5) (1 - 0.5)]}{[(12,402 - 1) (0.05/1.96)^2] + [(0.5) (1 - 0.5)]} = 373$$

N= 12,402 (Within the range of 10,000 to 25,000)

Thus, to ascertain the copies of questionnaire to be administered to respondents, the researcher made use of 373 participants. Three hundred and seventy-three copies of questionnaire were distributed to accounting staff of some companies in Lagos state. However, two hundred and twenty-six copies of questionnaire were returned and employed for the research. Descriptive statistics, ordered logit regression and Structural Equation Modelling using Partial Least Square (PLS) 4.0 were used to examine the objectives of the research.

Reliability and Validity of the Instrument

The Cronbach's Alpha test was used to test the reliability of the instrument. Cronbach's Alpha shows the internal consistency among each of the questions explaining the variables used in the study. Similarly, a pilot study was conducted to test-run the practicability of the study and to detect flaws in the data collection process. This helps to discover errors on the issues raised such as ambiguous instruction or wording, inadequate time limit and measurability of variables defined.

Internal Consistency

Table 1 Cronbach Alpha

Variables	Cronbach Alpha Coefficients
Customer Service Delivery	.718
Philanthropy Responsibility	.768
Educational Responsibility	.871
Environmental Responsibility	.772

Ethical Responsibility	.814
Economic Responsibility	702

Source: Author’s Fieldwork Computation, 2024

Internal consistency of a research instrument is assessed by analyzing the correlation between the instrument and shows how the constituent items conceptually align together (Nunnally & Bernstein, 1994; DeVon et al., 2007). Cronbach’s alpha was employed to assess the internal consistency of the questionnaire. Therefore, Cronbach’s alpha was calculated for the revised SQ after construct validation was computed. There is no generally accepted threshold for the value of Cronbach’s alpha. Some scholars advocate for 0.9 as minimum Cronbach’s alpha in clinical research (Nunnally & Bernstein, 1994). Others opined that for a new instrument, 0.7 alpha value is acceptable. Hence, all the scales are reliable.

Model Specification

The model of the research is stated in its functional form as:

$$CSD = f(PHR, EDR, ENVR, ETHR, ECNR) \dots\dots\dots 3.1$$

Therefore, in its econometric form; the model for this study becomes

$$CSD = \beta_0 + \beta_1PHR+ \beta_2EDR+ \beta_3ENVR+ \beta_4ETHR+ \beta_5ECNR + \mu \dots\dots\dots 3.2$$

Where: β_0 = Constant

CSD = Customer Service Delivery

PHR= Philanthropy Responsibility,

EDR = Educational Responsibility and

ENVR= Environmental Responsibility.

ETHR= Ethical Responsibility

ECNR= Economic Responsibility

μ = Error term.

Data Presentation and Analysis

Table 2: Validity Tests

As regards the construct validity in term of convergent validity, confirmatory factor analysis was performed. Kaiser-Meyer-Olkin (KMO) and Bartlett’s tests were performed.

Variables	KMO	Bartlett’s Test of Sphericity		
		Chi-square	Df	P-value
Operational Questions	.761	1919.075	105	0.000

Source: Field Survey (2024)

The KMO statistics evaluates how suitable the sample is and ranges from 0 to 1. The Barlett's test of sphericity should yield a significant result (meaning the Sig. value needs to be .05 or less). The results of this test in can be found in the Table 2. This indicates that all items measured in each sample have significance at the 0.01 level, according to the Barlett's test of sphericity. The KMO value for each construct is 0.761. This outcome suggests that the measurement scales used in this study are precise.

Table 3: Correlation Coefficients

Variables	PHR	EDR	ENVR	ETHR	ECNR
PHR	1				
EDR	0.28	1			
ENVR	0.2651	0.1557	1		
ETHR	0.132	-0.0308	0.0226	1	
ECNR	0.0972	0.346	-0.059	-0.2636	1

Source: Author’s computations, 2024.

This study looked into whether the variables used in the panel regression analysis might be too related. When variables are too similar, it can make the regression results less accurate. To check this, we did a pair-wise correlation analysis. This helped us see how each pair of variables in the study related to each other. Table 3 shows what we found. ETHR and EDR, ECNR and ENVR, and ECNR and ETHR have negative correlation coefficients. This means they have negative relationships. All the other variables have positive correlations. It's good to know that all correlation coefficients are under 0.5. This suggests that the variables being too similar that this is multicollinearity among the variables aren't a problem in our model. In other words, the variables don't depend on each other too much.

