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THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE (CSRD) ON THE FINANCIAL PERFORMANCE OF LISTED MANUFACTURING FIRMS IN NIGERIA.

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ABSTRACT

This paper assesses how listed manufacturing companies in Nigeria fare financially as a result of corporate social responsibility disclosure (CSRD). With regard to the sampled enterprises, the article specifically looked at how the four CSRD dimensions—human resources, environment, community, and product—affect EPS.. Ten (10) manufacturing enterprises were randomly selected from seven (7) subsectors within the Nigerian manufacturing industry to participate in the study. Secondary data for the study were collected from the financial statements of the sampled firms and analyzed with the aid of multiple regression analysis. The results of the study show a statistically significant positive correlation between EPS and CSRD. Additionally, the research indicates that every one of the four CSRD dimensions—that is, employee, environment, community, and product—significantly improves the EPS.. This implies that the EPS will increase in proportion to the CSRD level. Therefore, the study suggests that management of Nigerian listed manufacturing companies should have a more positive perspective when it comes to CSR and CSRD concerns, viewing them as investments rather than liabilities. The study concludes by recommending that, given the advantages of corporate social responsibility (CSRD) for the government, listed manufacturing businesses, and their stakeholders, the Financial Reporting Council of Nigeria (FRCN) mandate social and environmental reporting in the financial statements of the corporations.

Keywords: Corporate Social Responsibility Disclosure (CSRD), Earnings Per share (EPS), Financial Performance, Manufacturing Firms, Stakeholders.

INTRODUCTION

Business organizations have historically concentrated on tactics for maximizing profits through product differentiation, globalization, and diversification. However, the evolution of strategic thinking underscores the need to include activities that seek to integrate social and environmental issues into business decision making process. In addition, companies in recent years are facing increasing pressures from their stakeholders to address and disclose social and environmental responsibilities. As a result, Corporate Social Responsibility Disclosure (CSRD) has increased over the years. According to Elkington (1997), the goal of CSRD is to incorporate social and environmental factors into the standard financial reporting model, which prioritizes a company's economic growth.

Corporate Social Responsibility Disclosure is a mechanism via which business organizations disclose information to stakeholders about their corporate actions in the community.. Environmental and ecological concerns, worker welfare, energy, community service, and matters pertaining to products and consumers are a few examples of these activities. CSRD is defined by Mathews (1993) as the voluntary disclosure of information by organizations—both quantitative and qualitative—with the intention of informing or influencing a variety of audiences. Financial or non-financial terminology may be used in the quantitative disclosures.

Numerous empirical studies on various facets of CSR and CSRD have been conducted (Alexander & Buchholz, 1978; Oba, 2009; Olayinka & Temitope, 2011), primarily in developed and developing nations including the US, UK, Germany, Bangladesh, Egypt, and India. Nonetheless, there is still a clear vacuum in the research on CSRD and the financial results of Nigerian listed industrial companies. Nevertheless, research into how CSRD affects profitability has not consistently produced reliable empirical findings. According to Oba (2009), Olayinka & Temitope (2011), and Alexander & Buchholz (1978), for example, there are favorable relationships between CSRD and financial performance. Conversely, adverse relationships are found by Friedman (1970) and Auperle and Van Pham (1989). There is a neutral correlation between CSRD and business financial performance, according to Ullman (1985). Margolis and Walsh (2003), McWilliams and Siegel (2000), Griffin (2000), and Griffin and Mahon (1997) all agree that methodological irregularities in the way CSRD and financial success are measured are mostly to blame for these discrepanciesThere is a paucity of empirical research on the effect of CSRD on the financial performance of listed manufacturing enterprises in Nigeria, in addition to the lack of agreement on the conclusions from the studies that are currently accessible.

