
SOCIAL COST ACCOUNTING AND THE PERFORMANCE OF QUOTED CONSUMER GOODS SECTOR COMPANIES IN NIGERIA

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ABSTRACT

The study examined the relationship between social cost accounting and firms' performance of consumer goods sector quoted companies in Nigeria. The study employed donations (DONA) and employee health and safety scheme (EHSS) as the independent variables (representing social cost accounting), while return on assets (ROTA) was employed as the dependent variable (the measure of performance). Secondary data for the chosen variables were gotten from audited annual reports of sampled five listed companies in the consumer goods sector for the period of 2013 to 2019. Descriptive statistics and multiple regression analysis were used as the techniques for data analysis. The study revealed that donations (DONA) had an insignificantly positive relationship with return on assets, while employee health and safety scheme (EHSS) had a significant positive association with return on assets at 5% level of significance. The value of the adjusted R-Squared revealed that the two independent variables, DONA and EHSS jointly indicate over 13% of the systematic variations in ROTA during the period studied and the F-statistic of 3.673620 (P-value of 0.036624) is significant as its probability value is less than 5% critical level. Based on the findings, the study recommended that consumer goods sector quoted companies should engage in purposeful SCA practices for their employees, and they should also focus more on customer satisfaction in order to increase the firm's performance.

Keywords: *Accounting, Donations, Health and safety scheme, Performance, Social cost.*

INTRODUCTION

The environment where a business is positioned is one aspect that needs priority attention if the business must survive and continue to operate in order to maximize shareholders wealth [1]. A sound business decision depends strongly on relevant and true cost information such as financial (quantitative) and non-financial (qualitative). Nigerian companies especially those that are well regulated have been adjudged to be the highest emitters, and they do so little to ensure that this is reduced. The major concerns of stewards of these companies is to meet their targeted turnover in billions, and what is counting for them is profit before tax as a basis of performance and comparison among themselves and their peers at the detriment of environment, health and economic havoc their operations are causing [2]. With the adoption of IFRS by developing countries like Nigeria, more integrated reporting, and comprehensive model that encompasses significant elements of environmental, social and governance reporting within a single presentation has been embraced [3].

On a wide range of issues, corporations are encouraged to behave socially responsible since strategic managers are consistently faced with the decision of how to allocate scarce corporate resources in an environment that is placing more and more pressures on them. These pressures are not coming directly from traditional concerns of strategic management but from concerns about social issues in management [4]. In trying to make profit and maximize shareholders wealth, the social cost implication that firms contribute directly or indirectly to their host environment are worthy of consideration. Therefore, in this paper we intend to investigate social cost accounting and firm's performance of quoted consumer goods sector on Nigeria stock exchange.

Towards this end, this study examined the association between social cost accounting the performance of quoted consumer goods sector companies in using donations and employee health and safety scheme as proxy for social costs and return on assets as the measure of firm performance.

Statement of problem

Wood [5] stated that social issues have been the center of debates for centuries, but only recently did researchers, academicians, and practitioners start to consider these social issues as important aspects of a company's strategy, associated with responsible management system. Although, series of arguments based on researches are found in literature as to the relevancy or irrelevancy of social cost accounting on the firm's performance, there is no unanimous agreement on the subject matter due to peculiarities of settings and the variations of methodology adopted by the studies. Some of the studies argue in favor of social cost accounting as it leads to profitability increments, societal and environmental stabilities while others argued otherwise [6].

It is apparent from the above that the exact effect of social cost accounting and performance is yet to be established, therefore the need for further investigation and survey within the Nigerian context. Therefore, this study is aimed at examining the relationship between social cost accounting and performance of Nigerian companies in the consumer goods sector as a step towards filling up the research gap. The study used as dimensions of social cost accounting, donations (DONA), and employee health and safety scheme (EHSS) as the independent variables; while return on assets (ROTA) was used to present firm performance (the dependent variable).

