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Corporate Social Performance Determinants: A Study of Marketing Petroleum and Food and Beverages Industry in Nigeria

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ABSTRACT

A corporation operating within any societal environment should have mutual and positive relationship with the society. This relationship can be achieved and maintained in the long run if the company discharge its social responsibility adequately as a positive gesture in the exchange of societal resources utilized, nuisance created or damages caused. This study examined the effect between profitability, firm size, corporate tax (CT) and Corporate Social Performance (CSP) focusing on the Nigerian marketing petroleum and food and beverages sector. The population of this study comprises of marketing petroleum and food and beverages companies that are listed in the Nigerian Stock Exchange (NSE). Data were collected from the annual report and accounts of the selected companies for a period of ten years (2006- 2015). Using the profit before tax and interest, tax paid and the annual turnover as proxies for profitability, corporate tax and firm size respectively. This study also employed Structural Equation Modelling (SEM) for data analysis. The results revealed a significant positive effect between profitability, corporate tax and CSP. The result of the study shows a significant negative effect between firm size and CSP. Recommendations made include the need for Nigerian government, organisation, environmentalist, accountants, economists, and expert in business management to collaborate in educating and sensitize the investing public and corporate bodies to consider CSP as one of the important guidance factor for investment decision.

Keyword: Corporate Tax, corporate social performance, Firm size, Profitability

1. INTRODUCTION

Social and environmental reporting by corporations have been steadily increasing around the world in both size and complexity over the last two decades. Corporate social responsibility performance is not a new issue (Hopkins, 2004; Misser, 2009). The social responsibility of business was not widely considered to be a significant problem. However, since 1960s, social responsibility has become an important issue not only for business but in the theory and practice of law. The

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concern for the social responsibility performance of the company has even accelerated since the collapse of the Berlin Wall, which also symbolized the fall of communism and the onset of turbo-charged globalization (Hopkins, 2004).

The Global concerns about corporate social performance disclosure have received an additional edge by the awful events. The collapse of Enron, WorldCom, and their auditor Arthur Andersen, was due to dubious accounting practices, which raised the level of scrutiny of high percentage firms, as well as their auditors. Over the last few decades, there has been a significant growth in the investment in Corporate Social Performance Disclosure (CSPD) both at national and international levels. The significant growth in CSPD is caused by the negative impact of business performance on the health, cultural norms, economic activities and social life of the society within which they operate. Consequently, there have been a severe public responses, particularly from the human rights agencies, social investors and customers demanding organizations mainly Multinational Companies (MNCs) to control and prevent the adverse influence of their activities on the environment (Zubair, 2014)

A corporation operating within any societal environment should have mutual and positive relationship with the society. Harmony, total happiness and general economic progress are the usual products of this relationship. These products can only be achieved and maintained in the long run if the company discharges its social responsibility adequately as a positive gesture in the exchange of societal resources utilized, nuisance created, or damages caused. However, failure to discharge this societal responsibility correctly and appropriately may evoke negative consequences such as frustrating and costly weak suit, emergence of militant groups, and other negative responses from the society which may take the form of refusal to patronize the company's products, vandalization of company's assets, and refusal to invest in the company (Robert, 2002; Yao, Wang & Song 2011).

The study outlined three objectives that need to be achieved. The first objective is to investigate the significant effect between profitability and Corporate Social Performance (CSP) in Nigerian food and beverages and petroleum marketing industry. The second objective of this study is to examine the significant effect between Corporate Tax (CT) and CSPD in Nigerian food and beverages and petroleum marketing industry. The final objective is to investigate the significant effect between firm size and CSP in Nigerian food and beverages and petroleum marketing industry.

Some studies have been conducted on corporate social performance in Nigeria, most of which are well documented in the literature of accounting and finance. These studies include that of Ilaboya and Omoye (2013) who used data obtained from listed firms in Nigerian Stock Exchange (NSE) to examine the relationship between corporate financial performance and Corporate Social Responsibility

(CSR). Farouk and Hassan (2013) used data obtained from 21 bank list in NSE from 2005-2011, and examine the determinant of CSR in the Nigerian listed deposit banks. From the above literature, the evaluation of the effect of profitability, firm size corporate tax on CSPD is considered essential given limited research on this topical issue in Nigeria. This study is therefore; aimed at filling this gap by investigating the effect between profitability, firm size corporate tax and CSP of listed marketing petroleum and food and beverages industry in Nigeria. The study restricted to Nigerian quoted companies in the food and beverages and petroleum marketing sector. The time frame covered in this study is about 10-year period (i.e. 2006 -2015) using their annual report and accounts. This research would thereby enrich the existing literature as it provides empirical evidence in the context of Nigeria marketing petroleum and food and beverages industry.

