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CORPORATE SOCIAL SUSTAINABILITY AND QUOTED MANUFACTURING FIRMS: EVIDENCE FROM SELECTED FIRMS IN NIGERIA (2000 - 2020)

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ABSTRACT

The study examines the implications of social sustainability and quoted manufacturing firms using evidence from selected firms Nigeria (2000 – 2020). The objective of the study was to establish the effects of social donations and charity on value added of quoted manufacturing firms in Nigeria: Nestle Nigeria Plc, Cadbury Nigeria Plc and PZ Nigeria Plc. In line with the objective, a hypothesis was formulated and tested at 0.05 level of significance. The study was anchored on stakeholders' theory. The study adopted the panel survey and ex-post facto research design. The secondary data was generated from the financial statements of the three selected firms. The simple regression analysis method was used in the analysis of the data with the help of E-views 10 statistical package. The results of the ordinary least square estimation technique were reported and compared across firms. From Nestle Nigeria Plc, the coefficient of social donations and charity gave a positives function of the dependent variable. In Cadbury Nigeria Plc, the coefficient of social donations and charity with the dependent variable was negative. In PZ Nigeria Plc, the coefficient of social donations and charity gave an inverse relationship with the dependent variable. The study concluded that, social donations and charity is key to maintaining growth trajectories of quoted firms in Nigeria. One of the recommendations is that corporate quoted manufacturing firms in Nigeria should intensify efforts to increase their commitment to social responsibility in order to create good image in the mind of their host communities' thereby increasing performance..

1. INTRODUCTION

The environment where quoted manufacturing firms operate is complex and multifaceted. This in turn has implications on the goals and strategic direction on quoted manufacturing firms. The business organization and the environment cannot exist in isolation without demands from each other. It is conventional that the impacts of the activities and operations of businesses on the environment be checked and regulated. This is to secure and preserve the environment and its resources for the future. Without such checks, business operators will continue to act reckless on the environment. This is the concern and target of sustainability. Sustainability therefore involves satisfying present needs in such a way that it will not adversely affect satisfying the needs of future generations. Social sustainability is associated with identifying and managing business impacts, both positive and negative, on people. The quality of a company's relationships and engagement with its stakeholders is critical. Directly or indirectly, companies affect what happens to employees, workers in the value chain, customers and local communities, and it is important to manage impacts proactively (UN Global Compact on Environment, 2021).

Again, environmental sustainability involves protecting and maintaining environmental or natural resources for the needs of future generations (Pettinger, 2018). It is necessary for businesses to operate within environmental standards so as to maintain continuous linkage with its society. Environmental sustainability can be ensured by firms, by analyzing the input and output indicators in the course of the supply chains so as to minimize environmental implications. Quoted manufacturing firms consider inputs such as energy, material and water as well as outputs such as wastes, emissions and effluents in their operations (Gunathilaka&Gunawardana, 2015). Globally, there is increase in the pursuit for sustainability and environmental awareness. Numerous companies are developing interests in environmental sustainability to enjoy competitive advantage so as to enhance their corporate performance (Acti, Lyndon &Bingilar, 2013).Gunathilaka and Gunawardana (2015) maintain that companies that engage in environmental protection through consistent corporate social responsibility and sustainability programs should be recognized and additional significant value added to them. Sustaining the environment where businesses operate create value for the stakeholders.

Asaolu and Osemene (2009) opined that poverty and population pressure are some of the causes of natural resources depletion resulting in serious havoc in the environment. However, the poverty level in Nigeria is on the increase not only by population increase, but more by corruption in high places. A large number of Nigerians suffer from inadequate access to health facilities, food supplies, housing, education and power supply necessary for a relatively good life. Concerns for minimum comfort have led to the global concern for sustainable development and also for firms to be environmentally sensitive. It is important to note that actions to achieve social sustainability may unlock new markets, help retain and attract business partners, or be the source for innovation for new product or service lines. Internal morale and employee engagement may rise, while productivity, risk management and company-community conflict improve.

The first six of the UN Global Compact's principles focus on this social dimension of corporate sustainability, of which human rights is the cornerstone. Social sustainability embraces the human rights of specific groups: labour, women's empowerment and gender equality, children, indigenous peoples, people with disabilities, as well as people-centered approaches to business impacts on poverty. As well as covering groups of rights holders, social sustainability encompasses issues that affecting them, for example, education and health. While it is the primary duty of governments to protect, respect, fulfil and progressively realize human rights, businesses can, and should, do their part. At a minimum, we expect businesses to undertake due diligence to avoid harming human rights and to address any adverse impacts on human rights that may be related to their activities.

