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Corporate Citizenship and Firm Social Performance in Nigeria

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Abstract
The purpose of this study is to examine the effect of corporate citizenship (ownership structure) on the social performance of the listed companies in Nigeria. This study adopted the ex-post facto research design. Data of this study were collected from secondary sources of data. The population of this study comprises 169 listed companies on the Nigerian stock exchange as of 31st December 2018. From all the one hundred and sixty-nine (169) listed companies listed on the Nigerian Stock Exchange, a sample of thirty (33) firms were selected from all the sectors in the NSE purposively, covering the period of 2012-2018. A predictive model such as indigenous ownership and foreign ownership was used to know the influence of corporate citizenship on firm social performance. Data collected were analysed using regression analysis techniques. The finding showed that there exists a negative but insignificant relationship between indigenous ownership and firm social performance. Further findings revealed that foreign ownership has a positive relationship with Firm Social Performance but it is insignificant. This study concluded that there is an insignificant relationship between corporate citizenship (ownership structure) and firm social performance in Nigeria. This study, therefore, recommended that firms should focus on their social responsibility as this will be more beneficial to their stakeholders which in return will promote the activities of the firm rather than the owners of the organisation as their impact is not felt on social performance.

Keywords: Corporate Citizenship, Foreign Ownership, Indigenous Ownership, Firm Social Performance.

Introduction

The Firms Social Performance (FSP) otherwise refers to as corporate social performance (CSP) has attracted attention from both academic researchers and business practitioners over the past years, with a focus on its impact on corporate financial performance (Margolis, Elfenbein & Walsh, 2007; Nakao, Amano, Matsumura, Genba, & Nakano, 2007). Likewise, Sreevas, Bindu and Mukesh (2019) opined that over the past few decades, researchers have been keenly interested in understanding the drivers and consequences of corporate social performance (CSP) in firms from developing markets. However, corporate scandals around the world posit whether firms should have social elements as part of their corporate goals (Margolis & Walsh, 2003).This, in turn, has increased growing concern about whether governance structures can effectively influence social business behaviour (Walls, Berrone & Phan, 2012).

The preference for corporate social responsibility (CSR) policies may be different in firms with different types of citizenship. This different citizenship or ownership might be institutional ownership, foreign ownership, indigenous ownership, managerial ownership, government ownership or state ownership and corporate ownership. In Nigeria context, the study of Fadun (2014) found that the four dimensions of corporate social responsibility which are; economic, legal, ethical and philanthropic) are not attributed equal importance in Nigeria. He opined that organisation owners place more emphasis on economic, legal and ethical responsibilities than on philanthropic components. This study develops and tests this concept as to how different types of corporate citizenship/ownership have a specific association with a firm's corporate social responsibility.

Prior studies have used some of these types of ownership in measuring corporate citizenship. While corporate social performance is proxies on the CSR indicators or its disclosure. In particular, since different owners may have different objectives and decision-making horizons, it is now worthwhile to study the relationships between the different types of owners and the firm's social performance (Hoskisson, Hitt, Johnson & Grossman, 2002). Costanzia, Paola, and Jaiswal (2008) observed that ownership structure can have an expected negative relationship with Corporate Social Performance if a large shareholder has only a temporary stake in the firm, he may prevent management from allocating funds on long-term horizon investments, such as those in CSR. According to Sreevas, Bindu, and Mukesh (2019), a relationship was established between corporate citizenship and firm corporate social performance. They formed their opinion about corporate citizenship and postulated that business group and family ownership is beneficial for community-related corporate social responsibility (CSR). This is in tandem with Yuan, Yanhui, and Yuxiao (2016) who also found that institutional investors, firms with more shares held by mutual funds are significantly better at CSR disclosure and their CSR reports are significantly of better quality. Sreevas, Bindu, and Mukesh (2019) further revealed that government ownership does not have a positive impact on community-related CSR. In contrast to this Yuan, Yanhui, and Yuxiao (2016) found that foreign investors played a significant role in the decision process to adopt CSR disclosure. However, the quality of company CSR reports is not significantly different from others. These prior studies have both established that there exists a relationship between corporate citizenship measures such as foreign ownership, government ownership, and institutional ownership and corporate social performance of an organization. In this study, we break down corporate citizenship into two separate categories: Indigenous and foreign ownerships and examined their effect on the firm corporate social performance.

