CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE: A FOCUS ON BANKS IN A DEVELOPING ECONOMY

E. Chuke Nwude*
Department of Banking and Finance, Faculty of Business Administration, University of Nigeria, Enugu Campus, Enugu state, Nigeria
chukwunekenwude@yahoo.com, *chuke.nwude@unn.edu.ng*, *+234(0)8034738615*

Sergius N. Udeh
Department of Accountancy, Faculty of Management and Social Sciences, Godfrey Okoye University, Enugu, Enugu state, Nigeria.
sudeh@gouni.edu.ng +234 08033554066

Comfort Amaka Nwude
Centre for Entrepreneurial Development and Research (CEDR), University of Nigeria, Enugu Campus, Enugu state, Nigeria. *comiefashion@gmail.com* *+234(0)8064015172*

Corresponding author

Abstract

The study examined the impact of corporate social responsibility (CSR) on the performance of deposit money banks in Nigeria. Data on financial performance (proxied by earnings per share, market price per share, return on assets, and return on equity) and a composite measure of CSR (obtained by aggregating expenditures on donations and charitable gifts to the society by the banks) were obtained from the annual reports. Out of a population of 11 quoted national deposit money banks from 2007-2019 a sample of 10 banks selected based on complete updated data was used in the study. The study employed panel linear models comprising of the fixed and random-effects models. The findings showed that weak positive effect of CSR on earning per share, market price per share, a strong positive impact on the return on assets, and a weak negative impact on return to equity. Also, the results indicated that CSR influences the corporate financial performance indices of the banks in the context of an emerging market in Nigeria. Based on stakeholder theory, the banks need to increase the intensity of CSR activities as a strategy to face increasing tight competition in the industry.

Keywords: corporate social responsibility, developing economy, firm performance, return on investment, stakeholder theory

1.0 Introduction

The debate on the relevance of corporate social responsibility (CSR) on corporate financial performance (CFP) is ongoing due to the conflicting results recorded by scholars on the subject. After the banking consolidation that took place in Nigeria from July 6, 2004 to December 31, 2005 the issue of CSR has been embraced by banks as one of the strategies to socialize with the banking publics in order to secure banking relationships with percieved viable business environments. The era of arm-chair-banking has vanished and the banks came out to the public with different products that made the banks appear like financial supermarkets in the eyes of the banking publics. The mindset has been that through the CSR, stakeholders would be engaged in manners that will influence favourably the financial performance of the banks. Based on this belief CSR has been trending in the banking parlance with special interest on how to better the lots of the society and use it as a platform to improve the performance of the banks. It is likely that this attitude of the banks is driven by the quest to work with the stakeholder theory. These CSR activities come in form of donations and charitable gifts to individuals, groups, communities, charity homes, establishments, and provision of public goods and services to the general public. CSR is engaged to address economic and societal interests during the course of the bank's business. In spite of this reasoning, shareholders argue that the business of business is to increase profit for the owners and it is important to get the business of business right first. They express fear over the danger of allowing the managers to play around with shareholders' funds in the name of CSR because of divergence of interest of the principal and agent as predicted by the agency theory. They believe that corporate managers would make unreliable and inefficient agents of social responsibility as they will hide under the guise of CSR and use the funds for the enhancement of their own personal social status thereby influencing unfavourably the financial performance of their firm. On the other hand, some managers of some corporate firms present significant resistance against CSR implementation because they see it as a cost with highly uncertain outcomes. Thus, it becomes difficult to convince them that CSR and corporate financial performance (CFP) could be simultaneously and effectively pursued by corporate managers.

Banks are institutions that rely heavily on public trust, reputation and corporate image for sustainability in financial performance and as such they are expected to engage activities that enhance both. CSR seems to be one of these activities. However, there are inconsistencies in the findings of previous studies on the influence of CSR on financial performance. This study aims to find on which side of the divide the commercial banks in Nigeria reside as regards the impact of CSR on financial performance. As CSR gains momentum in the business world, it is imperative to comprehend how corporate financial performance (CFP) relates with it. Currently there is a growing interest in CSR, engagement of CSR activities (distribution of wealth among the stakeholders) is becoming a necessity for banks to penetrate some core areas with viable business options, rather than just remaining a choice. Whether the CSR activities affect the CFP of the commercial banks in Nigeria is a question that needs empirical investigation. Previous studies on these two constructs recorded contrasting results. Such equivocal findings create ground for further investigation. A few attempts have been made in the emerging economies with specific interest in Nigeria with the most bouyant market in Africa. Thus a few number of studies on commercial banks and the equivocal findings of earlier empirical studies spurred the interest for this current study. Particularly, there is need to convince shareholders and managers of banks, with a logical linkage between the two constructs to bank stakeholders. This is the most recent study in Nigeria on the subject matter as it covers up to 2019. The findings of the study may justify the validity of the push on the corporate entities by the government to participate in the developmental activities within their operating environments. Nigeria was chosen to be the platform to conduct this research because she is one of the most representative markets in Africa based on the level of attention drawn to the importance of CSR in the banking institutions. The banks are major players in banking transactions in the African continent, especially in the sub-saharan Africa where the Nigerian banks have either acquired some banks already existing in those countries or opened full-fledged banking institutions.

The subsequent sections of this paper are arranged as follows. The conceptual review and the stylized facts emerging from earlier theoretical and empirical works are displayed in section 2. The methodology is presented in section 3 while in section 4 we have the results and discussion. Section 5 contains conclusion of the paper.