Purpose of the Study

The purpose of this study was to examine the association between social cost accounting and firms' performance of using a sample of quoted consumer goods sector companies in Nigeria. However, the specific objectives were as stated below:

- a) To determine the effect of donations on return on assets; and
- b) To determine the effect of employee health and safety scheme on return on assets.

The above objectives form the basis of the research questions addressed and the hypotheses tested in the study. The findings of this study were significant in providing a road map for government in settling conflicts and disputes between host communities companies operating within the environment. This will help government and the companies to come up with an acceptable memorandum of understanding as to what should be expended as SCR from companies to host communities as well as host communities' responsible behaviour towards companies located in their environment. This study would also contribute to the existing body of knowledge, and it is hoped that the result of this study will be beneficial to both internal and external parties.

Furthermore, this research paper is divided into five sections. The general introduction has been covered in the preceding section. Literature review is treated in the next section, followed by the methodology used in carrying out the study. Then, the results of data analysis and interpretations were dealt with in the section to follow. The final section provides the summary, conclusion and recommendations of the study.

LITERATURE REVIEW

This section reported the review related literature (previous studies and theories) aimed at providing an analytical framework for the study on social cost accounting and firm performance of quoted consumer goods sector on the Nigerian stock exchange. It looks at conceptual meanings of SCA and the historical origin of the concept. Empirical works done on how to measure SCA and its impact are all considered in this section.

Conceptual Clarifications

The concept of social cost accounting (SCA)

The quest to address the social costs arising from business activities is at the heart of the corporate social responsibility (CSR) movement [2]. From the above we can deduce that CSR can be ascribed as SCA. The term CSR covers a wide range of issues centered on companies' involvement with the society. The issues covered include ethics, governance, social activities such as philanthropy and community involvement, product safety, equal opportunities, human rights and environmental activities. CSR viewed from the perspective of the Accountant is essentially and intimately linked with social (and environmental) reporting or cost or accounting. Social accounting was by itself part of the results of the early social responsibility movement of the 1960s, but also appeared around similar time with the emergence of the environmental movement [7].

Social Accounting like Corporate Social Responsibility is concerned with an organization's commitment to ensuring transparency and accountability to stakeholders. Therefore, social accounting is one of the key elements of corporate social responsibility, relating it to corporate social responsiveness [8]. Shehu [6] asserted that the perspectives of SCA vary from individual authors to organizations and as a result there is no generally accepted unified definition of the concept. The concept is therefore closely linked to the principle of sustainability, which argues that enterprises should make decisions based not only on financial factors such as profits and dividends, but also based on the immediate and long term social and environmental consequences of their activities [8].

As stated by Selcuk and Kiyamaz [9], SCA is viewed from different perspectives and angles. The perspectives vary from individual authors to organizations and as a result there is no generally accepted unified definition of the concept. But, on critical view of the various definitions given, one could observe that they are centered on three themes as stated by Wissink [10]. These themes are corporate relations to economic, societal and environmental sustainability. It is on this basis that several terms like corporate conscience, good corporate citizenship, business responsibility, business citizenship, social performance, sustainable responsible business, community relations, and responsible business are used to connote CSR.

Several people considered CSR to be a Western discovery. This may be fundamentally true in its modern idea. There is ample evidence that CSR in Africa draws strongly on innate indigenous cultural traditions of philanthropy, business ethics, and community embeddedness. Some of these traditions of SCA goes back to ancient times [11].

Performance

According to Shehu [6], several variables are used in measuring SCA. They could be subjective indicators such as survey, questionnaires, corporate annual reports to shareholders or content analyses of annual reports, expert evaluations, and regulatory compliance data. There are some indices that are used in measuring CSR in relation to performance. Some of these indices are explained thus:

Corporate social performance (CSP) disclosure

This makes use of content analysis of annual accounts and reports. This method provides the researcher with internal ratio or ordinal measurement of the construct. According to Wolfe [12], content analysis is the art of measuring CSP, which involves textual evaluation of firm's social and environmental disclosure in the annual accounts and report to deduce the organization's

underlying social performance. CSP Disclosure was used by researchers such as Gangi&D'Angelo[13] and Garcia, Sousa-Filho&Boaventura[14] amongst others.