Statement of the Problem: It is an established fact that one of the fundamental inhibitions of quoted manufacturing firms in Nigeria is that business operations are undertaken in the general ecological environment. Thus, the impact of some business operations on ecological environment causes the destruction of natural habitat and pollution of the ecosystem. Other environmental problems due to firm’s activities include climate change, depletion of ozone layers, air and water pollutions, desertification, loss of habitat, production of industrial waste, diminishing of natural resources, partial compliance with extant labour laws, poor commitment and attention to needs of host communities, vulnerable people in the society, disasters, etc. It is expected that quoted manufacturing firms should engage in proactive measures to ensure environmental management. Such measures include taking formal steps to guarantee reduction of emission during operations, waste management/treatment, reduction of pollution, production of quality goods/products, energy conservation, reuse of materials and treatment of water, donations to charity, community development programs and so on. The inability of manufacturing firms in Nigeria to engage actively in protecting and maintaining environmental or natural resources for the needs and benefits of the society today and for future generations is one of the constraints impacting on corporate social sustainability and quoted manufacturing firms under study.

Objective of the Study: The main objective of this study is to examine the effect of Corporate Social sustainability on Value Added of quoted manufacturing firms. Specifically, the study intends to ascertain the effect of social donations and charity on value added of quoted manufacturing firms in Nigeria.Social donations and charity which are components of community development programs of quoted firms are taken as proxies for Corporate Social Sustainability. The value of this expenditure heading shall be measured against the value of the firms’ value added which is an index of performance and survival of quoted manufacturing firms.

Research Question: To what extent does social donations and charity affect value added of quoted manufacturing firms in Nigeria?

2. Hypothesis of the Study

H_0: Social donations and charity do not have a significant effect on value added of quoted manufacturing firms in Nigeria.

Scope of the Study: This study covers a period of 21 years, from 2000 - 2020, looking at the performance of three manufacturing companies in Nigeria selected by purposive sampling method out of the total of 26 firms listed at/quoted in the Nigeria Stock Exchange. The selected companies are Nestle Nigeria Plc, Cadbury Nigeria, and PZ Cussons Nigeria Plc. These three companies produce consumer goods and have operated in the Nigeria business environment within the period under review.

THEORETICAL DISCOURSE AND RELATED LITERATURE

Social Donations,Charity and Community Development Initiatives as proxy for Corporate Social Sustainability.

Social sustainability is viewed as the art and science of identifying and managing business impacts, both positive and negative, on people. The quality of a company's relationships and engagement with its stakeholders is critical. While the main purpose of manufacturing is for firms to make profit for the owners, they are also expected to carry out other responsibilities as a major sector of the society. From Milton Friedman's (1970) business-oriented approach to European scholars' perspective emphasizing a social duty of corporations with moral value, the role of a corporate citizen has been argued and practiced on a wide continuum, ranging from reactivity to proactivity (Maignan& Ferrell, 2001). In order to meet societal demands for corporate citizenship, many companies are engaging in various forms of corporate social responsibility (CSR).

As a form of discretionary CSR, many companies donate some portion of their profits through their own corporate foundations or directly to charitable organizations. In 2007, corporate contributions accounted for 5 per cent of all giving in the USA, totaling $15.7 billion (Giving USA, 2008). Even though corporations contribute the lowest percentage of gifts, as compared to individuals and foundations, corporate philanthropy is very important in our society. Levy (1999) stressed the value of corporate giving, stating that corporations contribute in more ways than donating money; they donate equipment or products, create employment opportunities, and authorize the use of their facilities for the benefit of the community. In other words, corporations can provide resources to the nonprofit, or third, sector that neither individuals nor foundations usually are able to provide.

Based on legitimacy, systems and stakeholders' theories, corporate benefits from contributions may extend from increased sales to better relationships with various stakeholders of the company, which directly or indirectly influence the bottom line (Bae, 2004; Mullen, 1997). Moreover, strategic relationships with beneficiary communities and organizations allow firms to accomplish dual missions: to make a profit and to act as corporate citizens. Porter and Kramer (2002) argued that strategic partnerships with beneficiaries of charitable donations of organizations enhance the value of corporate contributions. Therefore, selecting appropriate beneficiary organizations and having strategic partnerships with them is pivotal for a company to be sustainable as both a for-profit organization and a citizen of society.