2.0 Literature review

The classical perspective of CSR of the firm is the provision of goods and services according to needs and wants of the society (Cannon, 1992) while the neo-classical perspective assumes a wider range of responsibilities for the firm ranging from protecting environment, addressing human rights concerns, poverty reduction in the developing world, creation of employment and payment of taxes to community development, conservation of resources to corporate philanthropy. As a result of these various interpretations many of the previous researches on the relationship between CSR and corporate financial performance lack the objective measures that can be used to compare the CSR performance of different companies. Most widely used measures were subjective based on opinions but what should count in CSR are actions and not the words. McWilliams and Siegel (2000), Margolis, Elfenbein, and Walsh (2009), McWilliams, Siegel, & Wright (2006) pointed out that the models used in some studies were misspecified in the sense that they omit variables that have shown to be important determinants of profitability. Blindheim (2012) made a strong case for different CSR forms across national context. The specifics of CSR initiatives and engagement in developing countries versus developed countries lay in socio-economic and cultural context as elaborated by Vlastelica, Mijatovic, & Marinovic (2015). In developing countries it is rather more about philanthropy and charity (Visser, 2008). Orlitzky and Schmidt (2003) argued that prior researches on CSR–CFP literature relied mostly on narrative reviews or vote-counting method of aggregation. The narrative reviews entails literature reviews that attempt to make sense of past findings verbally or conceptually. The vote-counting method refers to the compilation of the significant and non-significant findings. Both of these research integration techniques tend to draw false inferences because they do not correct for sampling and measurement error which are the two important study artefacts (Hedges and Olkin 1985; Hunter and Schmidt 2004). Ronald, Sefa and Bradley (1999) pointed out that one important issue that should be resolved is the reliability and validity of sources of data concerning CSR. Again, Visser (2008) found the distinctive characteristics of CSR in developing countries as less formalised or institutionalized; most commonly associated with philanthropy or charity (through corporate social investment in education, health, sports development, the environment, and other community services); creates social impact via economic contribution (through investment, job creation, taxes, and technology transfer); provision of social services that would have been government's responsibility in developed countries (for example, investment in infrastructure, schools, hospitals, and housing); prioritized under banners different that of developing countries (for example, tackling HIV/AIDS, improving working conditions, provision of basic services, supply chain integrity, and poverty alleviation). Thus, the concept of CSR has been given several interpretations but this study sees it from the perspective of Gamerschlag, Moller and Verbeeten (2011) who posit that CSR is a company's voluntary contribution to sustainable development which goes beyond legal requirements. Therefore, this study is an attempt to find out in transition economy Nigeria, using our version of CSR measurement (corporate donations and charitable gifts), how CFP relates with the amount of CSR. Thus, we proxy CSR by the amount of expenditures on donations and charitable gifts for societal benefits by the banks as reported in their annual financial statements each year under the section called CSR. Waddock and Graves (1997) argue that better alignment or management of stakeholders' welfare with economic priorities of business improves the financial performance of the firm. As poverty is currently the bane of Nigerian economy, CSR of businesses could help eradicate poverty and earn profit simultaneously by introducing pro-poor business model knowing full well that seemingly, the poor have cumulatively greater amount of disposable income if their needs were served properly by the business.

2.2 Theoretical foundation of the study

The theoretical framework for this study is anchored on the stakeholder theory. The concept of stakeholder theory suggests that companies should conduct its business operations in a way that will cater for the needs of diverse stakeholders as business and society are interlinked. The stakeholders comprise internal and external stakeholders which include employees, customers, shareholders, investors, competitors, community, natural environment, creditors, suppliers, general public, regulators and government. These are multiple stakeholders with potent forces that can accelerate or decelerate a firm's performance. Under the canopy of the stakeholder theory, consumer inference making theory (CIMT) states that a socially responsible firm develops goodwill, adds value to firms' products and influences purchasing behaviour of customers (Brown and Dacin, 1997). Also, Signaling theory (ST) suggests that firms that provide services that reduce information asymmetry between buyers and sellers signals good quality and reliable products and would attract higher patronage with favourable impact on financial performance (Kirmani, 1997). Agency theory identified information asymmetry as a serious problem. Again, Social identity theory (SIT) states that consumers prefer to affiliate themselves with the products of corporate citizen that take various social initiatives that better the image of the employees and the organization because the customers loyalty and positive words-of-mouth enhances the financial performance of such firms in the long run (Flammer, 2013; Sen, Bhattacharya and Korschun, 2006;

Graves and Waddock, 1994). The stakeholder theory sees CSR as a panacea that cures some developmental needs of the society and meeting such needs influences corporate performance. Barnett (2007) posits that socially responsible firms improve corporate reputation and attract socially conscious customers/consumer loyalty as well as good employees, increase the market value of publicly traded firms (Mackey, Mackey and Barney, 2007), develop new markets that will better the company financially (Hart, 1997; Lee, 2008) and significantly reducing the risks of becoming the target of lawsuits or consumer boycotts. According to Mishra & Damodar (2010), when stakeholders lose confidence in a firm's performance, the firm loses its critical support structure and customer base as customers stop buying products, shareholders sell their stocks, employees perform dismally due to unfavourable conditions, the environmental riots, all of which directly affect firm performance. Thus, effective management of stakeholders beyond market transactions acts as a value driver that leverages firm performance through pursuing meaningful and long-term relations with stakeholders. They posit that in order to achieve sustainability in business, firms must identify key stakeholders affecting the firm, identify their needs, and design organizational policies and practices to cater for them. In line with Mishra & Damodar (2010), we define banks CSR to one of the key primary stakeholders called operating environment as the donations and charitable gifts given by the banks towards economic and social development of the operating environment.

2.3 Previous studies and Hypotheses Development

Several studies (Saeidi et al., 2014; Galbreath, & Shum, 2012; Foote, Gaffney, &Evans, 2010; Mishra & Damodar, 2010; Lee, Faff, & Langfield-Smith, 2009; Chahal & Sharma, 2006; McWilliams & Siegel, 2000; Roman, Hayibor, & Agle, 1999; Stanwick and Stanwick, 1998; McGuire, Sundgren, &Schneeweis, 1988; Wartick, & Cochrane, 1985) have examined the link between CSR and CFP. While some researchers argue that CSR is a negation of the primacy of the goal of business, which is to make profit for the owners, others argue that it is a strategic means of creating reputation that will help to improve the financial performance (Vlastelica, CicvaricKostic, Okanovic, & Milosavljevic, 2018). Some scholars (Abubakar & Ameer, 2011; Oeyono, Samy, & Bampton, 2011; Van Beurden &Gossling, 2008; Orlitzky, Schmidt, &Rynes, 2003; Graves &Waddock, 1994; Waddock &Graves, 1997; Griffin &Mahon, 1997; McGuire, Sundgren, &Schneeweis, 1988) recorded a positive association between the two constructs while some others (Bromiley &Marcus, 1989; Wright &Ferris, 1997) recorded a negative association, and some (Aupperle, Carroll, &Hatfield, 1985; Teoh, Welch, &Wazzan, 1999) registered neutral association between the two. Griffin and Mahon (1997) revealed 33 positive, 20 negative, and 9 neutral correlations between CSR and CFP from 62 research results as reported in 51 articles covering a period of 25 years. Adding four more articles, Ronald, Sefa and Bradley (1999) reconstructed the work of Griffin and Mahon (1997) and found 33 positive, 5 negative, and 14 neutral correlations between CSR and CFP. Out of 167 studies, Margolis, Elfenbein and Walsh (2007) found 27% positive, 2% negative, and 58% non-significant relationship between CSR and CFP. However, despite these attempts to prove the link between the two, the results remain largely mixed and inconclusive. Margolis and Walsh (2003) found 54 positive, 7 negative, 28 non-significant relationships and 20 mixed results in 109 papers they reviewed. (Fatemi & Fooladi (2013) and Servaes and Tamayo (2013) submit that CSR activities positively affect firm value.