1.2 Statement of Problem

Ownership structure perceived to be a main factor in agency problems between the management and external stockholders. There is a separation in control of large public companies as result of dispersion in the ownership and conflicts of interest among stakeholder groups. This creates a big challenge for managers to control the diverse interests of multiple stakeholders. Management therefore prioritize their stakeholders according to their attributes of power, legitimacy and urgency (Agle, Mitchell & Somerfield, 1999). In recent past, the researcher's interest has been shifted to examine the relationship of corporate citizenship with CSR in developing countries (Dam & Scholtens, 2012). Level of corporate social responsibility disclosure can be explained by the country of origin due to the differences in institutional structure, such as national economy and legal and regulatory structure (Smith, Adhikari & Tondkar, 2005). There have been established relationship between CSR disclosure and ownership structure documented in the previous studies in the developed countries, there is need for such establishment in the developing country like Nigeria.

Many studies have assessed the extent to which ownership structure explains firm's CSR engagement across developed nations (Walls, Berrone & Phan, 2012; Costanza, Paola, &Jaiswal 2008; Khamis, Hamdan & Elali 2015; Yuan, Yanhui, & Yuxiao 2016; Amidu, Liu, & Sesay 2017). Relatively, when compared with the developed economy, fewer researches have been undertaken in developing countries (e.g. Li, Carlson & Lacis 2013; Li & Zhang, 2010; Oh & Chang, 2011; Khan, Muttakin & Siddiqui, 2013). The evidence from the past studies showed that there is inconsistency in their studies and their results are mixed. For example, Chiung and Stephanie, (2009); Costanza, Paola, and Jaiswal (2008); Mohamed, Mohamed, and Ahmed, (2012); found a negative relationship between ownership structure and social performance of firms, while Malik, Ahsan, and Khan (2017); Sreevas S. & Bindu A. & Mukesh S. (2019); Khamis, Hamdan, and Wajeeh (2015) found a positive and significant relationship between ownership structure and social performance of firms. Furthermore, the majority of prior studies have largely examined the relationship between CSR and institutional investors (Dam & Scholtens, 2012), which neglects the link between indigenous ownership and corporate social performance which shall be addressed in this study.

It was noted that the concept of the effect of corporate citizenship (ownership structure) on firm social performance is relatively sparse in the developing countries, including Nigeria. Hence, most available studies offer insight mainly from the perspective of developed economies (Walls, Berrone & Phan, 2012). The few studies that were carried out in the developing countries do not features Nigeria prominently. Hence, this calls for this study using the companies listed on the Nigeria stock exchange.

1.3 Objective of the study

The broad objective of this study is to examine the effect of corporate citizenship on the social performance of the listed companies in Nigeria while the specific objectives are to:

i. Examine the relationship between indigenous ownership and firm social performance of the listed companies in Nigeria.
ii. Assess the extent to which foreign ownerships affect the firm social performance of the listed companies in Nigeria.

1.4 Hypothesis

The study adopted null hypothesis and tested two in line with the objectives. They are;

H_1*: there is no significant relationship between indigenous ownership and firm social performance of the listed companies in Nigeria.*

H_2*: there is no significant relationship between foreign ownership and firm social performance of the listed companies in Nigeria*

1.5 Significance of the study

This study will be of great importance to firms, because it will help them to know the effect of corporate citizenship/corporate ownership on corporate social performance and also to see society or environment as integral part of the corporation of firm and not a separate body and that businesses have a societal contract which the firm should be committed to execute. The study will be of great use to managers to formulate excellent and sound operating strategies that will reduce production, operating, wastages and monitoring cost, diversify risk across and overcome liquidity risk, increase the firm's efficiency which in turn provides higher returns and leads to long-term financial success that attracts investors.

It will also be useful to the government to develop strategies needed to guide citizens towards the efficient functioning of firms within their communities. It also benefits both the government and private sectors greatly as the empirical facts would serve as valuable guidance and remainder for them to scrutinize the effectiveness of each policy they implement as regards the foreign investors and indigenous investors.