Thus, the purpose of this article is to investigate the effects of four CSRD themes on the financial performance of Nigerian listed manufacturing companies and to further the current discussion of the topic in the context of Nigeria.. The empirical analysis seeks to establish the impact of voluntary disclosures on human resource, environment, community involvement and product information on the Earnings per Share (EPS) of the sampled manufacturing firms. In order to achieve the objective of this study, the paper is divided into five (5) sections, with this section being the introduction. Section two is about review of relevant literature. Section three is on methodology of the research, while section four presents and discusses the findings. The fifth section concludes the paper.

Conceptual and Empirical Review

Corporate Social Responsibility Disclosure (CSRD)

From the extant literature on CSR, current academic debate on CSR, which started in the 1950s, was marked by the first major book on the subject written by Bowen Howard. The book, which was published in 1953 is considered by many as the first definitive work on CSR and consequently ushered in the modern era of CSR (Valor, 2005). According to Bowen (1953), corporate social responsibility (CSR) is the responsibility of businessmen to pursue policies, make choices, or take actions that are desirable in light of societal goals and valuesAccording to Sims (2003), corporate social responsibility (CSR) refers to an organization's efforts to do more than just follow the law of the market in order to better the lives of its workers, communities, and environment. Sims' definition is more inclusive than Bowen's since it includes all of an organization's important stakeholders. Davies (1960) defined corporate social responsibility (CSR) as commercial decisions and actions made by entrepreneurs that go at least somewhat beyond the company's immediate economic or technological objectives. However, McGuire (1963) contends that the idea of social responsibility implies that a business has social responsibilities in addition to financial and legal ones. As the above points make clear, CSR was once thought of as having duties that went above and beyond the company's legal requirements. As a result, social responsibility starts where the law ends and refers to a company's recognition of a social duty that goes above and beyond what the law requires. (Davies, 1960)

Corporate Social Responsibility Disclosure (CSRD) is an essential tool for effectively communicating a company's social and environmental responsibility efforts to stakeholders. The process of informing certain social groups and the general public about the effects that an organization's economic actions have on the environment and society is known as corporate social responsibility. (Gray et al., 1996). It is a medium through which companies inform their stakeholders the extent to which they have responded to social and environmental concerns through such media of disclosure as: annual reports; advertisement or articles published detailing a company's activities; pamphlets outlining the company's social initiatives, reports on community development, environmental issues, product labeling promoting environmental and other concerns, press announcements, and supplements to the annual reports generated on a sporadic basis; webpages and video tapes (Jerkins and Yakovlena, 2005).

Annual report is the traditional and main medium of communicating financial results and position of companies and is consistently and mandatorily issued as part of a company's reporting circle to shareholders and other stakeholders. Furthermore, it is the public document that businesses worldwide utilize the most frequently and are able to obtain (Brown & Deegan, 1989; Hooks et al., 2002 and Neu et al. 1989). Being the single media over which corporate management has complete editorial control and the natural venue for signaling disclosures, the annual report is unusual in these respects. (Guthrie & Parker, 1989) as cited in Desilva (2008). According to Golob and Barlett (2007), CSRD serves as a key charter for public relations in terms of communication and mutual understanding, conflict resolution, and legitimacy.

CSRD comprises of mandatory and voluntary reporting. Whereas voluntary reporting is unregulated but yet provides stakeholders with relevant information, mandatory reporting is mandated by law to reveal certain information. CSRD is an example of voluntary reporting because it differs greatly from the financial and operational disclosures. (Gray et al. 1996). Companies decide what information is voluntary to disclose, while stock markets and accounting standards authorities control required disclosures. (Meek et al., 1995; Cooke, 1989; Hassan & Marston, 2010)

Therefore, there is disagreement over the advantages of voluntary disclosure to society. According to Verrecchia (2001), disclosure definitely advances the "public good" when it is mandated by law. The group of scholars who are against voluntary disclosure highlights the danger that, in the absence of oversight, corporations may disclose too much or too little. While arguing for voluntary disclosure, Dye (1990) points out that there are tools available to help ensure that businesses provide voluntary information in a proper manner.