In Egypt Mohammed and Mohammed (2014) found strong direct effect of CSR on firms' performance. 125 companies taken from 25 sectors in Pakistan Muhammad, Faisal & Muhammad (2016) results of the panel regression analysis show ineffective association in short-term scenario at 5 percent confidence level but would have a positive impact at 10 percent confidence level. Rodriguez-Fernandez (2016) found positive bidirectional relationship between CSR and financial performance of listed companies in Madrid Stock Exchange Spain. That is both constructs drives each other. With a select number of listed Pakistani textile firms Zulfiqar (2016) show that corporate philanthropy strongly positively influences return on assets (ROA) but exhibits weak association with return to ordinary shareholders (ROE).

Marcia, Otgontsetseg and Hassan (2014) reveal that size of firm, ROA and ROE of socially responsible larger banks relate significantly and positively to CSR scores. Okiro, Omoro and Kinyua (2013) revealed an increasing positive attitude towards investment in CSR in Kenya County as it supports growth sustainability of the banks. Using 520 banks from 34 nations for 3 years ending 2005, Chih et al. (2010) confirm neutral correlation between CSR and CFP. With 162 financial firms from twenty-two nations Wu &Shen (2013) reported positive relation between CSR and CFP (ROA, ROE, net earnings from loans and advances, fees and commissions) for 7years ending 2009.

Most recent researches on this subject matter show a plethora of positive association. With a sample of 432 observations from Indonesia industrial sectors from 2016-2018, with intellectual capital as a moderating variable Abdillah, Saraswati and Purwanti (2020) showed a direct influence of CSR on ROA and that media as a moderation variable increases the influence of CSR on ROA. Using 10 Indian companies for four years 2014-2017, Abilasha and Tyagi (2019) show significantly positive association between CSR and the performance measures (pre-tax income, ROCE, ROA and ROE). Moderating the role of ownership concentration in listed firms for 2014-2018, Akben-Selcuk (2019) recorded a positive relationship for CSR and financial performance. The relationship becomes negative when moderated by ownership concentration. Awaysheh, Heron, Perry and Wilson (2020) indicate that the socially responsible firms receive better operating performance and higher book-to-market value of equity than industry peers. With fixed effects regression on 5-year data of listed US firms Giannarakis, Konteos, Zafeiriou and Partalidou (2016) indicate a significant direct impact of CSR on financial performance. Through a questionnaire survey administered on 224 senior-level Pakistani firms' managers Javed, Rashid, Hussain, Ali (2020) reveal that CSR exerts significant positive influence on financial performance with responsible leadership and with strong stakeholder values. Using 24 listed mining and basic industry chemicals firms for the period 2009-2012 with multiple linear regressions analytical method Kamatra and Kartikaningdyah (2015) found weak effect of CSR on ROA and NPM and no significant effect on ROE and EPS. Long, Li, Wu and Song (2019) reveal that the firms with CSR content in their corporate strategy perform very well.

Employing Random effect panel regression on 79 Indian listed firms for 2008-2015, Maqbooland Hurrah (2020) show that CSR has a strong direct effect on financial performance of the selected firms. With Indonesia quoted banks from 2011-2015, Marchyta1, Devie and Semuel (2020) show positive impact of CSR towards lagged financial performance and intellectual capital. Using annual data of 20 Pakistani commercial banks for the period 2008–2017 Ramzan, Amin, Abbas (2020) submit that financial performance reacts positively to changes in CSR. With multiple linear regression analysis on Panel data on commercial banks in Turkey and Nigeria Senyigit and Shuaibu (2017) indicate a positive impact of CSR on CFP in Nigeria but no statistically significant relationship in Turkey. Using panel data covering the period of 2012–2016, Siueia, Wang and Deladem (2019) found a significant and positive relationship between the two constructs, suggesting that CSR behavior is helpful to improve the performance (ROA, ROE) of banks. Vu, Tran, Le and Nguyen (2020) recorded positive relationship between CSR and financial and nonfinancial performance (customer loyalty, government support and business reputation) of Vietnamese 158 Nam Dinh seafood enterprises. Lin, Ho and Sambasivan (2019) examined the moderating effects of corporate political activity (CPA) of corporate CSR might influence CFP of a sample of Fortune firms for period 2007–2016 using dynamic panel data and observed insignificant negative influence of CPA on CFP. Using 350 Pakistani firms for 2011-2017, Shabbir et al.(2020) indicate that CSR reacts negatively with return on capital.

Based on the extant literature, the aim here is to capture the effect of CSR on banks' financial performance using four financial performance measures namely, the earnings per share (EPS), market price per share (MPPS), return on assets (ROA) and return on (ROE). Therefore, the following research questions and associated testable hypotheses are documented.

RQ1: To what extent does CSR influence the earnings per share of the banks?

RQ2: Does CSR have any association with the market price per share of the banks?

RQ3: How does CSR impact the return on assets of the banks?

RQ4: Does CSR affect the return on equity of the banks?

Despite the findings of previous studies, this study expects a no association between banks' CSR and CFP in a developing market economy Nigeria as we predict that both constructs run on parallel lane to each other. Thus, based on extant theoretical perspectives we hypothesize that

H1: CSR does not influence the earnings per share of the banks.

H2: CSR has no association with the market price per share of the banks.

H3: CSR has no impact on the return on equity of the banks.

H4: CSR does not affect the return on equity of the banks.