This paper is organised into five sections. Section 1 is the introduction. Section 2, review related literature, presents hypothesis and development on the subject matter of the study. Section 3 discussed the methodological issue of the paper and model specification. Section 4 is the results and discussion. Finally, section 5 gave the conclusion and recommendation of the paper.

2. LITERATURE REVIEW, THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

The financial reporting statement aims to financial economic events made by a business firm to provide and present information necessary for various users. It is a restricted view of the interactions that can occur between the organisation and its economic and social environment (Wan Ahamed, Almsafiri & Al-Smadi, 2014). In this regard, the social performance defines the factors that govern the relations of business with the Company, codes of conduct, international and national law, corporate governance, public pressure, reputational risk, and the investor pressure (Mohamed, Olfa & Faouzi, 2014).

Social responsibility is a concept that exists late of the 19th century (Zhang, 2010). Web (1994) argue that social responsibility accounting is an extension of disclosure into non-financial issues such as provision of information about employees, product, community services and the prevention or reduction of pollution as well as performance evaluation in a given area. The concept of corporate social performance according to Ullmann (1985) refers to how an organization responds to social demands, a concept originally proposed by Strand (1983). The concept of CSP is related to stakeholder theory because seeking maximisation of CSP is linked to the objective of meeting the interests of the stakeholders. The concept of corporate social performance has received serious theoretical and empirical attention (Boaventura, da Silva & Bandeira-de-Mello, 2012). It also emphasizes and proposes that a business firm has responsibilities to society that extend beyond making of a profit (Mwangi & Jerotich, 2013).

According to Sun (2012), it is the obligation of the firm's decision makers to make decisions and act in ways that recognise the relationship between business and society, therefore it is important for business to continue its commitment to behave ethically and contribute to economic development while improving the quality of life of the workforce and the surrounding community. Besides that, most of the conflict between firms and society arise from either discrepancy between private and social costs and benefits, or different perception of what is fair. Heal (2004) considered CSP as beneficial in terms of conflicts resolution between business corporation and society. In this perspective, CSP is mechanism through which conflicts between business organization and society can be resolved (Zubair, 2014).

Furthermore, CSP contains both negative and positive aspects to represent its strengths and practices. Generously giving to charities in the community is often perceived as a positive practice, whereas investments that would lead to controversies might be considered detrimental to CSP. Similarly, the use of clean energy is often considered a positive practice, whereas making profits from fuel products might be considered negative because of the impact on climate change. When stakeholders want to balance concerns over strengths, they also face the challenge in assessing the respective importance of different CSP categories (Elijido-Ten, 2004; Chen & Delmas, 2010).

The theories that guided this research are the legitimacy theory, and the stakeholder theory. Legitimacy theory suggests that companies should aim to achieve congruence between their financial objectives and the accepted social norms and value. This entails having to incorporate Social and Environmental Disclosure (SED) issues in the process of the decision-making. This means that the firm needs to inform the public of its activities as stated by Buhr. Legitimacy theory posits that by providing sufficient SED, the entity hopes to improve its overall public image and ultimately justify its existence as legal entity (Elijido-Ten, 2004; Mohammed, Olfa & Faouzi, 2014).

According to Jensen and Meckling (1976), the fundamental idea of the stakeholder theory is that the firm's success and performance depend upon the successful management of all the relationships that the firm has with its stakeholders. The perception is that the success of the business depends solely upon maximizing shareholders' wealth, and this is not sufficient because the entity is perceived to be a nexus of explicit and implicit contracts among the firm and its stakeholders (Elijido-Ten, 2004; Mohammed, et al, 2014). The stakeholder theory is useful to explain voluntary environmental disclosures for two main reasons. First, Clarkson (1995) in his study on CSP indicated that it was necessary to differentiate between social issues and stakeholder issues; that is issues that affect one or more stakeholder groups. These issues may not necessarily be the same interest of the society. Social issues are those matters of high concern to the community, and the issue is subject to legislation and regulation. The second reason is that firms need to use the voluntary environmental declarations as a means of legitimizing their function (Elijido-Ten, 2004).