Table 4 Descriptive Statistics and Normality Test

	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
Economic Responsibility	4.159	4.000	2.000	5.000	0.573	0.505	-0.151	226.000
Educational Responsibility	3.739	4.000	2.000	5.000	0.861	-1.216	0.323	226.000
Environmental Responsibility	3.673	3.000	2.000	5.000	0.830	-1.102	0.537	226.000
Ethical Responsibility	3.690	3.000	3.000	5.000	0.799	-1.170	0.618	226.000
Philanthropic Responsibility	3.690	3.000	3.000	5.000	0.777	-1.101	0.603	226.000
Service Delivery	4.208	4.000	2.000	5.000	0.600	0.155	-0.242	226.000

Source: Authors Compilation, 2024

As illustrated in Table 4 below, the mean and standard deviation of the variables and indicators used in this study were obtained from the data collected from the study. The stability of the indicators was determined by a threshold mean and standard deviation: the mean of 2.50 and SD of 1.5 correspondingly. An influential variable to the study is any variable with a mean \geq 2.50 while variables with mean $<$ 2.50 are deemed to be of little or no importance to the study. Further, it was found that the value higher than 1.5 implies the greater fluctuation from the mean, and the value lower than 1.5 shows the limited turning point. Determining the items that are highly influential is reliant on identifying the indicators above the established benchmark for mean and below the benchmark for standard deviation. As shown in the table, overall, all the indicators has values above the 2.5 benchmark for mean and below 1.5 for standard deviation. This suggest that the responses are valid to probe further and make valid conclusions on the study. The positive value of the skewness of some of the data exhibit value above the mean of standardized of the variable while the negative value of the skewness shows value below the mean of standardized of the variable.

Assessment of Measurement Model

To assess the impact of CSR on the effectiveness of organization, the first objectives and hypothesis formulated deals with CSR determinants and service delivery.