3.0 Data and methods

3.1 Data

The research design adopted is expo facto. The population is all listed banks on the Nigerian Stock Exchange (NSE) from January 1, 2007 to December 31, 2019 of which the total was 13. The sample is made up of national banks that reported on CSR consistently from 2007 to 2019 in their financial statements of which the total is 10 which constitutes 76.92% of the population. Ecobank as a foreign bank, Wema bank as a regional bank were not included while Unity bank was not consistent in reporting on CSR. Sampling technique was purely judgmental based on availability of CSR disclosure in the annual financial statements. The data employed for this study was for ten banks spanning a time period of 13 years, thereby leading to 130 observations.

3.2 Dependent variables

Griffin and Mahon (1997) as cited in Mishra & Damodar (2010) reviewed 51 papers that studied the relationship between CSR and firm performance and found that up to 80 different measures of firm performance were used in these studies. Among the identified measures the most frequently used are return on assets, return on equity, firm size, return on sales, and asset age. In line with previous studies, we adopt the objective measures of financial performance. A firm's return on assets (ROA), return on equity (ROE), or earnings per share (EPS) capture the firm's internal efficiency, internal decision-making capabilities and managerial performance. The MPPS indicate the market opinion on the firm. Thus, we employed four different indicators for bank financial performance namely, earnings per share (*EPS*), market price per shares (*MPPS*), return on assets (*ROA*), and return on equity (*ROE*). A greater EPS, MPPS, ROA and ROE indicate greater value creation for investors, hence their adoption as measures of corporate financial performance in this study. EPS was obtained by dividing profit after taxes by total number of shares issued and fully paid in each bank. MPPS represents the market price per share as at the last date of the financial year-end of each bank as captured from the NSE daily official list. Return on asset was calculated as earnings before interest and taxes divided by the total asset while return on equity was obtained from profit after tax divided by total shareholders' funds. The variables EPS, ROA and ROE were computed from data extracted from annual reports and accounts of the selected listed firms from year 2007 to 2019.

3.3 Independent variable

CSR stands the independent variable for the study. The proxy for CSR in line with developing economy is the amount of expenditure on donations and charitable gifts by the banks.

3.4 Control variables

We include other covariates in our model such as bank size, bank age, and dividend per share. Larger banks tend to draw a higher level of attention from the public, and have a greater social impact, suggesting that larger banks are more likely to have stronger CSR and same with bank age. Larger firms are relatively better positioned than smaller firms to invest more funds for CSR activities. According to Mishra & Damodar (2010), past research has considered annual sales (Fomburn and Shanley, 1990), total assets, and number of employees (Waddock and Graves, 1997) as indicators of firm size but we used bank gross earnings as proxy for size. Because firm size, firm age, and dividends are likely to influence CSR and firm performance, without controlling their confounding effects, the CSR-firm performance link cannot be gauged appropriately.

3.5 Method

The study employed descriptive statistics and panel linear models comprising of the fixed and random effects models. The descriptive statistics provided details on mean and standard deviation as well as the minimum and maximum values of the variables of interest. This will clarify the nature of the data and how they apply to corporate social responsibility and banks' financial performance. To capture the influence of corporate social responsibility on Nigerian banks' financial performance, we employed four distinct econometric models. To address the first hypothesis on the effect of corporate social responsibility on earnings per share, the first model was employed. The second model was developed to address hypothesis two on the effect of corporate social responsibility on banks' market price per share. For hypothesis three, we estimated the effect of corporate social responsibility on the returns to assets. Lastly, hypothesis four entailed estimating the effect of corporate social responsibility on the return on equity. The econometrics specification for the fixed-effect models, which controls for heterogeneity across banks in the intercept parameters are expressed as follows:

Model (1):

$$EPSit = \alpha_i + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \mu it$$

Model (2):

$$MPPSit = \alpha_i + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \mu it$$

Model (3):

$$ROAit = \alpha_i + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \mu it$$

Model (4):

$$ROEit = \alpha_i + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \mu it$$

where $\alpha_i$is the regional specific parameter that denotes the fixed effect. The α_i represents the ignorance about every other systematic feature that predicts the dependent variables other than CRS, AGE, SIZE, and DPS (Wooldridge, 2012). The basic insight into the fixed model is that α_i

is constant over time. This model is commonly used when examining the influence of variables that change with time as it controls for fixed individual characteristics of the countries in the model.

For the random effect model, the individual-specific component α is not treated as a parameter in the model rather, it is considered as a random variable with mean μ and variance $\sigma_{\alpha}{}^{2}$. This implies that the random model treats the heterogeneity across cross-sections as random components. In line with this, the econometrics specifications for the random effect models are as follows;

Model (1):

$$EPSit = \alpha + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \epsilon\text{it} + \mu it$$

Model (2):

$$MPPSit = \alpha + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \epsilon\text{it} + \mu it$$

Model (3):

$$ROAit = \alpha + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \epsilon\text{it} + \mu it$$

Model (4):

$$ROEit = \alpha + \beta 1CRSit + \beta 2AGEit + \beta 3SIZEit + \beta 4DPSit + \epsilon\text{it} + \mu it$$

ϵ_{it} captures the between-entity error term, the variations across units are assumed to be random and uncorrelated with the explanatory variables. In the random effect model, it is presumed that the entity error term is uncorrelated with the explanatory variables thus allowing time-invariant variables to play a role as explanatory variables.

This study also tests for appropriate model selection between fixed effect and random effect using the Hausman χ^2 test. Hausman test is used when choosing between or comparing the estimates of the fixed and random-effects models and helps to determine whether the appropriate disturbance terms are drawn from a random distribution or fixed.

A probability value greater than 5 percent implies that both the random model and the fixed model are reliable, but the random model is most efficient as it utilizes a lesser degree of freedom (Pesaran, 2004). The study applies the Wooldridge test for serial correlation. For this test, the null hypothesis suggests the absence of autocorrelation in the model. This null hypothesis is rejected given a probability value of less than 5 percent significance level. We also test for heteroskedasticity in the fixed model employing the modified Wald test. The null hypothesis is that the error term variance is the same for all banks (Stock, & Watson, 2008). For ease of interpretation, we convert earnings per share, market price per share, corporate social responsibility, dividend per share and firm size to their natural logarithm.

4.0 Results and Discussion

Table 1 presents the descriptive statistics of the variables of interest. The table reveals that return on assets has an average value of 5.2, a minimum value of -6.96 and a maximum value of 9.46. On the other hand, return on equity has an average value of 11.6, with a minimum value of -109.1 and a maximum value of 41.41. The clear difference between the minimum and maximum values shows a substantial disparity between the return on equity over the years and across the observed banks.