This study investigated three (3) major determinant of CSP, namely; profitability, corporate tax and firm size. These variables were identified based on previous literature related to the determinant of CSP by Hussainey, Elsayed and Abdelrazik (2011), Wang, Yao and Song (2011), Abiodun (2012) and Farouk and Hassan (2013).

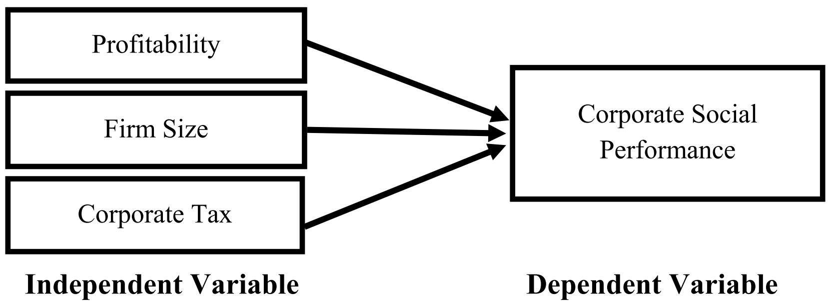

Figure 1: Conceptual model of Corporate Social Performance

2.1 Profitability

Ilaboya and Omoye (2013) investigate the relationship between corporate financial performance and corporate social responsibility in Nigeria. Co-integration and error correction modeling techniques was used and analysed the data. The study found a statistically significant positive relationship between corporate financial performance and corporate social responsibility. Folajin, Ibitoye and Dunsin (2014) investigated the impact of CSR on bank profitability, a study of United Bank for Africa (UBA) Plc. The study used annual reports and accounts of United Bank for Africa (UBA) Plc. Data used include CSR expenditure and Profit After Tax (PAT) for the period of 2006-2012. The Ordinary Least Square (OLS) model was analysed using Statistical Package for Social Sciences (SPSS). The result showed that CSR spending has a short-term inverse effect on net profit but in the long run provide better returns. Another empirical study by Abiodun (2012) examines the relationship between corporate social responsibility and firms' profitability in Nigeria. Secondary data was sourced from ten selected companies' annual report and account from 1999 until 2008. The study used ordinary least square as a method for the data analysis. The result of the study revealed that the sample firms invested less than 10% of their annual profit to social responsibility. The result also shows that that the explanatory variable account for changes or variations in selected firm's performance (PAT) is caused by changes in CSR in Nigeria. Another study by Ikhareho (2014) examined the impact of CSR on firms' profitability among the selected quoted Nigerian firms between 2003 and 2012. The data were analysed using E-views statistical package. The study shows that there is a significant negative relationship between CSR and profitability of the selected quoted firms. Based on the above evidence the following hypothesis was formulated.

$H_{1:}$ There is a significant effect between profitability and corporate social performance of the Nigerian food and beverages and petroleum marketing industry.

2.2 Firm Size

Uwalomwa (2011) investigates the relationship between firms' characteristics and the level of Corporate Social Disclosures (CSD) in the Nigerian financial sector. The judgmental sampling technique was used, and a total of 31 listed firms were selected for the study. The content analysis method was used for data analysis. The study observed that there is a positive association between a firm's characteristics and the level of corporate social disclosure. Abdurrahman (2014**)** examines the influence of CSR on total assets of quoted conglomerates in Nigeria. A secondary source of data from annual reports of quoted conglomerates in Nigeria for the period of the study (i.e. 2006-2011) was used The regression and correlational techniques were used in interpreting the result of the study. The result of the study shows that there is a strong positive relationship between CSR and total asset. An empirical study by Farouk and Hassan (2013) on the determinants of (financial and non-financial) CSR of listed Deposit Money Banks (DMB"s) in Nigeria for the period of 2005-2011 reveal that dividend paid, institutional ownership, firm growth, and leverage is positively, strongly and significantly influencing the CSR practice of listed deposit money banks in Nigeria. Similarly, the economic profit and firm size have a significant positive relationship on CSR of banks. Another study by Yao, Wang and Song (2011) on determinants of Corporate Social Responsibility Disclosure (CSRD) in China. The study used the annual reports of over 800 listed firms on the Shanghai Stock Exchange in 2008 and 2009. The study found that CSRD is positively associated with firm size, media exposure, share ownership concentration and institutional shareholding. Based on the above evidence the following hypothesis was formulated

H_2 There is a significant effect between firm size and corporate social performance of the Nigerian food and beverages and petroleum marketing industry.