Rationale for Corporate Social Responsibility Disclosure

CSR and CSRD concepts have evolved overtime due to the interaction between companies and their key stakeholders (internal and external). According to Lantos (2001), the challenges in today's social and business environment have increased public demand for business leaders to incorporate social issues into their plans. As a result, different stakeholder groups often put pressure on management to commit funds to CSR initiatives and then disclose them. McWilliams and Siegel (2001) note that stakeholders such as employees, consumers, communities and environmental groups have exerted one form of pressure or the other on business organization. One tactic used by commercial organizations to handle the demand from the aforementioned stakeholders is the disclosure of CSR efforts.

Human resource pressure comes in the form of growing public awareness of specific workplace rights for employees and nondiscrimination in hiring, firing, and promotion. (Musah, 2008). Studies such as Matten and Moon (2008) find that CSR has clearly addressed issues bothering on working hours and conditions, fair wages, health care, redundancy and protection against unfair dismissal. According to Aguilera et al. (2007), employees have the power to pressure businesses to participate in CSR projects, indicating that how businesses are seen by their workforce affects how they behave. It is widely believed that employees will be happy and motivated to put in their best when an organization is fair in its engagements with employees

In the same vein, Customers wield considerable power because of competition of varying dimension among business organizations. Customers are under pressure to demand that businesses make safe products, consider the impact of their quality and usage on the environment, and offer more trustworthy consumer information. In addition, Berman et al. (1999) is of the opinion that treatment of customers and employees has the most influence on corporate performance. Consequently, Maignan et al. (2005) draw the conclusion that using CSRD as a marketing strategy is a superior way to enhance customer care. If a business organization fails to consider its customer needs, it runs the risk of losing its share of market; hence, customer pressures affect an organization�si market risk

The Community expects that company will provide improved healthcare initiatives; support and/or charity, children education support, creation of work condition for the disabled, and participate in occupational qualification programmes. CSR practices mainly target efforts to alleviate poverty, prevent violation of human rights and protect the environment. However, social and organizational expectations are contradictory; corporate organizations want to maximize profit, while customers demand good quality, safety, affordable prices, and a range of services. This difference results in pressure on business organisations which if not carefully resolved, it may suffer disruptions in operation. However, even when companies engage in good CSR practices such as philanthropy and social investment, the allocating more funds for community development may result in conflicts with organizations (Idemudia and Ite, 2006).

The operational impact of manufacturing companies on the environment is largely about pollution. Shrivastava (1995) states that maintaining a clean and safe environment is a major responsibility for organisations. In accordance with global environmental policy, protection rather than pollution of the environment is crucial. Critical environmental harm, including ozone depletion from chlorofluorocarbons, global warming from industrial atmospheric pollution, acid rain, urban air pollution, radioactive and hazardous wastes, and the depletion of natural resources, is analyzed by Shrivastava (1995). The need to reduce the harmful effects of the foregoing on life has placed considerable pressure on business organizations to be socially responsible.

Review of Empirical Literature

Business social responsibility Disclosure serves as a tool for stakeholders to assess a company's corporate social performance. Over the years, CSR has become an issue of growing interest in the academia as well as in the business world. Numerous publicly traded corporations freely offer significant details regarding their business practices in relation to social responsibility, corporate governance, and ethics. (Stanton and Stanton, 2002). Corporate social responsibility disclosure has increasingly been viewed as a veritable instrument for boosting a firm's openness, accountability, and credibility to society. Available literature has shown that numerous empirical studies have been conducted on the impacts of CSRD on the financial performance of firms the world over. However, the findings of these studies have produced mixed and inconclusive results. Some of these studies have reported positive relationship or impact, while many others have found negative or no effects

Belkaoui (1976) investigates relationship between information content of pollution control disclosures and financial performance (FP) and finds a positive relationship between FP and CSRD. Alexander and Bulcholz (1978) find no significant relationship between a firm's level of social responsibility activities disclosure and stock market performance. Furthermore, Anderson and Frankle (1980) adopting a company's market value to measure financial performance, and its link with CSR reporting, find a positive correlation. This study shows that investors are more disposed to investing in firms that report CSR than those which do not. Furthermore, this discovery has offered compelling proof supporting the existence of "ethical investors."