Reputational indices

According to Orlitzky, Schmidt, and Rynes[15], reputational indices are usually developed on the premise that CSP is a good indicator of companies' corporate social responsibility. It involves professionally informed rating of companies various social and environmental actions and responses. This is done by means of tripartite rating (outstanding, honorable and worst companies). Reputational indices have been used by researchers like Brammer & Pavelin[16], Roberts & Dowling [17]& De Quevede-Puente, de la Fuente-Sabate& Delgado-Garcia [18] amongst others.

Social audit or corporate responsibility index (CRI)

Under this index, participating companies are assessed against a corporate responsibility framework, including an examination of how corporate responsibility is translated from strategy into mainstream management practice, and how material risks are monitored and managed. The company's response is then externally audited, and results are published. .

Measurement of corporate financial performance (CFP)

There is also no uniform consensus in the literature on how to measure corporate financial performance. This is due to contradictory argument as to what basis of measurement to adopt. While some authorities suggested using accounting measurement, others suggested market measurement and some mixed measurement. Each of the approach used has some backing reasons and also some demerits linked up with it. For example, accounting measurement is criticized of only capturing historical aspects of the firm' financial performance which can provide room for possible managerial manipulation. Market measurement is regarded as a proper measure of performance because it reveals investors valuation of firms. Accounting measures of financial performance consists of many yardsticks such as profitability, activities and liquidity ratios. Profitability ratios are measurement of profit related to sales and profit related to investment. In another view, it has been argued that the continued viability of a corporation depends on its ability to earn an adequate return on its assets and capital and in which case, ratios like Return on Assets (ROA), Return on Equity (ROE) and Capital Adequacy Ratios (CAR) are used.

The origin of corporate social responsibility (CSR) in brief

The history of CSR can be traced back to 1700 B.C in which it was reported that Mesopotamian kings as of then introduced a code for inn keepers guidance on how to go about their jobs[6]. Economists accept that economic activities sometimes produce externalities, or 'external diseconomies' for outsiders or third parties. They also accept that the creation of negative externalities is a market failure, in the sense that where social cost exceeds private cost, the market does not necessarily achieve an efficient allocation of resources.

Addressing externalities through regulation and taxation is however problematic. This is because they are both blunt instruments of social steering which produce distortions or second order effects. The practical impossibility of anticipating those second order effects means the regulator cannot determine a rate of taxation that will match the environmental cost and produce the common good; it will always be too high or too low. Nevertheless, under political pressure to justify their interventions, regulators often ignore this uncertainty and produce clear cost-benefit analyses of the impact they expect proposed regulatory interventions to have [2]. Due to the prominent nature of CSR, it is now considered as one of the crucial subject matter of interest in accounting theory and practice since the '70's. The accounting profession has been involved in the struggle to ensure that social responsibility expenditures are accounted for and adequately disclosed in the annual reports of financial statements [19].

The relationship between CSR and financial performance

Following the popularization of CSR in the 1970's, researchers and practitioners have increasingly been interested in its concepts and possible linkage to financial performance [20]. A dual view of the concept exists. The first being that a socially aware management is more skilled to run a superior company with probable results in better financial performance and the second being that the cost incurred from increased CSR expenditure induces a competitive disadvantage. In subsequent years, researchers continued debating the various approaches used by researchers in measuring both CSR performance and financial performance, and up till this day reaching, a consensus has been impossible, thus hindering the possibility of generalizing results [21]. One reason for the problematic situation is the existence of a vast number of variables and that the researcher's' selection of which variables to include in a study can have major implications on its eventual results [22]. Researchers investigating the relationship have also acknowledged that there are several other factors which can influence the relationship and should to be taken into consideration [23]. According to McWilliams and Siegel [24], each company is different in how it incorporates CSR, if at all, in its business structure. This, they argue, is determined by a variety of factors such as company size, industry environment, business culture and exposure to risks. Depending on the characteristic of the individual firm, it can choose to focus heavily on one area of CSR, such as human rights or environmental aspects, or alternatively aim to integrate a wider range of CSR aspects into its organization.