2.3 Corporate Tax

A good link between incomes taxation and financial reporting can enhanced corporate social responsibility (Web, 1994; & Watt, 2003). Taxes provide incentives or encourage for firms to confirm report accounting income to tax incentives because court decisions on reporting method serve as precedents for tax approach. Incentives given to a profitable business with taxable income help reduced the present value of taxes (David & Gallego, 2009). Hoi, Wu and Zhang (2013) examine the association between CSR and tax avoidance. The result found that firms with excessive and irresponsible CSR activities have a higher likelihood of engaging in tax activities and greater discretionary/permanent book-tax differences. Collectively, the results revealed that companies with excessive inadequate CSR activities are more aggressive in avoiding taxes, lending to the idea that corporate culture affects tax avoidance. Based on the above evidence the following hypothesis was formulated

H_3 There is a significant effect between corporate tax and corporate social performance of the Nigerian food and beverages and petroleum marketing industry.

Based on the reviewed literature, it can be deduced that most of the studies were conducted outside Nigeria and concentrated on banking sector. The countries had different environmental context and also disclosure requirements, in view of these, the findings of the studies may not be appropriately relevant or having direct impact on Nigerian setting. However, there is a need for research on the determinant of corporate social performance. To determine whether there is any effect in the Nigerian context. Therefore, this study aimed to examine the effect of profitability, firm size and corporate tax on corporate social performance of the Nigerian food and beverages and petroleum marketing industry.

3. MATERIAL AND METHOD

The *ex-post facto* research designs are employed in this study. The *Ex-post facto* research design considers a research problem in which the independent variables have already occurred and with the observation of a dependent variable in retrospective for their possible relations to, and effects on, the independent variable(s) (Asika, 2009). The totality of items under consideration for the purpose of this study consists of publically quoted companies in food and beverages as well as petroleum marketing sectors. In 2015, there were 18 listed companies in the food and beverages sector and 17 companies in the petroleum marketing sector as listed on the Nigerian Stock Exchange (Appendix 1).

For the purpose of this study, the sample size is used to represent the entire population to ease the research work. The sample size is twenty-two (22) that is 12 firms from the food and beverages sector while ten companies from the petroleum marketing sector. The companies are selected based on the availability of data covering the years under consideration. The sources of data to be use for the purpose of a particular study depend on the variables being examined. As stated earlier, the study seeks to determine the impact of variables such as profitability, firm size and corporate tax on CSP. All these variables were extracted from publically quoted companies' annual reports and accounts. SEM was used to test the hypothesized model of the study. In this study, the alpha level for all significance tests was set at the 0.01, 0.05 and 0.1 level, which is a convention criterion for a minimum basis for rejecting and accepting the null hypothesis in most areas of behavioural science (Zainudin, 2014; emmoglu, 2011). This technique is used because the investigator is trying to examine the significant relationship of certain independent variables: (profitability, firm size and corporate tax) over another dependent variable: corporate social performance. The data was analysed using SPSS version 22.0 and AMOS 21.0.

3.1 ***Measures of Corporate Social Performance Determinant***

This section explains each of the measures and summarizes the extent to which measures estimate indicate reporting in corporate social performance.

3.1.1 Profitability Measure

The variable profitability defined as the ability of the management to utilise the asset of an organisation effectively to generate a return. Therefore, Return on Assets (ROA) are used to measure profitability or accounting based (Ulmann, 1985; Wardock & Graves, 1997; Robert, 2002). ROA measured as the sum of net income and interest paid divided by total assets for the size of the industry.

$$\text{ROA} = \frac{\text{Profit before interest and taxation}}{\text{Operating set (fixed + current asset)}} \times 100 \qquad (1)$$

3.1.2 Firm Size Measure

Thompson et al. (1993) argued that small firms made donations to have an impact on their immediate neighbourhood or to attain a visibility within the community. Large companies, on the other hand, give large amount of donation because large amount create greater impact on positive public image. It is observed that a firms exposure is affected by the size of the customer base and geographical dispersion of the firms operations. Factors that increase the scrutiny of large firms medium size, on the other hand are likely to be neither particularly close to their community nor particularly visible. The increase in the company may be facilitated by growth through re-invest of retain earnings, expansion using issue of securities or through business contribution. Despite the physical size of a company, one cannot conclude that a firm is experiencing a sustainable expansion unless its ability to generate revenue increase consistently. Hence, the total asset in the annual report was used (Crampton & Pattern, 2008).