Table 1 about here

Earnings per share and market price per share have average values of 0.12 and 2.07 respectively. The average value of corporate social responsibility is 19.04 with minimum and maximum values of 15.7 and 21.8 respectively. Dividend per share and firm size has average values of -0.78 and 21.05 respectively. The average age of the firms was found to be 47 years with a standard deviation of 32 years as well as a minimum and maximum of 15 and 125 years respectively.

1. The effects of CSR on earnings per share

Table 2 reveals the impact of corporate social responsibility on earnings per share. Results from the fixed and random effects model show that corporate social responsibility has a positive influence on the earning per share of Nigerian banks. However, while the result from the fixed effects model is statistically insignificant, the result from the random effect model was found to be statistically significant. Additionally, dividend per share had a positive impact on earnings per share of Nigerian banks and was found to be statistically significant in both estimation techniques. We found that firm size had a significant impact on earnings per share in the random effects model, but not for the fixed effects model. Under the fixed effects model, age was positively associated with earnings per share while under the random effects model, we found a negative impact, but both were statistically insignificant. This study however relies on the results of the fixed effects model because the Hausman test shows that the fixed effects model is most preferred.

Table 2 about here

2. The effects of CSR on market price per share

Table 3 present the results on the impact of corporate social responsibility on Banks market price per share. Results from the fixed and random effects model showed that corporate social responsibility has but insignificant impact on the market price per share. Dividend per share has a positive and significant impact on the market price per share in both estimation techniques. While firm size positively but insignificantly increases market price per share in the fixed effects model it negatively and significantly reduces the market price per share in the random effects model. It was also discovered that age significantly reduced the market price per share in the fixed effects model while in the random effects model; age significantly increased the market price per share. Both results were found to be statistically significant. The result of the Hausman which has a probability value less than 5% indicates that we select the fixed effects model over the random effects.

Table 3 about here

3. The effects of CSR on returns to asset

Results from table 4 reveal the impact of corporate social responsibility on the returns to assets. The results from the fixed and random effects model show that corporate social responsibility has a positive and significant impact on the return on assets. It is also revealed that dividend per share has a positive and significant impact on the returns on assets in both estimation techniques. Dividend per share also had a positive impact on returns on assets in both estimation techniques and this impact was found to be statistically significant. Firm size was found to have a negative impact on returns on assets for both estimation techniques, but the fixed effects model was not statistically significant while the random effects model was found to be statistically significant. The results show that firm age had a negative impact on return on assets in both models, but the fixed effects model was not statistically significant while the random effects model was found to be statistically significant. The Hausman test result revealed that the random effects model is the preferred to the fixed effect model and as such inference should be based on the random effects model.

Table 4 about here

Table 5 reveals the result on the impact of corporate social responsibility on the return on equity in Nigerian banks. The results from the fixed and random effects model show that corporate social responsibility has insignificant impact on the return on equity in both estimation strategies. However, it is revealed that in the fixed effects model, corporate social responsibility have positive influence on the return on equity while in the random effects model, corporate social responsibility have negative consequence on the return on equity. Dividend per share was found to have positive and significant impact on the return to equity in both estimation strategies. On the other hand, firm size has positive and significant impact on the return on equity based on the random effects model while firm size has negative and insignificant impact on the return on equity in the fixed effects model. Age of the firms was found to have a positive and insignificant impact on the return on equity based on the fixed effects model while in the random effects model age has negative and insignificant impact on the return on equity. The result of the Hausman test which has a probability value of 0.3478 revealed that the random effects model should be selected over the fixed effects model.

Table 5 about here

The results of the study reveal that as follows: The earnings per share (EPS) do not have a significant negative but insignificant positive relationship with the CSR of the listed banks. The market price per share (MPPS) does have a positive but an insignificant relationship with the CSR of the listed banks. The return on assets (ROA) does not have a significant negative but a significant positive relationship with the CSR of the listed banks. The return on equity (ROE) does have a negative but insignificant relationship with the CSR of the listed banks.

5.0 Conclusion

Findings of our work suggest CSR of Nigeria commercial banking industry has weak positive impact on earning per share, market price per share, a strong positive impact on the return on assets, and a weak negative effect on return on equity. Dividend per share has a strong positive influence on earnings per share, market price per share, returns on assets, and return to equity. Firm size has a weak positive association with earnings per share, market price per share, a strong negative relationship with returns on assets, and a strong positive impact on the return to equity.

Firm age have a weak positive association with earnings per share, a strong positive effect on the market price per share, a strong negative impact on returns on assets, and a weak negative impact on the return on equity.

5.1 Policy implications of the findings of the study

Banks that desire improvements in its earning power especially in terms of reward to both debt-holders and equity-holders should factor into its strategies the beneficial engagement of CSR in the pursuits of its financial goals. However, the weak negative impact of CSR on return on equity justifies the clamour by the residual shareholders that CSR should only be engaged when it favours their fortune. With this most recent discovery they are energized more to kick against the investments in CSR. But if the residual owners' desire is the harvest of wealth creation through enhanced EPS and MPPS, they should support the investments in CSR.

5.2 Limitations and recommendations

In this work, we concentrated only on Nigerian commercial banking industry and the findings and conclusions relate to the listed commercial banks operating in Nigeria. The search for link between CSR and CFP of firms is not yet a settled matter especially in the emerging market economies. We recommend that upcoming studies can look at what obtains in the manufacturing firms and other service industries especially insurance industry.

References

Abdillah, P., Saraswati, E. and Purwanti, L. (2020). Effect of Corporate Social Responsibility Disclosure (CSRD) on Financial Performance and Role of Media as Moderation Variables. *International Journal of Multicultural and Multireligious Understanding* 7(4), 457-475. http://dx.doi.org/10.18415/ijmmu.v7i4.1719.

Abilasha, N, and Tyagi, M. (2019). Impact of CSR on financial performance of Top 10 performing CSR Companies in India. *IOSR Journal of Economics and Finance, 10(2) Ser. II (Mar. – Apr.2019), 49-55.*

Abubakar, M.D. & Ameer, R. (2011). The Impact of Sustainability Practices on the Financial Performance: Evidence from Listed Oil and Gas Companies in Nigeria. *Dimensional Corporate Governance, CSR, Sustainability, Ethics & Governance book series* (CSEG), 215-233

Akben-Selcuk, E. (2019). Corporate social responsibility and financial performance: the moderating role of ownership concentration in Turkey. **Sustainability 2019**, **11**(13), 36-43. https://doi.org/10.3390/su11133643

Aupperle, K. E., Carroll, A.B.and Hatfield, J. D. (1985). An empirical investigation of the relationship between corporate social responsibility and profitability'. *Academy of Management Journal*, 28, 446–463.