Grifflin and Mahon (1997) examine the chemical industry and report a positive relationship. The result shows that a high CSR reporting is linked to high FP and that a low CSR reporting is linked to lower FP. Grifflin and Mahon's study is significant in the sense that it is one of the few studies that have been conducted within an industry, that is, it is industry- specific. Griffin and Mahon go on to summarize the results of the many articles they examined and come to the conclusion that there is no clear consensus regarding the relationship between corporate social responsibility and financial performance. While a significant number of studies have found a negative relationship, some have found both positive and negative relationships, leaving them inconclusive.. However, most of the investigations find a positive link

Konar & Cohen (2001) examine the extent to which a firm´s environmental performance is represented in market-value movements of their stocks. Their study provides a significant added-value to the literature, as it.extends the standard economic technique of decomposing a firm´s market value into the components of tangible and intangible assets. This is done by filtering the intangible environmental part out of the total intangible asset value. The S&P 500 sample's intangible asset value and a firm's environmental performance are found to be significantly positively correlated by the writers. Moreover, the empirical results indicate that big businesses "voluntarily over comply" with environmental laws to project an externally positive image of environmental health.. Yet, the authors fail to prove whether this relationship is truly causal and leads to the positive significance of the relationship of the variables.

In order to better understand the connection between CSR reporting and financial success, Lyon (2007) conducted study in New Zealand using the industrial and service industries.. Using a spearman's rank-order correlation, the study finds a positive relationship between CSR reporting and financial performance. The study concludes that the industry in which a firm operates affects the relationship between CSR reporting and FP and that the production industry stands to benefit financially from reporting more CSR. Thus, Industry type is regarded in literature as a moderating variable. Waddock and Gravess (1997) find a positive association between profitability and the extent of corporate social and environmental disclosure while Cowen et al. (1987) find no association between the variables. Roberts (1992) tests the relationship between CSRD and profitability using the log of earnings and discovers a positive correlation between a company's profitability level and its corporate social and environmental disclosure. Nevertheless, Patten (1992) is unable to identify a meaningfully positive correlation between company social and environmental disclosure and profitability. Further, Richardson & Welker, (2001) assess the relation between CSRD and the cost of equity capital based on a sample of Canadian companies and report positive results. They argue that CSRD could play a role similar to financial disclosure and reduce the cost of equity capital by reducing transactions costs and/or reducing estimation error. Sinclair and Power (2001) explore the relationship between CSR disclosure and the financial performance of the UK's largest companies, and found no convincing relationship between share returns and disclosure

Fiori et al. (2007) investigate the impact of voluntary disclosure of CSR on stock prices of Italian listed companies over a period of 2002-2007. The results show that some CSRD (especially employees) lead to higher stock prices because of the prevalence of a good perception of the market

Derwall et al. (2005) examine the relationship between a company´s eco-efficiency and its financial performance. The study defines eco-efficiency as the process of creating more value with fewer environmental resources resulting in less pollution or natural resource exhaustion”. The study finds evidence indicating a positive and significant relationship between environmental management policies and a firm´s Tobin´s Q, representing a proxy for the market value of a firm