Researchers will also find the practical findings of this study useful for future studies as this study will serve a base for further studies on corporate ownership and firm social performance in Nigeria from theoretical to empirical findings together with the adopted methodology.

The remains of this study paper were structured as follows: Firstly, we dealt with the introduction above, and then secondly, we moved to the literature review and propose hypotheses. Next, we present the methodology including sample, data collection, research time frame and variables. Then, we provide the analysis of empirical results. Lastly, it was round-up with concluding and recommending remarks.

2. Literature Review

This conceptual framework shows the intending relationship between corporate citizenship and firm social performance.

2.1 Firm Social Performance

Caroll (1991) defined CSR as four kinds of social responsibilities which constitute: economic, legal, ethical and philanthropic. Furthermore, these four categories of components of CSR might be depicted as a pyramid. Based on these components, a socially responsible company should strive to make a profit, obey the law, be ethical, and be a good corporate citizen (Carroll 1979). To be sure, all these kinds of responsibilities have always existed to some extent, but ithas only been in recent years that ethical and philanthropic functions have taken a significant place. (Christopher, 2017).

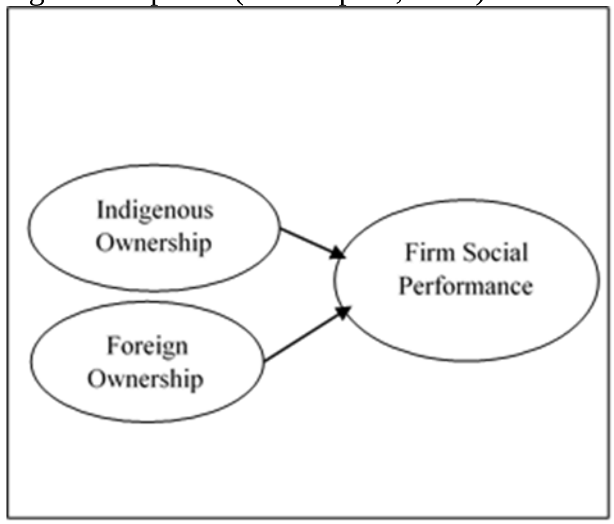

***Figure A: Conceptual framework*.**
Source: Author Compilation 2020.

The WBCSD (2000) defines CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. The European Commission (2002) defined CSR as ―a concept whereby companies integrate social and environmental concerns in their business operations and their interactions with their stakeholders on a voluntary basis. Besides, Business for Social Responsibility has defined CSR as being about companies achieving commercial success in ways that honour ethical values and respect people, communities and the natural environment.

A stakeholder view acknowledges concern for varied stakeholders, not just the firm's shareholders. Wood (1991) defined firm social performance as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they related to the firm's societal relationships". Therefore, corporate social performance has been advanced as an indicator of corporate operating performance more aligned with a stakeholder perspective.

2.2 Corporate Citizenship

Ownership of a firm is often separated from control in enormous public companies because various stakeholders have different interests on firms thereby causing conflicts of interest among stakeholder groups. This has most often created a big task for managers to control the diverse interests of multiple stakeholders. Management, therefore, prioritizes its stakeholders according to their attributes of power, legitimacy, and urgency (Yuan, Yanhui, &Yuxiao 2016). According to Morck, Wolfenzon, and Yeung. (2005), differences in ownership structure have two obvious consequences for corporate governance. On the one hand, controlling shareholders possess both the incentives and the power to influence management. On the other hand, concentrated ownership can create conditions for a new problem, because the interests of controlling and minority shareholders may not be aligned.