Awaysheh, A., Heron, R.A., Perry, T. and Wilson, J.I. (2020). On the relation between corporate social responsibility and financial performance. *Strategic Management Journal*, 41(6), 965-987. https://doi.org/10.1002/smj.3122.

Barnett, M. (2007). Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *Academy of Management Review*, 32, 794-816.

Blindheim, B. (2012). Institutional Models of Corporate Social Responsibility: A Proposed Refinement of the Explicit-Implicit Framework. *Business & Society,* 54(1):52-88. DOI: 10.1177/0007650312443961

Bromiley, P. &Marcus, A.(1989). The deterrent to dubious corporate behaviour: Profitability, probability and safety recalls. *Strategic Management Journal*, 10(3), 233-250.

Brown, T.J., and Dacin, P.A. (1997). The Company and the Product: Corporate associations and consumer product responses. *Journal of Marketing*, 61(1), 68-84.

Cannon, F.W. (1992). Performance Management: A New Perspective. *Executive Development*, 5(4). https://doi.org/10.1108/09533239210018491

Chahal, H. & Sharma, R.D. (2006). Implications of corporate social responsibility on marketing performance: A conceptual framework. *Journal of Services Research,* 6(1), 205-216.

Chih, H., H. Chih, and T. Chen, 2010. On the determinants of corporate social responsibility: International evidence on the financial industry. *Journal of Business Ethics*, 93, 115-135.

Cochran, P.L., & Wood, R.A. (1984). Corporate social responsibility and financial performance. Pennsylvania. *Academy of Management journal*, 27(1), 42-56.

Fatemi, A. M. and Fooladi**,** Iraj J. (2013). Sustainable finance: A new paradigm. *Global Finance Journal*, 24(2), 101-113.

Flammer, C. (2013). Does Corporate Social Responsibility Lead to Superior Financial Performance? *Academy of Management Review* 4(3)

Fombrun, C. and Shanley, M. (1990). What's in a name? Reputation building and corporate strategy. *Academy of Management Journal*, 33(2), 233-258.

Foote, J., Gaffney, N., &Evans, J.R. (2010). corporate social responsibility: implications for performance excellence. *Total Quality Management*, 21(8), 799-812.

Galbreath, J., & Shum, P. (2012). Do consumer satisfaction and reputation mediate the CSR-FP link? Evidence from Australia. *Australian Journal of Management,* 37(2), 211-229.

Gamerschlag,R., Moller, K., & Verbeeten, F. (2011). Determinants of voluntary CSR disclosure: empirical evidence from Germany. *Review of Management Science*, 5, 233-262.

Giannarakis, G., Konteos, G. Zafeiriou, E., Partalidou, X. (2016). The impact of corporate social responsibility on financial performance. *Investment Management and Financial Innovations* 13(1-3):171-182. DOI: 10.21511/imfi.13(3-1).2016.03

Graves, S. B., & Waddock, S. A. (1994). Institutional owners and corporate social performance. *Academy of Management Journal* 37: 1034–1046.

Griffin, J. J., & Mahon, J. F. (1997). The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research. *Business & Society*, *36*(5), 5- 31.

Hart, S. (1997). Beyond greening: strategies for a sustainable world. *Harvard Business Review*, 75, 66-76.

Hedges, L. & Olkin, I. (1985). *Statistical models for meta-analysis.* New York: Academic press.

Hunter, J.F. & Schmidt, F.L. (2004). Methods of meta-analysis: correcting error and bias in research findings. Thousand Oaks, CA: Sage.

Javed, M., Rashid, M.A., Hussain, G., Ali, H.Y. (2020). The effects of corporate social responsibility on corporate reputation and firm financial performance: Moderating role of responsible leadership. *Corporate Social Responsibility and Environmental Management*, 27(3), 1395-1409. https://doi.org/10.1002/csr.1892

Kamatra, N. and Kartikaningdyah, E.(2015). the effect of corporate social responsibility on financial performance. *International Journal of Economics and Financial Issues*, 5, 157-164. Special Issue on 2nd AFAP International conference on entrepreneurship and business management (AICEBM 2015),10-11 January 2015, Universiti Teknologi Malaysia, Kuala Lumpur, Malaysia.

Kirmani, A. (1997). Advertising Repetition as a Signal of Quality: If It's Advertised So Much, Something Must Be Wrong. *Journal of Advertising*, 26(3), 77–90.

Lee, D.D., Faff, R.W.& Langfield-Smith, K. (2009). Revisiting the vexing question: Does superior corporate social performance lead to improved financial performance? *Australian Journal of Management*, 34(2), 21-49.

Lee, M.P. (2008). A review of the theories of Corporate Social Responsibility: its evolutionary path and the road ahead. *International Journal of Management Review*, 10(1): 53-73.

Lee, S. & Park, S. (2009). Financial impacts of socially responsible activities on Airline Companies. *Journal of Hospitality and Tourism Research*, 34(2), 185-203.

Lin, W.L., Ho, J.O. and Sambasivan, M.(2019). Impact of corporate political activity on the relationship between corporate social responsibility and financial performance: A Dynamic Panel Data Approach. *Sustainability*, **11**(1), 60; https://doi.org/10.3390/su11010060

Long, W., Li, S., Wu, H., Song, X. (2019). Corporate social responsibility and financial performance: The roles of government intervention and market competition. *Corporate Social Responsibility and Environmental Management*, 27(2), 525-541. https://doi.org/10.1002/csr.1817

Mackey, A., Mackey, T., & Barney, J.B. (2007). Corporate social responsibility and firm performance: investor preferences and corporate strategies. *Academy of Management Review*, 32, 817-835.

Maqbool, S. and Hurrah, S.A. (2020). Exploring the Bi-directional relationship between corporate social responsibility and financial performance in Indian context. *Social Responsibility Journal*, Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/SRJ-05-2019-0177

Marchyta1, N. K., Devie, Semuel, H.(2020). The Effect of Corporate Social Responsibility on Financial Performance of Banks in Indonesia: the role of intellectual capital and Bankruption risk. *International Journal of Psychosocial Rehabilitation*, 24(6), 14095-14115.