3.1.3 Corporate Tax Measure

Taxes provide incentives or encourage firms to confirm report accounting income to tax incentives because court decisions on reporting method serve as precedents for tax method. Tax incentives for profitable firm with taxable income help to reduce the present value of taxes. Corporate tax is a compulsory payment made by companies to the government out of their profit after deducting all relevant expenses allowed, relief and allowances. The actual tax paid as shown in the profit or loss account will be used to measure the variable (Web, 1994; & Watt, 2003).

3.1.4 Corporate Social Performance

For the purpose of this study, CSP are measured using content analysis of disclosed social and environmental information in companies' annual account and reports and the index will basically of interval-ratio scale. To carryout this measurement effectively, CSP of companies shall be broken down into five components are:

1. Human right
2. Emission and toxic waste reduction
3. Corporate philanthropy and charitable gift-including scholarship, donation, etc.
4. Health and safety of employees and employment of handicaps
5. Product quality and safety.

Companies in the sample will be scored on the basis of the above components, and each component score constitute 20% of the total score obtainable (Deckop, 2006).

3.2 Model Specification

The functional relationship and regression equation are derived from quantitative models of CSPD are cited below:

$$CSp = f\ (Roa, Ta, Tx\ ) \tag{2}$$
$$CSp = a + b1\,Roa + b2\,Ta + b3\,Tx \tag{3}$$

Where:
C_{SP} = Corporate social Performance
F = Functions of variable

R_{oa} = Return on asset
T_a = Total Asset
T_x = Corporate tax
$b_1 ... b_3$ = partial derivatives or gradient of independent variables.
a = overall C_{SPD} intercept (i.e the value of C_{SPD} when the values of all other independent variables are zero).

Technically, Healey (2002) was referring to the standardized as follows:

C_{SP} - Score of interval ratio scale ranging from the least (0) to the maximum (20).
R_{oa} - Express in the form of ratio
T_a - To be express as log of total asset
T_x - To be express as log of tax

4. RESULTS AND DISCUSSION

This section presents the result of data analysis in this study. Result for descriptive statistics followed by the structural equation modelling are presented and analysed. The recommendation was drawn from the findings of the study. The descriptive statistics for each of the variables provide the minimum, maximum, mean and standard deviation, skewness and kurtosis values. Table 1 provides the descriptive statistics. All the variables were collected from the relevant information on the statement of financial position of the sampled firms.

Table 1: Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
CSP	0.60	2.00	0.9782	0.23137	1.857	6.227
Profitability	0.02	0.90	0.2005	0.15704	1.719	3.356
Firm Size	7.82	11.18	9.8175	0.74125	-0.913	0.414
Corporate Tax	0.83	9.99	7.8890	1.98095	-1.245	4.533

Source: Extracted from SPSS output

From Table 1, the mean value for CSP and profitability is 0.98 and 0.20 respectively. The firm size and corporate tax each have an average value of 9.82 and 7.89 respectively. The minimum value for CSP is 0.60 while the maximum is 2.00. Unlike CSP firm size and corporate tax are having minimum value of 7.83 and 0.83 and also having maximum of 11.18 and 9.99 respectively. Profitability and corporate tax are among the explanatory variables that recorded a minimum value. This occurred because in some certain years some of the firms neither gained profit nor pay tax. It is observed that the corporate tax has the highest standard deviation of the independent variables that are significant at 5% level and therefore it shows that the corporate tax has the least contribution to the dependent variable (CSP). On the other hand, profitability has the lowest value for standard deviation which signifies its highest contribution to the endogenous variable of the study. The skewness values of the variables were all close to 0 and 1, the data is considered to be tolerably mild and normally distributed.