Company size is another factor which has been suggested to influence the relationship between CSR and financial performance. Evidence that larger firms are prone to be more socially responsible than smaller firms, which could be as a result of increased expectation from stakeholders to act socially and environmentally conscious and be more attentive to their demands exist. Whether or not company size is an influential variable on the CSR and financial performance relationship remains debated in the research community [25].

Theoretical Review

Stakeholder theory

Stakeholder theory is a management theory concerned with moral and ethical issues in running a business. From a stakeholder perspective, business can be seen as a set of interactions among groups that have an interest in the actions of the business [26]. It is a theory that emphasizes the interconnected relationships that exist between a business and its customers, suppliers, employees, financiers (stockholders, bondholders, banks, etc.), communities, and others who have an interest in the organization, and how they interact to jointly create and trade value. It proposes that if we accept as a unit of analysis the defined relationships between a business and its stakeholders, then we have an enhanced opportunity to effectively treat business problems [27]. The firm's purpose based on this theory is to maximize profit under a collective bottom line, with profit defined as human welfare and not as money. The collective bottom line is the total effect of a company's actions on all stakeholders.

Managerial theory

The rationality behind managerial theory is the emphasis on corporate management in which corporate social responsibilities are internally undertaken by the organization [28]. This beams the disparity between the utilitarian and managerial perspective of corporate social responsibility that advocates that all external activities of the organization are accounted for and taken into consideration for decision making [29].

Managerial theories emphasize intensely that the amount of social power possessed by an organization and the understanding of it being a corporate citizen with certain responsibilities towards the society gives rise to its social responsibilities [30,31].

Review of Empirical Studies

Daferighe, Akpanuko & Offiong [32] examined the relationship between social accounting practices and profitability of companies in Nigeria, using Health Related Cost (HRC) and Return on Equity (ROE) as proxies. Descriptive research design was adopted in the study and data for fifteen companies were collected from their financial statements for the period of 2009 to 2015. Descriptive statistics and multiple regression analysis were employed as analytical tools for the study. The result revealed that social cost accounting practices had insignificant positive relationship with profitability of companies in Nigeria. The study recommended among others that, companies may cautiously support health issues that will enhance Companies' economic benefits in the long-run.

Razali, Sin, Lunyai, Hwang and Yusoff [33] investigated the relationship between CSR disclosure and firm performance of Bursa Malaysia's listed companies based on their market value added (MVA), return on equity (ROE) and return on assets (ROA). They used 324 samples of public listed companies' annual report for the period of 2014 to 2016. Their study shows that there is a positive significant relationship between CSR disclosure and firm performance in terms of ROA and ROE. Selcuk and Kiyamaz [9] study focuses on the relationship between firm performance and corporate social responsibility (CSR) of firms listed on Bursa Istanbul during the period of 2009-2011. They used content analysis of annual reports of selected firms. In their study they found a negative relationship between CSR and financial performance.

Sadiq, Azizat, Fatima & Ibrahim [11] examined the impact of Corporate Social Responsibility on firms' performance of fourteen manufacturing companies. Their study revealed that there is no significant relationship between corporate social responsibility and firm's performance measured by size. Their study also revealed that there is negative relationship between corporate social responsibility and firm's efficiency. Isa and Madaki [34] examined the impact of Corporate Social Responsibility Disclosure (CSR D) on the Financial Performance of listed consumer goods companies in Nigeria from 2005 to 2014. Their result shows a negative and significant relationship between CSR D and ROA; there is a negative but an insignificant relationship between CSR D and ROE.

Nnaemeka, Lucy and Kevin [35] evaluated the effect of sustainability accounting on the financial performance of listed manufacturing firms in Nigeria. Sample firms were chosen from the Nigerian brewery sector with data collected from their financial statements. Data were analyzed using the ordinary linear regression. The result revealed that sustainability reporting has a positive significant effect on the financial performance of firms. The study recommended that Nigerian firms should invest reasonably from their earnings on sustainability activities while specific accounting templates be articulated by professional accounting regulating bodies to guide firms' reportage on sustainability activities.