Marcia, M. C., Otgontsetseg, E., & Hassan, T. (2014). Corporate Social Responsibility and its Impact on Financial Performance: Investigation of U.S. Commercial Banks. *Department of Finance, Bentley University, Waltham, USA and Carroll School of Management, Boston College, USA Paper.*

Margolis, J. D., Elfenbein, H. A., & Walsh, J. P. (2007). Does it pay to be good? A meta-analysis and redirection of research on the relationship between corporate social and financial performance *(Working paper)* Harvard Business School, Cambridge, McGraw Hill. Available at SSRN: http://ssrn.com/abstract=1866371

Margolis, J. D. and Elfenbein, H. A. and Walsh, J. P. (2009). Does it pay to be Good...And Does it Matter? A Meta-Analysis of the Relationship between Corporate Social and Financial Performance. Retrieved May 23, 2020. Available at SSRN: http://ssrn.com/abstract=1866371

Margolis, J.D. and Walsh, J.P. (2003). Misery loves companies: whither social initiatives by business. *Administrative Science Quarterly*, 48(2), 268-305.

McGuire, J.B., Sundgren, A., & Schneeweis, T. (1988). Corporate social responsibility and firm financial performance. *Academy of Management Journal*, 31(6), 854-872.

McWilliams, A. & Siegel, D. (2000). Corporate social responsibility and financial performance: Correlation or Misspecification? *Strategic Management Journal*, 21(5), 603-609.

McWilliams, A., Siegel, D.S. & Wright, P.M. (2006). Introduction: Corporate Social Responsibility: strategic implications. *Journal of Management Studies*, 43, 1-18.

Mohammed, B. and Mohamed, R.E.E.K.A (2014). The impact of corporate social responsibility on firm performance: Evidence form a mena country. *Corporate Ownership and Control* 12(1):761-774. DOI: 10.22495/cocv12i1c9p1

Muhammad, G. A., Faisal, A., & Muhammad, R. U. (2016). The Impact of Corporate Social Responsibility on Firm's Financial Performance. *Middle East Journal of Scientific Research* 15(2), 243-251

Oeyono, J., Samy, M. & Bampton, R. (2011). An examination of corporate social responsibility and financial performance: A study of the top 50 Indonesian listed corporations. *Journal of Global Responsibility*, 2(1), 100-112.

Okiro, K., Omoro, N., & Kinyua, H. (2013). Investment in Corporate Social Responsibility and Sustained Growth In Commercial Banks In Kenya. *Journal of Emerging Issues in Economics, Finance and Banking. An Online International Monthly Journal*, 3(2), 1057-1084.

Orlitzky, M., Schmidt, F., & Rynes, S. (2003). Corporate Social and Financial Performance: A Meta-Analysis. *Organization Studies, 24*(3), 403-441.

Orlitzky, M., & Schmidt, F. L. (2003). Corporate Social and Financial Performance: A Meta-Analysis. *Organization Studies*, 403-441 DOI: 10.1177/0170840603024003910

Peloza, J., & Papania, L. (2008).The missing link between corporate social responsibility and financial performance: Stakeholder salience and identification, *Corporate Reputation Review*, 11, 169-181.

Ramzan, M., Amin, M., Abbas, M. (2020). How does corporate social responsibility affect financial performance, financial stability, and financial inclusion in the banking sector? Evidence from Pakistan. *Research in International Business and Finance*, 101-314.

Rodriguez-Fernandez, M**.**(2016). Social responsibility and financial performance: The role of good corporate governance. *BRQ Business Research Quarterly*, 19(2), 137-151. https://doi.org/10.1016/j.brq.2015.08.001

Roman, R. M., Hayibor, S., & Agle, B. R. (1999). The relationship between Social and financial performance, *Business and Society*, March, 38(1), 109-125.

Ronald, M.R.; Sefa, H., & Bradley, R.A. (1999). The relationship between social and financial performance. *Business and Society*, March, 38(1), 109-125.

Saeidi, S.P, Sofian, S., Saeidi, P., Saeidi, S.P., & Saeidi, S.A. (2014). How does corporate social responsibility contribute to firm performance? the mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, xxx, 1-10. http://dx.doi.org/10.1016/j.jbusres.2014.06024

Sen, S., Bhattacharya, C. B. and Korschun, D. (2006). The Role of Corporate Social Responsibility in Strengthening Multiple Stakeholder Relationships: A Field Experiment. *Journal of the Academy of Marketing Science*, 34(2), 158–166.

Senyigit, B. and Shuaibu, M.A. (2017). The effect of corporate social responsibility on financial performance: evidence from the banking industry in emerging economies. *Journal of Business Studies Quarterly*, 9(1)), 22-31.

Servaes, H. and Tamayo, A. (2013). The impact of corporate social responsibility on firm value: The role of customer awareness. *Management Science*, 59(5), 1045-1061.

Shabbir, M. S., Aslam, E., Irshad, A., Bilal, K., Aziz, S., Abbasi, B. A. & Zia, S. (2020). Nexus between corporate social responsibility and financial and non-financial sectors' performance: a non-linear and disaggregated approach. *Environmental Science and Pollution Research*, https://doi.org/10.1007/s11356-020-09972-x.

Siueia, T.T., Wang, J., Deladem, T.G. (2019). Corporate Social Responsibility and financial performance: A comparative study in the Sub-Saharan Africa banking sector. *Journal of Cleaner Production*, 226, 658-668.

Stock, J., & Watson, M. (2008). Heteroskedasticity-Robust Standard Errors for Fixed Effects Regression. *Econometrica*, 76, 155-174. doi:https://doi.org/10.1111/j.00129682.2008.00821.x

Teoh, S.H., Welch, I., & Wazzan, C.P.(1999). The effect of socially activist investment policies on the financial markets: evidence from the South African boycott. *Journal of Business*, 72(1), 35-89.

Van Beurden, P. &Gossling, T. (2008). The worth of values- A literature review on the relation between corporate social performance and financial performance. *Journal of Business Ethics*, 82(2), 407-424.

Visser, W. (2008). *Corporate Social Responsibility in Developing Countries*. Antwerp Management School Book of Readings, Chapter 21, 473-499.