Wijesinghe and Senaratne (2010) assess the nature of the impact of CSRD on the financial performance of banking, finance and insurance industries in Sri Lanka. The study employs the Global Reporting Index (GRI) as measures of CSR, while ROA and ROE serve as measures of profitability. They claim that profitability is positively impacted by CSRD. The impact of social disclosures on the earnings per share of Nigerian public firms is examined by Kwambo (2009). The research, which uses a paired sample t-test for analysis, concludes that social transparency has little bearing on public companies' earnings per share in Nigeria. The study comes to the conclusion that social activities and business image need to be realigned, since this could have a good impact on company earnings. In order to investigate the connection between corporate social responsibility and financial success in Nigeria, Olayinka & Temitope (2011) use a qualitative study methodology. Data on variables thought to be related to CSR and financial performance were gathered for the study. These variables included ROE and ROA, Community Performance, Employee Relation and Environment Management System. The result shows that CSR has a positive and significant relationship with the financial performance measures. These findings added to the growing corpus of empirical evidence supporting CSR's beneficial effects on financial performance. Kartadjumena, Hadi and Budiana (2011) examine the relationship between Profit and CSRD and financial performance of manufacturing industry in Indonesia. Using t- test and chi-square for analysis, the study finds a positive relationship between CSRD and EPS. Similar to this, Yahya & Bargebar (2014) use multiple-linear regression analysis to look into how CSRD affects the financial performance of businesses listed on the Tehran Stock Exchange. The CSRD measures (independent variables) for this study include economic social and environmental dimensions while both accounting (Return on sale, Return on asset, Return on equity) and market (sales return and price earnings ratio) data constitute financial performance measures (dependent variables). The study reports a significant impact of CSRD dimensions on financial performance.

In conclusion, it is clear from the findings of the above empirical researches that there is apparent lack of consensus in the reported results. The possible factors responsible for the conflicting findings are the use of different measures of CSRD, differences in the research methodology employed, and varying measures of financial performance used

Research Methodology

Population of the Study and Related Issues

The population of this study consisted of the fifty one (51) listed manufacturing companies in even (7) subsectors as at 31st December, 2001 and still listed up to 31st December, 2012. These subsectors are Food, Beverages and Tobacco, Breweries, Chemical and Paints, Industrial and Domestic product, Conglomerates, Building Materials, and pharmaceutical. The choice of these subsectors was informed by the fact that they represent the most environmentally visible and sensitive subsectors of the manufacturing industry. For the purpose of this study, the population is stratified according to the subsectors of interest. Since there are 7 subsectors, there are 7 strata. Each stratum is taken as an independent population and 50% is applied across the strata in drawing sample from each stratum. This procedure results in the selection of 25 companies that voluntarily disclose their corporate social responsibility activities. Random numbers were used for selecting the sample companies Further, the study excluded from the sample, those companies that have incomplete financial statements over the years under review. Therefore, of the 25 companies only 10 emerged as the sample (see appendix A). This study utilized secondary data sourced from the annual reports and account of the sampled firms. In line with previous similar studies such as Ingram & Frazer (1980), Hackston & Milne 1996), Milne and Adler (1999), Unerman (2000), Ahmed and Suleiman (2004) and Uadiale and Fagbemi (2011), the unit of analysis of the annual reports used in this study is the sentence. In addition, consistent with Branco & Rodrigues(2008), Abdul Hamid (2004), Nik Ahmad et al,(2003), Hoq (2010) and Hossain et al. (2006), this study used four parameters of voluntary CSRD adapted from instrument developed by Hackston & Milne (1996) (see Appendix C) as independent variables

This study used unweighted scoring approach by means of a dichotomous procedure in which an item of information disclosed was scored one (1) and zero (0) for an item not disclosed. The dependent variable is Earnings per share (EPS) measured as Net income after preference dividend divided by number of ordinary shares ranking for dividend. The control variables are size (LogTotal Assets) and leverage (Long term Debt/Total Asset). Data were analyzed using descriptive statistics which included mean scores and standard deviation employing statistical package for social science 21 (SPSS 21). In addition to descriptive statistics, correlation and multiple regression analysis were done employing a panel data approach.

3.2 Model Specification This study has develops the following model for the relationship between the dependent variable and independent variables.

$Y = B_0 + B_1\ HRj_t + B_2EPj_t + B_3\ CDjt + B_4\ Pjt + B_5\ LEVjt + B_6L0Tjt + gjt$

Where j = 1, 2…………..10 manufacturing companies

t= 1, 2……………10 years

α0, β0, γ0, δ0 are intercepts of coefficient α1,

β1, γ1, δ1 are the coefficients of each of the independent variable;

HR represents human resources etc.