Li and Zhang (2010) examined whether ownership structure affects corporate social performance using Chinese firms' social responsibility ranking. They showed that for non-state-owned firms, corporate ownership dispersion is positively associated with corporate social performance, whereas for state-owned firms, whose controlling shareholder is the state, this relation is reversed. They further suggested that it is important to consider ownership type in assessing CSR in emerging markets where state ownership is still prevalent, such as China. Li and Xia (2018) found that controlling shareholders significantly affect the relationship between the level of corporate social performance and earnings quality. More specifically, the relationship between the level of CSR and earnings quality is significantly positive in privately owned enterprises but not state-owned enterprises. Among state-owned enterprises, the relationship is weaker in enterprises controlled by the central government than at those controlled by local governments. This study will further expatiate on the following different types of citizenship or ownership which are indigenous ownership and foreign ownership.

2.3 Indigenous Ownership

Indigenous ownership refers to the percentage of shares held by the indigenous individuals or public of the country in which the firm is situated (Dam &Scholtens, 2012). This also refers to the investment by private indigenous citizen individuals in the stock market. The past literature shows that; individual investors failed to seek non-financial performance instead, their focus and attention is in financial performance. Some indigenous investors are motivated by dividend (Graham & Kumar, 2006 as cited in Malik, Ahsan & Khan, 2017), some investors are motivated by tax incentives (Sialm & Starks, 2009), and some investors are motivated by ethics. Similarly, Van der Burg and Prinz (2006) and De Bondt (1998) point that most individual investors use less information in decision making regarding their portfolio risks and returns, instead, they have other non-financial motives to consider. That may be the reason that some individual investors do not reach such portfolios that are optimal (Barber & Odean, 2000).

In the context of CSR, responsible conduct of the firm will be appreciated by some investors and even may focus their investment in the companies that are well in this respect (Dam & Scholtens, 2012). Some researchers suggest that dispersion of owners causes pressure for firms to involve in charitable activities, that is, corporate social responsibility (Chau & Gray 2002). Indeed, this type of ownership is positively associated with CSR, this is because when a firm's shares are held by the indigenous public, the issue of accountability arises (Khan, Raja & Muhammad 2012). However, it is the fact that indigenous owners are mostly concerned with instant earnings (Ehsan, Tabassum, Akram & Nasir, 2013).

H_1*: *there is no significant relationship between indigenous ownership and firm social performance of the listed companies in Nigeria.

2.4 Foreign Ownership

It can be argued that firms can be influenced by foreign practices if the volume of foreign investors rises. Oh and Chang (2011) notes that the current trends of corporate social performance implementation in many developing countries have been largely affected by Western-style management practices, which we assume to have higher levels of social engagement. Empirical findings also support this argument. Ahsan and Khan (2017) reports that requirements for corporate social performance disclosures are usually more when a firm is owned proportionally higher by foreigners. This is because of the separation of owners and management by geographical diversity. This means that the firms with higher proportionate of foreign shareholding are typically more involved in CSR activities (Khan, Muttakin, & Siddiqui, 2013). This is due to having more exposure to the market and different knowledge and values to foreign owners. Thus, a firm having higher foreign shareholdings is more concerned to involve in CSR particularly in environmental and social actions that may help the foreign owners in effective decision making (Dam & Scholtens, 2012). Investing in socially responsible companies is a way to reduce the risk for foreign investors, particularly institutional investors, and it also shows their clients that they are highly reputable (Siegel & Vitaliano, 2007). Gelb & Strawser (2001) consider a great amount of CSR disclosure itself is a form of socially responsible behaviour.

Haniffa and Cooke, (2005) find a significant positive relationship between CSR and foreign ownership. It is, thus possible that foreign ownership can be a driver of CSR initiatives for corporations in any country (Khan *et al*., 2013). Foreign ownership is now very common in multinational firms in developing countries and globalization is the main cause of enhancement of firms in CSR involvement in Asian countries (Chapple & Moon, 2005). Another researcher, Brancato, (1997) also argued that shareholders of the United States have stressed firms to engage in socially responsible cases for more than 60 years. On the other hand, it is also possible that all foreign investors may not support social initiatives. For example, many European and U.S. investment companies have often been seen engaged in behaviours that are against social values (Yoshikawa, Rasheed & Del Brio 2010). To ensure a positive impact of the foreign investors on corporate social performance, it is essential to recognize their profiles that may specify the foreign owners' investment preferences and alignments (Khan *et al*., 2013).

H_2*: *there is no significant relationship between foreign ownership and firm social performance of the listed companies in Nigeria.