Agbiogwu, Ihendinihu and Okafor [36] examined the impact of environmental and social costs on performance of Nigerian manufacturing companies. They used secondary data from the annual reports of ten firms. The collected data was analyzed using t-test of SPSS version 20. The findings from the analysis showed that environmental and social cost significantly affects the profitability of manufacturing companies. They recommended that government should ensure complete adherence of environmental laws by manufacturing companies in Nigeria. Gworo [29] examined the impact of social responsibility accounting on the profitability of listed Kenyan Firms. He employed a cross sectional descriptive survey design and analysed data collected on Return on Capital Employed (ROCE), Net Profit Margin (NPM), Earning Per Share (EPS) and Dividend Per Share (DPS) using multiple regression models. The results indicated that a positive relationship exists between social responsibility accounting and the profitability of firms.

Ohiokha, Odion and Akhalumeh [4] studied the relationship between corporate social responsibility and the financial performance of firms. They used a pooled panel survey research design method on the annual reports of twenty nine (29) firms

from 2005 to 2010. They analyzed the data using the panel data regression analysis. Their study revealed that corporate social responsibility (CSR) has little impact on the financial performance of firms. Umoren, Ogbari, and Atolagbe[37] investigated the Corporate Social Responsibility (CSR) disclosure practices of Nigerian quoted companies and their determinants. They used company size, profitability and auditor type to represent disclosure: company size was measured by total assets; profitability was measured by return on equity (ROE); and auditor type was measured by a dummy variable, '1' for Big 4 and '0' for otherwise. They analyzed the data collected data using descriptive statistics, correlation and regression. They found that company size and auditor type influences CSR, but profitability did not. They thus recommended a mandatory CSR reporting framework in line with international best practice for all listed companies in Nigeria.

Shehu[6] examined the impact of corporate social responsibility on the financial performance of Quoted Conglomerates in Nigeria and found that two of the independent variables (i.e., Employees ratios, and company performance) have significant positive impacts and another one (i.e. Environmental Management System)negative impact. He concluded that corporate social responsibility plays a significant role on the profitability of conglomerates in Nigeria. Simionescu and Gherghina[38] investigated the relationship between CSR and corporate performance using accounting- based performance measures (e.g. ROA, ROE, and ROS), and market-based firm performance measures (e.g. PER, EPS, and PBV) using companies listed on the Bucharest Stock Exchange for the period 2008-2011. They employed panel data regression models without cross-section effects and found a negative relationship between CSR and accounting based measures, as well as a positive association between CSR and market based measures. Thus, CSR affects the performance of a company both positively and negatively.

Bolanle, Olanrewaju and Muyideen[39] examined the relationship between corporate social responsibility and profitability of Nigerian banks. They used First Bank of Nigeria Plc as the case study for the period of ten years (2001-2010). CSR was used as the independent variable while PAT was the dependent variable. The data collected were analyzed using correlation and regression analysis. The result indicated that there exists a significant positive impact of CSR on PAT. Therefore, they recommended the importance of banks demonstrating a high level of commitment to corporate social responsibility in order to boost their profitability in the long run. Mishra and Suar[40] examined whether corporate social responsibility (CSR) towards primary stakeholders influences the financial and the non-financial performance (NFP) of Indian firms. Their findings indicate CSR is found to be associated with increase in FP and NFP of firms.

METHODOLOGY

Research Design

This study used correlational research design. Since the aim of this study focuses on examining the relationship between SCA and financial performance, it was considered to be the most suitable research design. Kumar [41] stated that the aim of a correlational research design is to establish or explore a relationship, association or interdependence between at least two facets of a situation or a phenomenon. The pooled ordinary least squares regression technique was used. Descriptive statistics, correlation matrix, and diagnostics tests were done with the use of E-views 8 software.