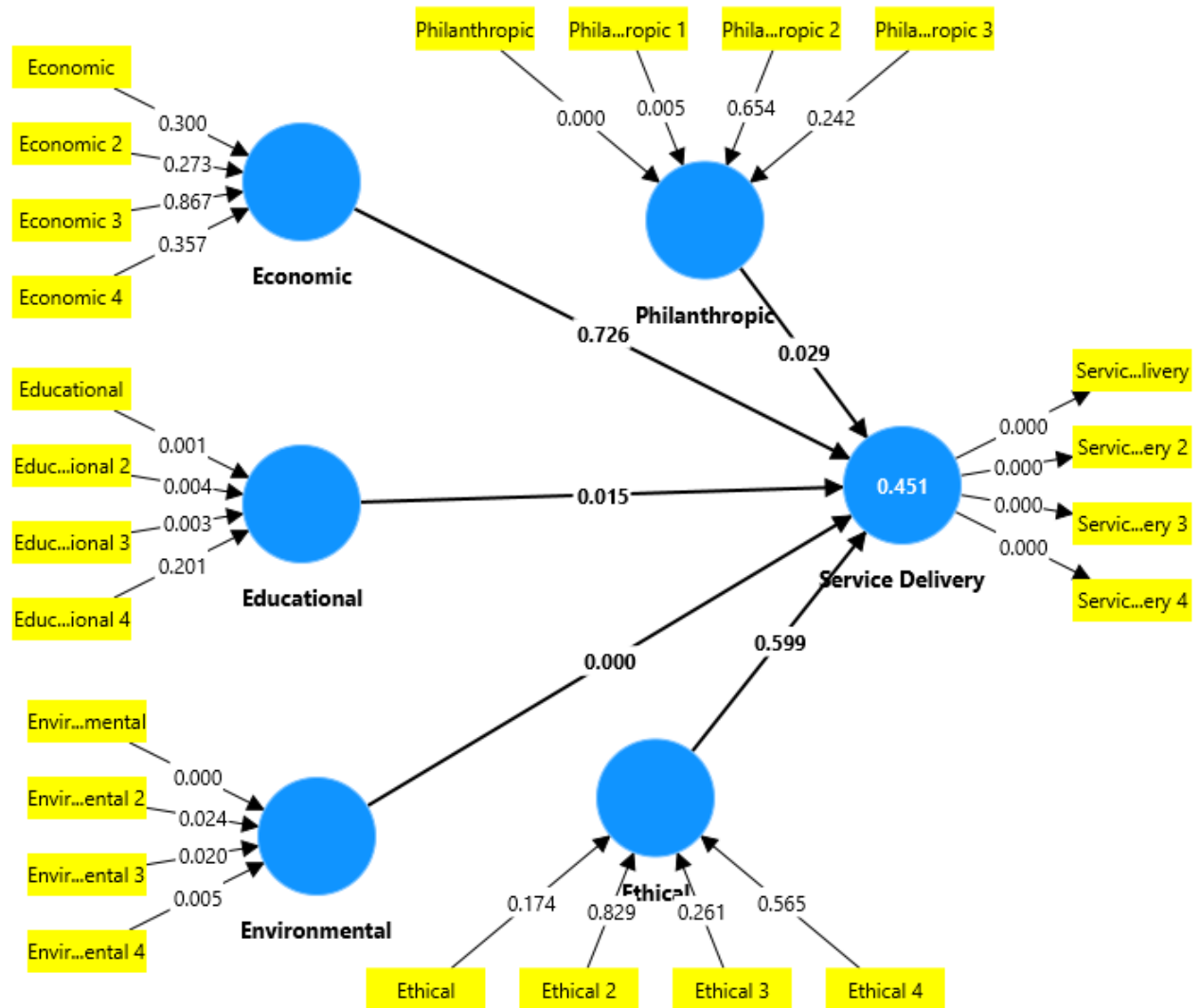


Figure 2: A path model of CSR determinants and Service Delivery

Source: SmartPLS Output, 2024

Figure 4.1 showed the path model of the CSR determinant and service delivery. The figure illustrates interaction effects in which individual variables contribute to the latent variables. The outer weight model has a highest possible value of one (1), it has been confirmed that if there is only one indicator for a latent variable, the outer model weight will be one (1). The results of outer model weights explained why the strong loading could not be eliminated as all the loading weights exceeded 0.50. Additionally, these variables were key components of the latent variables identified in the literature.

Intercorrelation of Variables

This evaluate the correlation between the independent variables to determine whether the independent variables are highly correlated and yielding similar results. The variance inflation factor (VIF) is used in this study to assess the potential correlation among the independent variables.

Table 5 Inner VIF Values

	Economic Responsibility	Educational Responsibility	Environmental Responsibility	Ethical Responsibility	Philanthropic Responsibility	Service Delivery
Economic Responsibility						2.200
Educational Responsibility						3.758
Environmental Responsibility						5.932
Ethical Responsibility						5.704
Philanthropic Responsibility						3.329
Service Delivery						

Source: Authors Compilation, 2024

Table 5 depict the VIF values for the latent variables related to service delivery. The VIF values for the indicators are all well below the threshold of 10 which is the benchmark value for the VIF, this shows a positive indicator. this indicates that there is no significant inter-correlation among these variables. To put it in another way, these variables do not exhibit a strong correlation with one another, and can therefore be included in this analysis without major concerns about the inter-correlation of the variables.

Test of Hypothesis One

Table 6 Bootstrapping Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Economic Responsibility -> Service Delivery	0.333	0.333	0.123	2.712	0.007
Educational Responsibility -> Service Delivery	-0.328	-0.330	0.139	2.365	0.018
Environmental Responsibility -> Service Delivery	-0.179	-0.176	0.173	1.032	0.302
Ethical Responsibility -> Service Delivery	0.344	0.344	0.164	2.104	0.035
Philanthropic Responsibility -> Service Delivery	0.087	0.084	0.105	0.820	0.412

Source: Authors Compilation, 2024

The bootstrap path coefficient analysis presented in table 6 was carried out to assess the direct null hypotheses that; CSR determinants does not have significant impact on service delivery; in this case, the results show that there are substantial effects of economic, educational and ethical responsibility as factors of CSR determinant on service delivery since the p-values are lower than the conventional significance level of 0.05 and the T statistics are greater than 1.96. A look at other paths for environmental and philanthropic responsibility shows that they are not statistically significant as CSR determinants on service delivery since the p-values are higher than the conventional significance level of 0.05 and the T statistics are lower than 1.96, indicating compelling evidence to monitor these determinants well enough to ensure quality service delivery.

Table 7 Coefficient of Determination Score

	R Square	R Square Adjusted

Service Delivery	0.116	0.096
-------------------------	-------	-------

Source: Authors Compilation, 2024.

The coefficient of determination is presented in table 7, which represents R-squared which is used to evaluate the model’s goodness of fit. The R-squared values for the model suggests that the variability in the dependent variable (Service delivery), is weakly clarified by the independent or latent variables incorporated in the model since it is below 20%. This suggests that the model captures and explains the small observed variations in Service delivery. While factors not included in the model explains a larger observed variations in service delivery.

Table 8 Assessment of the Effect Size (f²)

	Economic Responsibility	Educational Responsibility	Environmental Responsibility	Ethical Responsibility	Philanthropic Responsibility	Service Delivery
Economic Responsibility						0.057
Educational Responsibility						0.032
Environmental Responsibility						0.006
Ethical Responsibility						0.024
Philanthropic Responsibility						0.003
Service Delivery						

Source: Authors Compilation, 2024.