Vlastelica,T., CicvaricKostic, S., Okanovic, M., Milosavljevic, M. (2018). How Corporate Social Responsibility Affects Corporate Reputation: Evidence from an Emerging Market. *JEEMS*, 23(1),10–29. DOI: 10.5771/0949-6181-2018-1-10

Vlastelica, B. T., Mijatovic, I., & Marinovic, N. (2015). *Key CSR Initiatives in Serbia: A New Concept with New Challenges, Key Initiatives in Corporate Social Responsibility - Global Dimension of CSR in Corporate Entities.* In S. O. Idowu, (Ed.), pp.201-220. Springer International Publishing.

Vu, T.H.,Tran, H.L., Le, T.T. and Nguyen, H.A. (2020). The effect of corporate social responsibility on performance in Nam Dinh seafood enterprises. *Management Science Letters*, 10, 175–182.

Waddock, S. A., and Graves, S. B. (1997). The corporate social performance- financial performance link. *Strategic Management Journal* 18(4), 303–320.

Wartick, S. L., & Cochrane, P. L. (1985). The evolution of the corporate social performance model. .*Academy of Management Review*, 10, 758–769.

Wooldridge, J. (2012). *Econometric Analysis of Cross Section and Panel Data*. Cambridge: MIT Press.

Wright, P. &Ferris, S. (1997). Agency conflict and corporate strategy: The effect of divestment on corporate value. *Strategic Management Journal*, 18(1), 77-83.

Wu, M., and Shen, C. (2013). Corporate social responsibility in the banking industry: Motives and financial performance. *Journal of Banking and Finance*, 37, 3529-3547.

Zulfiqar, Sehar (2016). Link between Corporate Philanthropy and Corporate Financial Performance: Evidence from Pakistani Textile Sector. *International Journal of*

Mathematical, Engineering and Management Sciences, 1(1):1-12. DOI:10.21791/IJEMS.2016.1.47.

Tables

Table 1: Summary Statistics of the Variables

Variables	**Observation**	**Mean**	**Standard Deviation**	**Minimum**	**Maximum**
Return on Assets	130	5.2207	2.1298	-6.96	9.46
Return on Equity	130	11.6042	17.0195	-109.11	41.41
Earnings per Share	130	0.1191	1.0355	-3.5065	2.1162
Market Price per Share	130	2.0751	1.0507	-0.2744	4.1917
CSR	123	19.0401	1.2862	15.7718	21.8433
Dividend per Share	130	-0.7803	1.1368	-3.9120	1.0296
Firm Size	130	21.0446	0.8461	18.8319	22.6899
Age	130	47.1	32.8265	17	125

Source: Author's computation

Table 2: Fixed and Random Effects Model (1)

Variables	Fixed Effects	Random Effects
CSR	0.1707	0.1301*
	(0.108)	(0.056)
Dividend per Share	0.7036***	0.6316***
	(0.000)	(0.000)
Firm Size	0.0811	0.2255**
	(0.624)	(0.024)
Age	0.0415	-0.0009
	(0.139)	(0.660)
Constant	-5.8257**	-6.5462***
	(0.139)	(0.000)
R-Squared	0.3285	0.7836
F-Statistics	69.73***	
	(0.0000)	
Wald		320.53***
		(0.0000)
Wooldridge	0.2219	0.2219
Modified Wald	0.0000	
Hausman	0.0001	

Source: Author's computation.

Note: *, ** and *** denotes statistical significance at 10%, 5% and 1%.Dependent Variable: Earnings per Share. Probability values are in parenthesis. Fixed Effects model is heteroskedastic consistent.

Table 3: Fixed and Random Effects Model (2)

Variables	Fixed Effects	Random Effects
CSR	0.0129	0.0644
	(0.909)	(0.445)
Dividend per Share	0.4717***	0.8481***
	(0.002)	(0.000)
Firm Size	0.2713	-0.4142***
	(0.474)	(0.001)
Age	-0.1179*	0.0067**
	(0.078)	(0.010)
Constant	1.0040	10.0645***
	(0.866)	(0.000)
R-Squared	0.0311	0.6734
F-Statistics	21.84***	
	(0.0001)	
Wald		206.20***
		(0.0000)
Wooldridge	0.0458	0.0458
Modified Wald	0.0000	
Hausman	0.0000	

Source: Author's computation.

Note: *, ** and *** denotes statistical significance at 10%, 5% and 1%.Dependent Variable: Market Price per Share. Probability values are in parenthesis. Fixed Effects model is Heteroskedastic and Autocorrelation Consistent (HAC) in standard error.

Table 4: Fixed and Random Effects Model (3)

Variables	Fixed Effects	Random Effects
CSR	0.6079**	0.4636**
	(0.021)	(0.016)
Dividend per Share	0.4521**	0.4551***
	(0.030)	(0.006)
Firm Size	-0.2636	-0.9342***
	(0.709)	(0.000)
Age	-0.1108	-0.0151**
	(0.307)	(0.000)
Constant	3.9829	17.2901***
	(0.706)	(0.000)
R-Squared	0.1621	0.2742
F-Statistics	3.78***	
	(0.0069)	
Wald		34.17***
		(0.0000)
Wooldridge	0.0531	0.0531
Hausman		0.2430

Source: Author's computation

Note: *, ** and *** denotes statistical significance at 10%, 5% and 1%.Dependent Variable: Return on Assets. Probability values are in parenthesis. Random Effects model is heteroskedastic consistent in standard errors.

Table 5: Fixed and Random Effects (4)

Variables	Fixed Effects	Random Effects
CSR	0.9581	-0.7599
	(0.288)	(0.107)
Dividend per Share	4.7298***	4.3670***
	(0.000)	(0.000)
Firm Size	-0.7979	1.7065*
	(0.745)	(0.061)
Age	0.4938	-0.0201
	(0.192)	(0.479)
Constant	35.2201	-2.2889
	(0.338)	(0.860)
R-Squared	0.0137	0.4482
F-Statistics	12.74***	
	(0.0000)	
Wald		0.4482
Wooldridge	0.0141	0.0141
Modified Wald		
Hausman		0.3478

Source: Author's computation

Note: *, ** and *** denotes statistical significance at 10%, 5% and 1%.Dependent Variable: Return on Equity. Probability values are in parenthesis. Random Effects model result is HAC in standard errors.