4.1 The Summary of Structural Equation Modelling Result

Figure 2 presents the SEM result of the dependent variable (CSP) and the independent variables of the study (PROFITABILITY, FIRMSIZE, and CORPORATE TAX). The presentation follows the analysis of the effect between the independent variables and the dependent variable of the study.

$$CSP = \alpha + \beta_1 PROF_{it} + \beta_2 SIZE_{it} + \beta_3 TAX_i \quad (4)$$

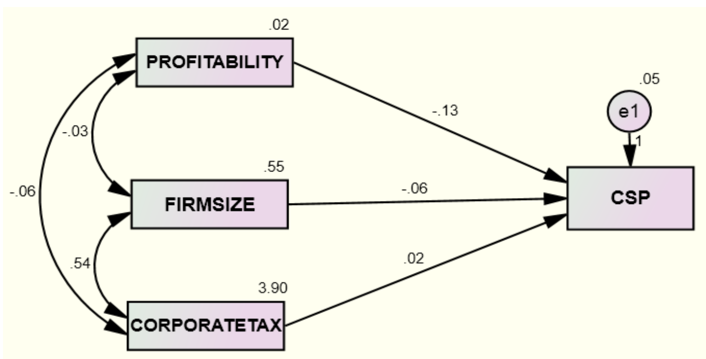

Figure 2: The Amos Output Showing the Regression Coefficients, Variance and Covariance

Table 2: Regression Weights and its Significant

Hypothesized Path			Beta	C.R.	P-value	Result
CSP	<---	Profitability	0.132	3.111	0.026	Significant
CSP	<---	Firm Size	-0.057	-2.138	0.033	Significant
CSP	<---	Corporate Tax	0.541	4.387	***	Significant

Notes: *p<0.05; **p<0.01; ***p<0.001

Hypothesis 1 investigated the effect of profitability on corporate social performance and the hypothesis stated that there is a significant effect between the two variables. The probability of getting a critical ratio as large as 3.111 in absolute value is 0.0267. In other words, the regression weight for profitability in the prediction of CSP is significantly different from zero at the 0.05 level (two-tailed).Table 2 shows that the path between profitability and corporate social performance is positive (0.132) and statistically significant ($p<0.01$).

Result in Table 2 indicates that the higher the amount of the profitability, the higher the corporate social performance. Furthermore, the standardized path coefficient show how much change in profitability occurred in corresponds to the change in CSP. The standardized coefficient for the path between the profitability and CSP was 0.132, which means that for each unit increase in profitability; CSP would have a 0.132 unit change. Hence, the hypothesis 1 was supported. Therefore, the assumption that profitability influenced CSP in the Nigerian food and beverages and petroleum marketing industry is acceptable. This relationship are supported by the literature (Hussainey, Elsayed & Abdelrazik, 2011; Abiodun, 2012; Farouk & Hassan 2013; Ilaboya & Omoye, 2013; Enahoro, Akinyomi & Olotoye, 2013). The change in CSP is argued to cause high profitability of a firm, more likely to be involved in CSP and also the Profits After Tax (PAT). A previous study by Ikhareho (2014) shows a significant negative relationship between CSR and profitability of the selected quoted firms. On the other hand Folajin, Ibitoye and Dunsin (2014) showed that corporate social responsibility spending has a short-term negative effect on Net Profit but provide better returns in the long run.

Hypothesis 2 examines the effect of firm size on corporate social performance, and hyphothesis 2 stated that there is a significant effect between the two variables. The probability of getting a critical ratio as large as 2.138 in absolute value is 0.033. In other words, the regression weight for firm size in the prediction of CSP is significantly different from zero at the 0.05 level. This hypothesis was supported by the data. The path between firm size and CSP as depicted in Table 2 was found to be negatively significant according to the statistics ($\beta = -0.057$, $p<0.05$). The standardized path coefficient for the model was -0.057, which suggested that firm size decreased -0.057 units for every unit increase in CSP. The negative notation in the regression coefficient signalled an adverse relationship between these two variables, which was not predicted. Hence, hypothesis 2 was supported. Therefore, accept the null hypothesis that states there is a significant effect between firm size and the CSP in the Nigerian food and beverages and petroleum marketing industry. The finding of this study were supported many other studies in this area such as Uwalomwa (2011), Yao, Wang & Song (2011), Farouk & Hassan (2013) and Abdurrahaman (2014).