ED represents environmental Disclosure

CI is the community involvement;

PI is the product information and is the error term

RESULTS AND DISCUSSION

Descriptive statistics and Correlation Matrix

The mean, standard deviation and correlation matrix for the variables are presented in Table 1. Earnings per Share (EPS), Human Resources disclosures, Environmental disclosures, community Involvement disclosures and product information disclosures have the means of 19.25, 53.95, 36.5, 57.3 and 50.9 respectively. The standard deviations for the respective variables under analysis are 9.159, 17.28, 21.59, 19.53 and 14.12. The mean scores and standard deviation figure of 36.5 and 21.6 respectively suggest that environmental activities are the least reported over the last ten years. Community involvement accounts for the highest mean score (57.7 for the tenyear period, while human resources and product information were averagely disclosed in the ten years covered by this study

VARs	N	Mean	Std.Dev	EPS	HR	ENV	COM	PROD	SIZE	LEV	VIF
EPS	100	19256	1000								
HR	100	53950	17284	223	1,000						3.037
ENV	100	.36500	.21990	.300	.095	1.000					1.071
COM	100	.57315	.19533	.217	.708	.165	1.000				2.926
PROD	100	.50980	.14115	.034	.736	.2365	.563	1.000			4.173
SIZE	100	15.715	1.3982	.106	-021	.168	-188	.212	1.0000		1.391

LEV	100	0.7468	.11115	-.220	-.082	.211	-.130	-.067	.130	1.000	1.084

Source: SPSS Output

Table 1 shows the coefficients of correlation for the variables. This table indicates the extent to which the dependent variable is related to the independent variables. There is a positive correlation between human resource disclosures and EPS. Further, the correlation between environmental disclosures and EPS is 0.300 for a 0.001 probability level. This relationship is also significant. The correlation between community involvement disclosure and EPS is 0.217 with probability level of 0.015 which is significant at the 5% level because 0.005 is less than 0.05. For the correlation between product information disclosures and EPS, the coefficient is 0.034 which is however, insignificant at the 5% level because the relationship is at 0.370 which is higher than 0.05. There is insignificant but positive relationship between size and EPS (0.106) at 14.8% level) while there is a significant negative relationship between leverage and EPS is (-0.220 at 0.014).

The table also shows the result of the multicollinearity test. The variance inflation factors (VIF) of all the variables suggest that there is a low level of linear relationship among the independent variables. It is expected that VIF must be lower than 10 and the tolerance value higher than 0.10.

Regression Analysis

Table 2 summarizes the regression results conducted using OLS. In the model, profitability is the dependent variable measured by EPS while four (4) dimensions of CSRD and two control variables are the independent variables. The coefficient of C (constant) is the intercept in the regression. This coefficient is the base level of the estimation when all other explanatory variables are zero. The size of the regression coefficient for each explanatory variable gives the size of the effect that the variable has on EPS. Additionally, the sign of the coefficient indicates the direction of this effect (positive or negative).The values for the coefficient reflect the original units in which the variables were measured. The table shows that all the four independent variables have significant effect on the dependent variable, EPS.

Table 2 shows R2 of 0.353 and adjusted R2 of 0.303. The R2 measures the explanatory power of the independent variables and the adjusted R2 measures the extent to which the result can be generalized. The values of these three parameters indicate that the model's performance is healthy enough for the prediction of the effect of CSRD on the FP. It implies that 31.6% of the variations in the FP could be explained by the presence of the independent variables

Indvar	Coeff	t-stat	Std error	p-value
Constant	.439	.3.961	.111	.000
HR	.328	4.225	.077	0.000
ENV	.114	3.109	.037	0.002
COM	.189	2.825	.067	.002
PROD	.579	5.231	.111	.006
SIZE	-.129	-1.825	.071	.071
R	0.594			
R^2	0.353			
Adj R^2	0.303			
F-Statistics	7.156			
P-Value	0.000			

Source: SPSS Output

The linearity of relationship between the variables is tested by the value of the F-statistic and for this study, this value is 7.156 at a p value of 0.000; this is significant, implying a linear relationship between the variables