In statistical analysis f-square used to measure the effect size as shown in table 8 In statistical analysis f-square is used to measure effect size as demonstrated in table 8 This work examines the magnitude of the impact of the above-mentioned latent factors on “service delivery”. All the CSR determinants have an f-square value below 0.35 on service delivery. This suggests a moderate effect size, indicating that the variables have a noticeable impact on service delivery except for environmental and philanthropic responsibility which has small effect size. In other words, variations in each of the CSR determinants can clarify moderate variations in service delivery.

The findings of this research demonstrated a positive relationship between corporate social responsibility variables (such as education responsibility (EDR), environment responsibility (ENVR), ethical responsibility (ETHR) and economic responsibility (ECNR)) and service delivery of firms in Lagos state while philanthropy responsibility exhibit a negative relationship with service delivery which aligns with the findings of the study by Sujana (2013) and Belinda (2014). These findings conform to the theory of stakeholder theory which stems from the idea that CSR is relationship contract, that is self-reinforcing when the present value of a firm’s gains from preserving its reputation exceeds the loss incurred on the CSR activities. Therefore, the null hypothesis which asserts that corporate social responsibility does not have a significant impact on firms’ service delivery in Lagos state should be rejected.

5.0 Conclusion and Recommendations

The study concludes that CSR has a significant effect on the customer service delivery of firms in Lagos State which is consistent with the works of Solanke, Olugbamiye, Olasehinde,

Efuntade, Olaniyi, and Kolawole (2023) and Yunusa, Jerry, and Ayuba (2023). It is recommended that to promote and maintain the quality of customer service delivery, the firms should focus on the education-related CSR activities since they were found to be important in enhancing the delivery of the service. Also, for economic growth, it is recommended that company management in Lagos State should pay more attention to the company's environmental conduct because it can affect the organization's profitability.

References

- Akinsulire, O. (2011). *Financial management*. Lagos, Nigeria: Ceemol Nigeria Limited.
- Coelho, R. Jayantilal, S. & Ferreira, J. J. (2023). The impact of social responsibility on corporate financial performance: A systematic literature review. *Corporate social responsibility and Environmental Management*, 30,1535–1560.
- Hayat, M. A., Naim, M., & Aziz, S. (2022). Corporate social responsibility and corporate governance: Addressing social concerns through managerial strategies. *Journal of Business Ethics and Governance*, 16(3), 56–78.
- Itoya, B. A., Akhator, A. I., Igbokwe, C. N., & Owuze, R. O. (2022). Corporate social responsibility and financial performance: Evidence from Nigerian banks. *Journal of Banking and Finance Research*, 14(2), 205–219.
- Kolawole, T. A., Busari, O. S., & Abdulmumin, I. (2021). CSR and performance in Nigerian deposit money institutions: Empirical evidence. *African Journal of Business and Economic Research*, 9(4), 54–69.
- Nguyen, T. T., Nguyen, V. T., & Nguyen, H. Q. (2022). The effects of CSR on the financial performance of Vietnamese firms: Insights from developing economies. *Asia-Pacific Journal of Business and Economics*, 11(1), 100–115.
- Obiekwe, O. & Nwaeke, C. (2019). Challenges of corporate social responsibility in Nigeria: A focus on image problems. *International Journal of Business Studies*, 7(2), 99–108.
- Omoru, E. O., Kinyua, J. M., & Okiro, K. M. (2014). The link between corporate social responsibility and firm performance. *Journal of Sustainable Business*, 12(3), 32–45.
- Rui, H., Muralidhar, K., Janney, J., & Paul, K. (2001). Stakeholder theory and CSR: Meeting expectations. *Business Ethics Quarterly*, 11(2), 233–252.
- Setiawan, D., Asrihapsari, R. W., Brahmana, K., Rizky, W., & Widawati, S. (2022). Family ownership and CSR's effect on firm performance: Evidence from Indonesia. *International Journal of Corporate Governance*, 15(1), 78–95.
- Solanke, K., Olugbamiye, O., Olasehinde, T., Efuntade, S., Olaniyi, M., & Kolawole, A. (2023). CSR and financial performance in Nigeria's oil and gas industry: Regression analysis approach. *Energy and Corporate Responsibility Journal*, 10(3), 204–218.
- Waddock, S., & Graves, S. (1997). The corporate social performance–financial performance link. *Strategic Management Journal*, 18(4), 303–319.
- Yunusa, H., Jerry, N., & Ayuba, A. (2023). The impact of CSR on listed consumer goods enterprises in Nigeria: An accounting-based approach. *Journal of Management and Financial Studies*, 5(2), 112–124.

Zhang, J. & Liu, Z. (2023). The Impact of Corporate Social Responsibility on Financial Performance and Brand Value. *Sustainability*, 15, 16864. <https://doi.org/10.3390/su152416864>.