From the relationship management perspective, corporate philanthropy also has the benefit of building quality relationships between corporations and their internal and external publics, such as employees, consumers, government, investors, and communities (Daugherty, 2000; Hall, 2006; Koten, 1997; Levy, 1999; Porter & Kramer, 2002). Hall (2006) explored how corporate philanthropy and corporate community relations programs influenced the relationship between a regional utility company and its customers. She found that customers' awareness of these programs helped enhance the customers' relationship with the company and increased the perception of the relationship as being more communal than exchange.

The social dimension of sustainability concerns the impacts an organization has on the social systems such as labour practices, human rights and relationship with communities within which it operates. The indicators surround around labour practices and decent work, human rights, society and product responsibility (GRI, 2013). Profit is considered as the primary motive of profit-oriented business organizations operating especially in the private sector. In actualizing this objective, companies usually minimize the costs associated with business activities and maximize their profits. Even though scarce resources are used by businesses for production, 'sustainability' is a call for consideration of social good in carrying out production activities.

Responsibility towards social justice issues is the ability of a firm to take actions and be accountable for its social and environmental impacts on the society. One of the ways through which this accountability is communicated is through sustainability reporting. With the multi-dimensional role of a corporation to the shareholders (providing them with a reasonable return on investment), state (payment of taxes), people (being socially responsible) and environment (reducing environmental impacts as a result of daily operations); it also connotes community development i.e. effort of the company to develop its immediate environment via community developmental policies, and involvement in issues such as sports, education, social amenities, infrastructural facilities and community health matters. Accountability for these roles is revealed through disclosures by firms in their corporate communication media. As long as a firm continues to exist, it will do so within the confines of the people who make up the society and the planet. There are different opinions about the interaction between social performance (as a component of sustainability) and financial performance. The empirical research has not reached at a consensus. Scholars such as (Nze, Okoh.,&Ojeogwu, 2016) submit that social responsibility involves costs and therefore can worsen firms' performance. Murray argues that the practice of sustainable development by firms signals reduction in future earnings and erosion of investor's short-run returns (Kwanbo, 2011). Eccles, Ioannou, &Serafeim, (2012) also found that corporate social disclosure is an insignificant tool to maximizing corporate objectives. A foremost corporate objective is the maximization of firm earnings. His study deduced that social disclosure has no impact on earnings per share. The implication of this finding is that business organizations may not be obliged to be responsible for issues pertaining to social justice.

Yahya, &Ghodratollah, (2014) attempted to discover if social and financial performance is positively correlated, negatively correlated, or not correlated at all. Additionally, they wish to determine if a causal relationship behind these factors exists. This means that social performance may drive financial performance, financial performance may influence social performance, or there is a synergistic relationship between the two. They discovered that there was not a single negative relationship between social and financial performance in large U.S. companies, which is consistent with the stakeholder theory. The strongest evidence indicated that social-financial performance is a positive synergy, meaning that available funds drive positive social performance and that positive social performance also drives financial performance. Amacha, &Dastane, (2017) also argue that attention to corporate social performance builds effective and lasting relationships with stakeholder groups, which causes better overall financial performance. Supporting the above, Helg (2007) attempted to discover if "there is a positive relationship between CSP and financial quality performance and whether slack resources and good management theory may be operating simultaneously" Their concluding theory is in line with Preston and O'Bannon, stating that this relationship is a virtuous cycle where firms perform well, increase corporate sustainability, and then performs even better (Helg, 2007).

Manufacturing firms in Nigeria especially the firms under study as revealed in the annual financial reports being reviewed make donations in huge sums and in material items towards ensuring development of the Nigerian state. Some are equally involved in infrastructural developments in different ways to ameliorate the sufferings of its publics.

Value Added: As submitted by Adams Hyde (2021) in Investopedia.com, the term "value-added" describes the economic enhancement a company gives its products or services before offering them to customers. Value-added helps explain why companies are able to sell their goods or services for more than they cost to produce. Adding value to products and services is very important as it provides consumers with an incentive to make purchases, thus increasing a company's revenue and bottom line. Value-added could thus apply to instances when a firm takes a product that may be considered homogeneous—with few differences from that of a competitor, if any—and provides potential customers with a feature or add-on that gives it a greater perception of value. Adding a brand name to a generic product can be just as valuable as producing something new or in a way that no one has thought of before.