The linearity of relationship between the variables is tested by the value of the F-statistic and for this study, this value is 7.156 at a p value of 0.000; this is significant, implying a linear relationship between the variables. Human resources disclosure has a coefficient of 0.328 with a p-value of 0.000 which means that one unit change in Human resources disclosure will result in 0.328 unit change in the EPS. The value of t-statistic for human resources disclosure is 4.225 with a p- value of 0.000, implying that the variable is statistically significant. This result is consistent with the findings of Najib (2012). Environmental disclosure has a coefficient of 0.114 with a p-value of 0.000 which means that a unit change in environmental disclosure will increase the EPS by 0.114. The t-statistic for environmental disclosure is 3.109 with a p- value of 0.002, an indication that the variable is statistically significant. This is a significant positive relationship and consistent with the findings of Chen and Metcalf (1980), Sarkis and Cordeiro (1998) and Wagner et al. (2002) who document a uniformly positive relation between environmental and financial performance for companies within the pulp and paper industry

The coefficient for the community involvement disclosure is 0.189 with a p-value of 0.006 which means that EPS will increase by 0.189 for a unit change in community disclosures. This is a significant positive relationship. The t-statistic for community involvement disclosure is 2.826 with a p- value of 0.006 which indicates that the variable is statistically significant. In addition, product information disclosure has a coefficient of 0.579 and a p-value of 0.000 which implies a significant positive relationship since EPS will increase by 0.579 if the product information disclosure increases by one unit. The t-statistic for product information disclosure is 5.231 with a p- value of 0.000 implying that the variable is statistically significant.

The two control variables, size and leverage, included in the analysis have insignificant negative effect on EPS. Size has a coefficient of -0.012 and p- value of 0.073. This result supports the findings of Hassan et al. (2007). Leverage has a coefficient of -0.129 but insignificant, given the p- value of 0.071but significant at 10%. On the whole, the influence of CSRD on EPS in this model is relatively low but significant as shown by the coefficient of the R2 and the p- value, which indicates the explanatory capability of the variables. Nevertheless, the regression result still supports the hypothesis that CSRD has significant impact on the financial performance of listed manufacturing firms in Nigeria. This result is consistent with the Kartadjumena, Hadi and Budiana (2011).

CONCLUSION AND RECOMMENDATIONS

Conclusion

Based on the analysis of data and discussions, the specific findings of this paper include the following: 1. Human resource disclosure has significant positive impact on Earnings per share (EPS). This implies that the level of the disclosure of employee related information has direct effect on EPSthe higher the disclosure level, the higher the EPS and vice versa. 2. Environmental disclosure has significant positive impact on EPS. This means that increase in the disclosure level of environmental responsibility will result in proportionate increase in EPS. 3. Community involvement disclosure has significant positive effect on EPS which implies that the effect of the level of disclosure of community initiatives on EPS is linear. 4. Product and consumer information disclosure has significant positive impact on EPS. This means that the more a firm addresses and discloses product and customer responsibility, the more its EPS 5. The control variables (size and leverage) have insignificant effects on EPS implying that both size and leverage do not influence earnings per share

On the strength of the foregoing, the study concludes that CSRD level has impact on the profitability of Nigerian quoted manufacturing firms. The disclosure levels of all the four dimensions have positive effects on EPS

Recommendations

Relying on the analysis of data and the findings, the paper recommends the following measures:

1. That management of Nigerian manufacturing firms should consider CSR and CSRD as an investment which pays off subsequently.
2. It is also recommended that Nigerian listed manufacturing firms should step up their CSR programmes and disclosures most especially employee, environment, community and consumer responsibilities in order to enhance their financial performance.
3. The need for the Federal Government of Nigeria to regulate corporate social and environmental reporting through the relevant regulatory agencies (such as FRCN) cannot be overemphasized since CSRD is beneficial to the government, the listed manufacturing companies and stakeholders. Government benefits by getting more corporate tax from increased profitability resulting from disclosure of CSR.

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