Population of the Study

The population of study consists of consumer goods sector companies listed on Nigeria Stock Exchange as at February 2020. The total consumer goods companies listed are 20 which are: Cadbury Nig. Plc., Champion Brew. Plc, Dangote Sugar Refinery, Plc., DN Tyre & Rubber Plc, Flour Mills Nig. Plc, Golden Guinea Brew. Plc., Guinness Nig. Plc., Honeywell Flour Mill, Plc., International Breweries Plc., McnicholsPlc, Multi-trex Integrated Foods Plc, Nigerian Flour Mills Plc, Nascon Allied Industries Plc, Nestle Nig. Plc, Nigerian Brew. Plc, Nigerian Enamelware Plc, PZ Cussons Nigeria Plc, Unilever Nigeria plc, Union Dicon Salt Plc, and Vitafoam Nig. Plc.

Sample and Sampling Technique

Five (5) of the listed consumer goods companies in Nigeria were selected as sample of the study by the use of convenient sampling. These include: Nestle Nig. Plc, Nigerian Brew. Plc, PZ Cussons Nigeria Plc, Unilever Nigeria Plc, and Vitafoam Nig. Plc. The reason for the selection of these companies is based on the availability of data.

Source of Data

Due to the nature of this study, secondary data was used. Necessary data were collected from financial statements of the selected companies for a period of 7 years ranging from 2013 to 2019. Audited annual reports were selected for this work because it contains the verification of experts which makes it valid for the study. The annual statements of the listed companies were used to get information on both the following dependent and independent variables respectively: return of asset (ROTA), and donations (DONA), employee health and safety scheme (EHSS).

Method of Data Analysis

The technique of analysis employed by the study is multiple regression. The technique is made up of one dependent variable ROTA and two independent variables DONA and EHSS applied by Shehu[6]. However this research adopted different variables, years and industry.

Model Specification

The model adopted for this study is as stated below:

$$ROTA = f(DONA, EHSS)$$

The above model was written in more a more explicit form as follows:

$$ROTA = \beta_0 + \beta_1 DONA + \beta_2 EHSS + e \quad (i)$$

Where:

ROTA = Return on assets (variable for measuring firm performance; the dependent variable)

DONA = Donations

EHSS = Employee health and safety scheme

β_0 = The constant term of the equation

β_1, β_2 = The coefficients of the independent variables to be determined; $\beta_1, \beta_2 \neq 0$.

e = Error term

RESULTS OF DATA ANALYSIS AND INTERPRETATIONS

This section deals with the presentation of data, results of data analysis and a discussion of the findings of the study including the test of hypotheses.

Data Presentation

The data collected from NSE and the companies' website as shown in Appendix 1 were used in the analysis for this study and are categorized their different results in Tables 1- 4. Therefore the analysis was based on secondary data collected from published financial statements of the following companies: PZ Cussons Plc, Nigerian breweries Plc, Unilever Plc, Vitafoam Nig. Plc, and Nestle Plc; spanning from 2013 to 2019.

RESULTS OF DATA ANALYSIS

Descriptive Statistics

The E-views results of the descriptive statistics of the variables are presented in Table 1. From Table 1, the ROTA has an average of 2.005 while donations (DONA) and employee health and safety scheme (EHSS) have a mean average of 11.641 and 16.735 respectively. The centers of each data series are shown by their median values. The values 2.043, 10.433 and 16.851 for ROTA, DONA and EHSS respectively provide the central position of the data set. However, the ROTA ranges from 3.840 to -0.348, while the ranges of donations and employee health and safety scheme are 19.149 to 7.643 and 20.202 to 13.417 respectively.

Table 1: Descriptive Statistics of the Variables

	LROTA	LDONA	LEHSS
Mean	2.005886	11.64111	16.73544
Median	2.043733	10.43309	16.85132
Maximum	3.840481	19.14916	20.20223
Minimum	-0.348510	7.643962	13.41708
Std. Dev.	1.013301	3.631075	2.124322
Skewness	-0.269417	1.285764	0.272680
Kurtosis	2.728665	3.018330	2.156085
Jarque-Bera	0.530781	9.644095	1.472348
Probability	0.766906	0.008050	0.478943
Sum	70.20603	407.4387	585.7403
Sum Sq. Dev.	34.91049	448.2799	153.4333
Observations	35	35	35

Source: E-Views Output

As regards standard deviation which displays the variability of the variables, donations (DONA) had the highest value, followed by employee health and safety scheme (EHSS), and then ROTA which has the least variability. This presumes that DONA is most volatile in nature. The data on all the variables in the model are normally skewed. This means that during the period under observation, the rate of increase in all the variables are skewed to the right towards normality.