RiyanGuttson (2018) opines that in business, the positive financial gap between the sale price of a product and the cost of production of the same product is the unit profit. Moving higher, in economics, the sum of the unit profit, the unit depreciation cost, and the unit labor cost constitutes the unit value added. Summing value added per unit over all units sold is total value added. Total value added is equivalent to revenue less intermediate consumption. Value added is a higher portion of revenue for integrated companies such the quoted manufacturing firms in Nigeria.

As captured on the online wall of Corporate Finance Institute (CFI), Gross Value Added (GVA) helps to measure the contribution to an economy of an individual sector, region, industry, or producer/manufacturing firm. In other words, GVA helps to measure the gross value added by a particular product, service, or industry. GVA is important because it a component measure of the contributions of the quoted manufacturing firms and also helps to calculate the Gross Domestic Product (GDP), which is a key indicator of the performance of the nation's economy. GVA are calculated using the Value Added Statement of quoted manufacturing firms (VAS).

In ascertaining the health of quoted manufacturing firms, the most crucial aspect is the firm's value. The greater the value of a quoted manufacturing firm, the better is the financial position of the firm and prospects for prospective investors. Market capitalization is usually taken as a proxy for quoted manufacturing firms' value in many literatures. Usually, market capitalization is determined by multiplying number of outstanding shares and the current market price of one share. Considering number of outstanding shares to be constant, except in the case of buy out or split share, the quoted manufacturing firm's value is largely affected by market price of firm

(Duru and Onyeka, 2013).

For any quoted manufacturing firm to create value or add value, it has to make investment that will generate positive net present value in cash flows. Generally, the three main ways of financing quoted manufacturing firms are by issuing of new shares, use retained earnings, and borrowing money through debt instruments. These three different sources of financing make up the capital structures of quoted manufacturing firms. One central objective that quoted manufacturing firms have in common is the maximization of shareholders' wealth or value and the value of the business as a whole (Andrew, 2010). Quoted manufacturing firms are consciously designed to achieve and accomplish certain goals and objectives which in turn maximize the share shareholder's wealth in the context of the organization objective and further make the value of the firm greater (Owolabi, 2017).

In both the primary and secondary security markets, the price of shares are significantly influenced by a number of quoted manufacturing firm's characteristics and factors such as the book value of the firm, dividend per share (DPS), earnings per share (EPS), price earnings ratio (PER) and dividend cover (Smith, 2009). Chukwu (2009) summed up the factors that affect share price to include corporate earnings, management strength, news of law suit, mergers, takeovers, market liquidity, market stability, availability of substitute, government policies, analyst reports, macroeconomic issues, investor's perception and technical influences. Quoted manufacturing firms creates and add value to the investments of the shareholders by giving them higher returns at the end each financial year.

The value created or added is wealth created by the efforts of the company and its employees and its allocation between employees, shareholders, government and re-investment for the creation of future wealth (Cadbury Nigeria Plc Annual Report, 31st December, 2019). The data on the value added statement of the three companies under study shall be used in the analysis and testing of the hypothesis formulated on it.

3. Stakeholders Theory

Stakeholder theory: Stakeholders are individuals, and organizations that are actively involved in firm's activities, or whose interest may be affected either positively or negatively as a result of the operations and decisions of firms. This people have the ability to influence the operations and result of firms. According to Freeman (1984), the stakeholder theory maintains that firms have stewardship role towards a variety of stakeholders, different from shareholders, i.e. creditors, customers, suppliers, employees, government, community, environment, future generations, etc. King (2002) acknowledged the importance of integrated sustainability reporting in strengthening the relationship between firm and society in which it operates. Being insensitive to stakeholders' interests may detract firm's reputation, which would adversely affect firm's operational and financial performance.

However, looking at stakeholders' theory, it tries to establish relationship between the firm and other stakeholders including the community where the business is located unlike the agency theory that considers only the owners and the management of the business. A firm understands the role the customers, suppliers, creditors, government, environment and the host community play towards the success of firms. Therefore, firms owe these stakeholders a lot including making adequate disclosure of financial and non-financial performance. By doing this, the stakeholders can conveniently assess the impact of firm's operations on the entire stakeholders; acknowledging the fact that firms operate in a system of stakeholders who they cannot do without. More so, through sustainability reporting the bond between firms and stakeholders will be strengthened and they will have more confidence in the firm.