Hypothesis 3 examines the effect of corporate tax on CSP, and hypothesis 3 stated that there is a significant effect between the two variables. The probability of getting a CR as large as 4.387 value is less than 0.001. In other words, the regression weight for corporate tax in the prediction of CSP is significantly different from zero at the 0.001 level. Table 2 shows that the path between corporate tax and corporate social performance is positive (0.541) and statistically significant ($p<0.001$). This result indicates that the higher the amount of the corporate tax, the higher the corporate social performance. Furthermore, the standardized path coefficient shows that the change in corporate tax corresponds to the change in CSP. The standardized coefficient for the path between the CT and CSP was 0.541, which Indicates that tax has positive impact on CSP. Thus, an increase in one unit of logarithm of tax, will increase CSP by 0.541. Hence, the hypothesis 3 was supported. Therefore, it can be assumed that the tax affects CSP positively in the Nigerian food and beverages and petroleum marketing industry. This hypothesis was supported by other studies in this area such as Hoi, Wu & Zhang (2013). The excessive and irresponsible CSR activities are argued to induce higher likelihood of engagement in tax activities and increase the discretionary book-tax differences.

5. CONCLUSION AND RECOMMENDATIONS

The result of this study found that PAT influence CSP. The study also revealed that profitability measured by ROA is found to be the most performing independent variable determining the behaviour of CSP in the Nigerian foods and beverages and petroleum marketing industry. Thereby, performing the strong existence and operation of the slack resource theory states that profitability and CSP should move in a direction at approximately the same magnitude in order to sustain the societal environment. Management of companies should boost the level of their fixed and current asset and ensure that the asset are effectively utilised, so that more profit can be generated. Ensuring maximum asset utilisation and increase the fixed and current asset have to be employed in order to carryout socially responsible projects. This would have the effect of consolidating firms' future financial success and survival.

This study also investigates whether firm size is related to CSP. The empirical result of this study revealed that there is a significant negative effect between firm size and CSP in the Nigerian food and beverages and petroleum marketing industry. Therefore, this study concludes that firm negatively influence CSP in the Nigerian food and beverages and marketing petroleum sector. It is recommended that the management of the firms should strive in making high profit, expanding the assets of the firm.

The result of this study revealed that the corporate tax has a positive significant effect with the CSP. The direct impact of tax paid on subsequent CSP implies that companies in food and beverages and marketing petroleum sector do consider tax paid when taking CSP decisions. This may be attributed to the fact that companies in the sector find tax as a statutory expenditure that must be paid to the government and not alternative means of discharging corporate social performance expenditure. The government should discourage companies from entertaining the notion that payments of taxes are alternative means of discharging CSP. This is because while tax is a statutory payment made to government for provision of law and order, security and enabling environment in general, expenditure on CSP are incurred to sustain the natural environment and to harmonious relation with the community.

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APPENDIX A
Population of the Study

Table A.1: Food and Beverages Cluster

S/N	**Companies Name**
1.	7UP Botting company
2.	Cadbury Nigeria Plc
3.	Flour Mills Nigeria Plc
4.	Nestle Nigeria Plc
5.	Nigerian Bottling company plc
6.	Beverages (West Africa) Plc
7.	Ferdinand oil mills plc
8.	Foremost Dairies plc
9.	Union Dicon salt plc
10.	Tate industries plc
11.	P.S. mandrides plc
12.	National salt company Nig. Plc
13.	Northern flour mills Nig. Plc
14.	UTC Nigeria plc
15	Dangote Sugar Refinery Plc
16	Dangote Flour Mills Plc
17	Honeywell Flour Mill Plc
18	Multi-Trex Integrated Foods Plc

Source: Generated from NSE fact book 2015

Table A.2: Petroleum Marketing Companies Cluster

S/N	**Companies Name**
1.	African Petroleum Plc
2.	Chevron Oil Nigeria plc
3.	Con Oil Nigeria plc
4.	Eternal oil and gas plc
5.	Mobil Oil Nigeria plc
6.	Oando Nigeria Plc
7.	Total Nigeria Plc
8.	Agip Nigeria Plc
9.	Anino International Plc.
10.	Beco Petroleum Product Plc
11.	Capital Oil Plc
12.	Forte Oil Plc.
13.	Japaul Oil & Maritime Services Plc
14.	Mrs Oil Nigeria Plc.
15.	Navitus Energy Plc
16.	Rak Unity Pet. Comp. Plc.
17.	Seplat Petroleum Development Company Ltd

Sources: Generated from NSE fact book 2015