Following Bowman-Shelton test for normality which is based on the closeness to zero(0) of the sample skewness and the proximity to 3 of the sample kurtosis [42], the variables kurtosis are all less than 3 which means that they are platytokurtic, except in the case of DONA which is leptokurtic. This suggests that but for DONA, the rate of change of all other variables in the model are with lower than normal kurtosis, noting that kurtosis provides a measure of the weight in the tails of a probability density function.

Correlation Matrix

The correlation matrix of the study variables are presented in Table 2. The result portrayed in Table 2 shows the correlation matrix in respect of return on assets (ROTA), donations (DONA) and employee health and safety scheme (EHSS). The result revealed that ROTA and DONA; and ROTA and EHSS have very weak positive correlation. This suggests the absence of serial correlation amongst the independent variables.

Table 2: Correlation Matrix of the Variables

	LROTA	LDONA	LEHSS
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LROTA	1.000000	0.203800	0.414881
LDONA	0.203800	1.000000	0.289418
LEHSS	0.414881	0.289418	1.000000

Source: E-views out put

Short-Run Ordinary Least Square Test Results

The regression analysis results between the dependent and the independent variables based on the Ordinary Least Squares technique are presented in Table 3. The figures in Table 3 include t-values of the variables.

Table 3: Regression Results
Dependent variable: LROTA

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.246428	1.222186	-1.019835	0.3155
LDONA	0.023366	0.043965	0.531467	0.5988
LEHSS	0.179636	0.075149	2.390396	0.0229
R-squared	0.186728	Mean dependent var		2.031870
Adjusted R-squared	0.135899	S.D. dependent var		0.958529
S.E. of regression	0.891021	Akaike info criterion		2.688918
Sum squared resid	25.40536	Schwarz criterion		2.822233
Log likelihood	-44.05606	Hannan-Quinn criter.		2.734938
F-statistic	3.673620	Durbin-Watson stat		1.472282
Prob(F-statistic)	0.036624			

Source: E-views output

From Table 3, the value of the adjusted R-Squared reveals that the two independent variables, DONA and EHSS jointly indicate about 14% of the systematic variations in ROTA during the period studied. The sign of the coefficients are correctly signed based on a priori expectation as DONA and EHSS are directly related to ROTA. The F-statistic of 3.673620 (P-value of 0.036624) is significant as its probability value is less than 5% critical level. Thus, the hypothesis of a significant linear relationship between ROTA and the two independent variables combined is shown. The t-statistic of 0.53 (P-value = 0.59) for DONA is greater than 5% critical value. It revealed a positive, but insignificant value, thus, we accept the null hypothesis of a weak statistically significant relationship between donations and return on assets. While the t-statistic value of 2.39 (P-value = 0.02) for EHSS is significant as it is lesser than the 5% critical value. Therefore, we reject the null hypothesis and accept the alternate hypothesis of a positive and strong statistically significant relationship between employee health and safety scheme and return on assets for the sample under study. The prediction of the study results is that while donation suggests a weak predicting capability of ROTA, employee health and safety scheme can influence ROTA for the sample under review.

Diagnostic Test Results

Four diagnostic test results involving the Jarque-Bera normality test, Breusch-Godfrey serial correlation, L.M. test, Breusch-Pagan-Godfrey Heteroskedasticity test and the Ramsey RESET are presented in Table 4.