Empirical literature on Social Sustainability and performance of quoted manufacturing firms:

Mac-Ozigbo&Ogohi Daniel (2020) analyzed the effect of corporate social responsibility on the financial performance of organizations in Nigeria with emphasis on the construction companies. The population constitutes four construction companies who are the leaders in the business. A census approach was adopted. Data used were for the years 2014 to 2018 for the companies as extracted from the dossiers of these companies. The study used Multiple Regression Model as the techniques of analysis. The theory of stakeholders was adopted as the theoretical framework. In line with the findings of the study, it concluded that corporate social responsibility has a significant effect on the profitability of corporate organizations, especially, the construction companies in Nigeria. It then recommends among other things that organizations should render more of social responsibility as this could enhance their profitability. Government agencies should enact clearly defined laws on how to go about social responsibility issues of corporate organizations and such laws should be fully implemented.

Ibida, &Emeka-Nwokeji, (2019) measured the effect of Corporate Social Responsibility (CSR) on financial performance of oil and gas companies in Nigeria. Secondary data were obtained from published financial reports and accounts of randomly selected active oil and gas firms quoted on the Nigerian Stock Exchange for the period 2006 -2015. Ethical, economic and legal responsibilities were selected as independent variables while the firm performance was selected as the dependent variable, and these were incorporated into the model. Ethical responsibility was measured by expenditures on social donations, economic responsibility was measured by earnings per share while legal responsibility was measured by a summation of directors' remuneration, auditors fee, tax paid, interest expenses and staff costs. The data was analyzed using correlation regression analysis. The regression result showed that Ethical and Legal CSR have a negative significant relationship with firm performance while Economic CSR has a positive significant relationship with firm performance. The research recommends that economic responsibility should be encouraged as there is a significant positive relationship with firm performance. An increase in economic responsibility also brings about an increase in firm performance. Legal responsibility should be encouraged as there was a positive relationship with firm performance though it was not significant. An increase in legal responsibility encourages an increase in firm performance. Ethical responsibility should be managed or in fact discretionary depending on the conducive nature of host community environment as revealed by the study. Government should encourage CSR to be recognized as an investment and reported as such in the financial statements of oil and gas companies

Onyeka&Nwankwo (2016) examined the impact of corporate social responsibility on profitability of Nigerian manufacturing firms for the period 2004 to 2013. The result showed that with CSR, the impact of corporate social responsibility has positive and significant impact on net profit of manufacturing firms in Nigeria. The implication is that as the companies add to the social wellbeing of the society where the company is located it affects their return in terms of profit positively. This result reinforces the accumulating body of empirical support for the positive impact of CSR on financial performance

Akinleye,&Adedayo T (2017) investigated the impact of corporate social responsibility (CSR) on profitability of multinational companies in Nigeria. Specifically, the study analyzed the relationship and impact of corporate social responsibility spending on profit after tax, as well as the causal relationship between corporate social spending and profit after tax. Five multinational companies were randomly selected in the study and data were collated from their respective financial reports for a period of five years covering 2010 to 2014. The study employed techniques including correlation analysis, pooled OLS estimation, fixed effect and random effect estimations, granger causality estimation and post estimation test such as restricted f-test and Hausman test. Result revealed that there is weak negative correlation between corporate social spending and profit after tax (-0.0648). Corporate social spending exerts negative insignificant impact on profit after tax (β=-27.0860, P=0.704), while there is only evidence for unidirectional causal relationship running from corporate social spending to profit after tax for Oandoplc, among all the selected multinational companies (f-stat=208.868, P=0.0440). Keywords: corporate social responsibility, profitability, multinational companies, CSR spending.

Okoye, Modebe, Ahmed, Okoh, &Okojie, (2018).examined the impact of corporate social responsibility on the financial performance of deposit money banks in Nigeria. The survey research design was adopted for the study. The questionnaire method was used as the instrument of data collection. A total of 210 questionnaires were distributed to selected deposit money banks and communities that play hosts to these banks out of which 169 were returned. Responses from the selected respondents were analyzed using the SPSS analytical technique. Three hypotheses were formulated to determine the impact of corporate social responsibility (independent variable) on banking profitability, industry-community relationship, and corporate image (dependent variables). The ANOVA test shows evidence of significant relationship between the dependent and independent variables. The regression estimates show (i) significant negative impact of CSR expenditure on the profitability of banking operations (ii) significant positive impact of CSR on reduction of social tension or youth restiveness and improvement in the quality of life in the host communities (iii) significant positive impact of CSR on corporate image and significant negative impact of CSR on brand loyalty. Based on the above results, the study concludes that corporate social responsibility affects the profitability of banking operations in Nigeria. It is therefore recommended that policies on corporate social responsibility be strengthened and strictly enforced by the relevant authorities with adequate sanctions for non-compliance. Enlightenment and sensitization campaigns are further recommended to educate business firms on the need to engage corporate social responsibility for a healthy and investment-friendly climate.

Igbekoyi, Alade, &Oladele, (2018) assessed the trend of compliance of manufacturing firms in Nigeria to Corporate Social Responsibility(CSR). This is done with a view to assess the ratio of funds committed to CSR from Total Income (TI) and the explanatory power of the latter on the former. The population of the study comprised of 74 manufacturing firms quoted on the Nigerian Stock Exchange. A sample size of 25firms was selected using purposive sampling technique so as to capture only firms that are in existence consistently within the time frame of this study. Data were collected from annual reports of the selected firms for the period of 2002-2016. Data collected were analyzed using tables, graphs and cross-sectional regression trend analysis with the aid of E-view statistical package. The findings of this study revealed that the rate of compliance of Nigerian manufacturing firms to CSR is more than the rate of non-compliance. However, it was found that the firms' engagement in CSR was unstable over the period under review and statistically insignificant at certain point in time. It was also found that the ratio of funds committed to CSR is relatively small compared to the total income derived in a given year even though TI largely explained cross-sectional changes in CSR. Hence, as a matter of policy, this study advances that government should put monitoring agency in place to track corporate compliance on CRS, using a specified threshold (or rate) of the entity's total income that should be set aside for CRS purpose.

Gap in Knowledge/Literature:A careful examination of several studies both empirical and contextual in this study indicates a vast degree of literature on environmental sustainability and performance, thereby placing this study with framework of existing literature. Regrettably, this study noted that the result of most of these empirical works conducted have not been conclusive or did not treat at all the effects of corporate social sustainability on value added of quoted manufacturing firms in Nigeria. This is the perceived gap that this study will fill at the end.

METHODOLOGICAL ISSUES AND RELATED STATISTICS: The nature of the topic required the use of secondary data which were gotten from the audited financial statements of the three firms for the period and NSE Fact book. Panel survey design was used bearing in mind that events that were being observed had taken place. Ex-post facto design was employed because the study involved independent and dependent variables but had no control variable. Simple regression model was used while Ordinary Least Square estimation was reported and compared across firms. The data were analysed using the E-views 10 statistical package. The hypothesis was tested at 0.05 level of significance. The variables in the objective of the study was captured in the model below which shows the effect of social sustainability and value added of the firms in a linear relationship. The CSR factors will be measured using the values on donations, charity and contributions to community development on the financial reports. This relationship is represented as

$VAD = f(CSR)+e_t$……………………………………… Equation (1)

The relationship can be explicitly formulated into an econometric equation thus:

$VAD = b_0 + b_1\ CSR + e_t$…………………………………… Equation (2)

Where b0 is a constant or intercept; bi, is the coefficient of the explanatory variable; p is stochastic error term.

PRESENTATION AND ANALYSIS OF RESULTS

The results are presented according to the firms selected for the study. The firms are, Nestle Nigeria Plc, Cadbury Nigeria Plc and PZ Nigeria Plc

Nestle Nigeria Plc. Results

Table 1 Ordinary Least Squares result between value added and donations for charity and community development

Dependent Variable: VAD

Method: Least Squares

Date: 07/29/21 Time: 20:10

Sample: 2000 – 2020

Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	62163874	8736677.	7.115277	0.0001
CRS	0.045386	0.036037	1.259457	0.2395

R-squared	0.149839	Mean dependent var	66565665
Adjusted R-squared	0.055377	S.D. dependent var	27324068
S.E. of regression	26556735	Akaike info criterion	37.19043
Sum squared resid	6.35E+15	Schwarz criterion	37.26278
Log likelihood	-202.5474	Hannan-Quinn criter.	37.14483
F-statistic	1.586231	Durbin-Watson stat	0.437073
Prob(F-statistic)	0.239546		

Source: E -Views 10 Output of the Study

Table 1 presents the Ordinary Least Square (OLS) result of Nestle plc. A cursory examination of the table suggests that though the value added and donations for charity and community development are linearly related, donations for charity and community development cannot significantly explain the variations in value added by Nestle Plc. Its probability is 0.2395 with 1.259457 as t- calculated. The coefficient of donations for charity and community development which is 0.045386 implies that a unit increase in the independent variable (donations/community development) will lead to the dependent variable (VAD) increasing by 0.0453886. The R- Squared value of 0.149839 gives the variation in value added that is explained by donations/ community development. Thus 15 per cent of the variation in value added is explained by donations/ for charity and community development in Nestle Plc Firm's operation.