Table 4: Diagnostic Test Results

	J. B.	P-value	Mean	F-version	P-value	t- statistic	P-value
Normality Test	1.390916	0.498846	-9.14e-16 (0.0000)				
Breusch Godfrey serial correlation				1.005398	0.3779		
Heteroskedasticity test				0.227618	0.7977		
Ramsey RESET				1.150197	0.2918	1.072472	0.2918

Source: E-Views output

From Table 4, the normality test revealed a Jarque-Bera statistic of 1.390916 and a probability value of 0.498846 which is above the 5% alpha value, implying that the residuals are normally distributed. Again, the mean of the distribution is about zero which meets one of the conditions for diagnosis. The model has a Breusch-Godfrey Serial Correlation LM Test F-Statistic of

1.005398 (P-value = 0.3779). The probability value is greater than 5% alpha, this indicates that there is no serial correlation between the residuals.

The Breusch-Pagan-Godfrey Heteroskedasticity Test reveals an F-Statistic of 0.227618 (P-value = 0.7977), a value greater than 5% alpha value. This implies that there is no heteroskedasticity in the residuals of the model. The probability value of the t-statistics (0.2918) and F-statistic (0.2918) in the Ramsey RESET are both greater than the 5% critical value. This suggests that the model is appropriately specified.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

- a) The study revealed that donation had no significant effect on the financial performance of quoted consumer goods sector on the Nigerian Stock Exchange. This is in accordance with other researchers findings such as Sadiq et al [11], Selcuk and Kiyamaz[9] to mention but a few, but negates the views of other scholars such as Razali, et al[33], Mishra and Suar[40]. It is seen that donations shows itself a weak measure of social accounting; it does not affect the performance of quoted consumer goods sector companies.
- b) On the other hand, the study revealed that employee health and safety scheme had a significant effect on the financial performance of quoted consumer goods sector companies in Nigeria, as it had a t-value that is significant. This is consistent with the fact that when the health and safety of workers are invested in by companies, productivity level rises, thus, yielding higher returns. This corroborates the works of EthelMary, Chukwuma& Joy [43] and Buhai, Cottini& Nielsen [44].

Conclusion

The study examined the relationship between social cost accounting and firms' performance. The study employed donations (DONA) and employee health and safety scheme (EHSS) as the independent variables, while return on assets (ROTA) was employed as the dependent variable. Secondary data for the chosen variables were gotten from audited annual reports of five listed companies in the consumer goods sector for the period of 2013 to 2019. Descriptive statistics and multiple regression analysis were used as the techniques for data analysis. The study revealed that donations (DONA) had an insignificantly positive relationship return on assets, while employee health and safety scheme (EHSS) had a significant positive association with return on assets at 5% level of significance. The value of the adjusted R-Squared revealed that the two independent variables, DONA and EHSS jointly indicate over 13% of the systematic variations in ROTA during the period studied and the F-statistic of 3.673620 (P-value of 0.036624) is significant as its probability value is less than 5% critical level. Thus, the hypothesis of a significant linear relationship between ROTA and the two independent variables combined was clearly demonstrated. The prediction of this result is that while donation suggests a weak predicting capability for ROTA, employee health and safety scheme can positively influence ROTA for the study sample.

It is therefore seen that long term business success depends not only on a healthy financial position, but also on vibrant social and performance. Social cost accounting (SCA) is a crucial step towards achieving a sustainable economy. It enhances corporate accountability, builds trust, creates transparency, drives greater innovation, improves internal management and decision making processes, reduces compliance costs and gives competitive advantage [37]. From the above view, we can deduce that SCA plays a great role in the economic performance of quoted consumer goods sector firms in Nigeria; however it should not be the only focus just as our findings revealed above.

Recommendations

Based on the findings, SCA may not be the only factor responsible for increase in the firm's performance, hence the study recommends that:

- a) 1. While the firms engage in purposeful SCA for their employees, they should also focus more on customer satisfaction in order to increase the firm's performance because a firm that aims at satisfying its customers will get high patronage; and
- b) 2. If resources are managed efficiently while holding all other variables constant, the output of firms will increase and this will ultimately increase their performance. Therefore firms should strive to efficiently manage all resources at their disposal.

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