Cadbury Nigeria Plc. Results

Table 2: Ordinary Least Squares result between value added and donations for charity and community development

Dependent Variable: VAD

Method: Least Squares

Date: 07/29/21 Time: 20:42

Sample: 2000 – 2020

Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9774778.	1228733.	7.955169	0.0000
CRS	-0.015601	0.072481	-0.215246	0.8344

R-squared	0.005122	Mean dependent var	9592280.
Adjusted R-squared	-0.105421	S.D. dependent var	2805435.
S.E. of regression	2949606.	Akaike info criterion	32.79521

Sum squared resid	7.83E+13	Schwarz criterion	32.86755
Log likelihood	-178.3736	Hannan-Quinn criter.	32.74960
F-statistic	0.046331	Durbin-Watson stat	0.551365
Prob(F-statistic)	0.834374		

Source: E -views 10 Output of the Study

Table 2: presented the OLS results of Cadbury plc. Quick examination of table 2 submits that value added and donations for charity and community development are linearly related. The R-value of the constant term is better than 0.1 per cent and is statistically significant at 7.955169. However, donations for charity and on community development cannot significantly explain the variations in value added by Cadbury Plc. Its probability is 0.8344 with -0.215246 as t- calculated. The coefficient of donations for charity and community development which is -0.015601 implies that a unit increase in the independent variable (donations/community development) will lead to the dependent variable (VAD) decreasing by 0.015601. Both variables exhibit inverse relationship. The R-Squared value of 0.005122 gives the indication that variation in value added that is explained by donations for charity and community development is minimal to the tune of half a percent of Cadbury Plc firm's operation.

PZ Nigeria Plc. Results

Table 3: Ordinary Least Squares (OLS) result between value added and donations/ community development

Dependent Variable: VAD
Method: Least Squares
Date: 07/29/21 Time: 20:54
Sample: 2000 2020
Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9450516.	948960.8	9.958805	0.0000
CRS	-0.019883	0.031471	-0.631783	0.5432

R-squared	0.042467	Mean dependent var	9083988.
Adjusted R-squared	-0.063926	S.D. dependent var	2414694.
S.E. of regression	2490679.	Akaike info criterion	32.45697
Sum squared resid	5.58E+13	Schwarz criterion	32.52932
Log likelihood	-176.5134	Hannan-Quinn criter.	32.41137
F-statistic	0.399150	Durbin-Watson stat	1.232534
Prob(F-statistic)	0.543241		

Source: E -Views 10 Output of the Study

Tables 3: presented the OLS results of PZ plc. Swift examination of table 3 submit that value added and donations for charity and community development are inversely related. However, donations for charity and community development cannot significantly explain the variations in value added by PZ Plc. Its probability is 0.5432 with -0.631783 as t- calculated. The coefficient of donations for charity and community development which is -0.019883 indicate that a unit increase in the independent variable (donations/community development) will lead to the dependent variable (VAD) decreasing by 0.019883. The R- Squared value of 0.042467 implies that the variation in value added that is explained by donations for charity and community development is to the tune of 5 percent in PZ Plc Firm's operation.

Nestle Nigeria Plc Hypothesis TestingH0: Social donations for charity and community development does not have a significant effect on value added of Nestle Nigeria Plc in Nigeria. Ordinary Least Square Technique was used to assess the predictive power of Social donations and charity and value added of Nestle Nigeria Plc. The variability explained by the model was not significant p = 0.2395 at 5 per cent level (P>0.05). Similarly, t calculated (1.259457) < t tabulated (1.96). Thus the null hypothesis cannot be rejected and the conclusion that there is no significant relationship between Social donations and charity effect on value added of Nestle Nigeria Plc in Nigeria. The outcome of this hypothesis is positive but the relationship between the two variables is not significant.

Cadbury Nigeria Plc Hypothesis TestingH0: Social donations for charity and community development does not have a significant effect on value added of Cadbury Nigeria Plc in Nigeria. Ordinary Least Square Technique was used to assess the predictive power of social donations for charity and community development and value added of Cadbury Nigeria Plc. The variability explained by the model was not significant p = 0.8344 at 5 per cent level (P>0.05). Similarly, t calculated (-0.215246) < t tabulated (1.96). Thus the null hypothesis cannot be rejected and the conclusion that there is no significant relationship between Social donations for charity and community development effect on value added of Cadbury Nigeria Plc in Nigeria.

PZ Nigeria Plc Hypothesis TestingH0: Social donations for charity and community development does not have a significant effect on value added of PZ Nigeria Plc in Nigeria. Ordinary Least Square Techniques was used to assess the predictive power of social donations for charity and community development and value added of PZ Nigeria Plc. The variability explained by the model was not significant p = 0.5432 at 5 per cent level (P>0.05). Similarly, t calculated (-0.631783) < t tabulated (1.96). Thus the null hypothesis cannot be rejected and the conclusion that there is no significant relationship between Social donations for charity and community development effect on value added of PZ Nigeria Plc in Nigeria.

Discussion of Result: On Social donations and charity effect on value added of quoted manufacturing firms in Nigeria, the null hypothesis cannot be rejected and the conclusion that there is no significant relationship between Social donations and charity effect on value added of all the three firms of Nestle, Cadbury and PZ Nigeria Plc in Nigeria. Although statistically positive function of value added in Nestle Nigeria Plc. This is in contrast to Agbiogwu, Ihendinihu&Okafor (2016) study which examined the impact of environmental and social costs on performance of Nigerian manufacturing companies. It used secondary data, sourced from ten (10) randomly selected firms 'annual report and financial summary 2014. The Finding from the analysis shows that the sampled companies environmental and social cost significantly affect Net profit margin, Earnings per share and Return on capital employed of manufacturing companies, are used to measure performance.

However, it is in line with Babalola (2012) study which examined the relationship between corporate social responsibility and firms' profitability in Nigeria with the use of secondary data, sourced from ten (10) randomly selected firms' annual report and financial summary between "1999-2008". The study made use of ordinary least square for the analysis of collected data. Findings show that the sampled firms invested less than ten percent of their annual profit to social responsibility. The result obtained shows that the explanatory variable account for positive changes or variations in selected firms performance (PAT) and are caused by changes in corporate social responsibility (CSR) in Nigeria. There is however, converse result emanating from Cadbury and PZ as they are negative functions of value added with respect to performance of quoted manufacturing firms in Nigeria.

Interestingly, Ugo and Igbini (2020) examined the effect of corporate social responsibility on performance of Nigerian quoted firms. Applying a cross-sectional analysis of one hundred and fifty (150) firms quoted on the Nigerian Stock Exchange. Using the binary logistic regression analysis. The results revealed that corporate social responsibility (CSR) exerts a positive and statistically significant effect on firm profitability (PF), return on equity (ROE) and market success (MS) in Nigeria. Thus, Nestle Nigeria, Plc result corresponds to the apriori expectation of positive statistically relationship between the dependent and independent variables, but not consistent with Cadbury and PZ. Our concern here is that, corporate quoted manufacturing firms in Nigeria should intensify efforts to increase their commitment to social responsibility in order to create good image in the mind of their host communities' thereby increasing performance.

4. CONCLUSION

From our study on the social sustainability and survival of quoted manufacturing firms in Nigeria, we conclude that, social donations for charity and community development are key to maintaining growth trajectories of quoted firms in Nigeria. This is evidently captured in the Nestle Nigeria Plc results, although the results from PZ Nigeria Plc and Cadbury Nigeria Plc deviated from the apriori expectations. Nestle Nigeria Plc results provides a reference point for improvements in services and the business environment in quoted manufacturing firms in

Nigeria.

5. ADVOCACY/RECOMMENDATION

It is recommended that corporate quoted manufacturing firms in Nigeria should intensify efforts to increase their commitment to social sustainability in order to create good image in the mind of their host communities' thereby increasing performance. Similarly, laws and regulations to force firms to give adequate attention to social accounting in terms of social costs in order to comply with social sustainability which has implicit and explicit impacts on performances of quoted manufacturing firms should be enacted and enforced.

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