2.5 Theoretical Review

2.5.1 Social Contract Theory

According to Weiss (2008), a social contract is a set of rules and assumptions about behavioural patterns among the various elements of society. This theory combines organisational attention with stakeholder management. Much of the social contract is rooted in the traditions of society. The theory says that the social contract is formulated between people and organisations when exchanging something. Weiss stated that the basic social contract theory is mutual trust and relationship between the organisation and the stakeholders (Weiss 2008).

Weiss (2008) argued that firms can succeed only by formulating contracts with the customers and the public. He further stated that a social contract can be considered action ethically. This can be addressed by the following questions: what is the nature of the contact, and are all parties satisfied with it? Are customers satisfied with the products and services and how they are treated by a company's representatives? Are suppliers, distributors, and vendors all satisfied by the contractual agreements with the corporations? Do members of the communities in which the company is located believe the company is a responsible and responsive citizen? Does the company pay its fair share of taxes? Do employees believe they are paid a fair wage, have adequate working conditions and are being developed? Donaldson and Preston (1995) explained that social contract theory establishes the general legitimacy of business and further restrictions and changes should not be part of the contract. However, they argued that the changes should be made within the limitations of the contract. Social contract theory focuses on the relationship between business customers and stakeholders. The long-term economic benefits for organisations, shareholders and other stakeholders arise from the contracts with them, which should balance the external and internal regulations of the corporations. Therefore, the stakeholder management approach of the corporation is grounded in the concept of the social contract.

2.5.2 Stakeholder Theory

The term stakeholder refers to a group of constituents who have a legitimate claim on the firm (Freeman 1984). This legitimacy is established through the existence of an exchange association. Stakeholders include stockholders, creditors, managers, employees, customers, suppliers, local communities, and the general public. Freeman (1984) opines that companies' responsibilities are not restricted to shareholders, but incorporate other stakeholders. These are groups of people who can affect or be affected by the companies, such as employees, customers, and financiers. As stakeholders can add to a company's wealth capacity (Post, Preston & Sachs. (2002), to sustain growth, companies should make priority their stakeholders' interests (Van der Laan, 2009) and take their perspectives and activities into consideration. In this case, CSR disclosure is used as a means of displaying company accountability (Van der Laan, 2009).

The underlying argument has two strands. First, stakeholders provide resources, such as capital, labour, and revenue (Sweeney, 2009). If companies act irresponsibly toward employees, customers, and society, then they risk losing these critical resources. Second, stakeholders are both potential beneficiaries and risk bearers (Post *et al*., 2002). They are opened to risks connected with socially irresponsible behaviour, such as poor-quality products or taking advantage of labour and the natural environment. According to the distribution justice principle (Sweeney, 2009), a firm's profit should be shared among all of the risk-takers, including stakeholders.

Stakeholder theory is used to explain the motivations for CSR reporting. Roberts (1992) uses the stakeholder theory to analyze the determinants of CSR disclosure using logistic regression. He studies the link between CSR disclosure and stakeholder power, and a firm's strategic posture and past economic performance respectively. Specifically, he uses the percentage of ownership, donations to political parties and leverage ratio as proxies for stakeholder power, and the number of public affairs staff and philanthropic foundations as proxies for strategic posture. Also, he uses stock-market and accounting-based measures to test the influence of economic performance in the previous year on a firm's decision regarding CSR disclosure in the current year. This study focuses on testing the relationship between corporate citizenship and firm social performance. Stakeholder theory serves as a benchmark for this study.

2.6 Empirical Review

Abilasha and Madhu (2019) examined the impact of CSR on the financial performance of the top 10 performing CSR companies in India. The objective of the study is to know the effectiveness of the New Companies Act, 2013 concerning CSR and examine its impact on financial performance. Sample of selected 10 Indian companies which their performance was measured by financial ratios such as Profit before tax, return on capital employed, Return on Equity and Return on Asset. The study was purely based on secondary sources collected from Companies Annual Report and Sustainability Report for four years 2014-2017. The result showed that on an average all companies are contributing 2% towards CSR activities which was a prescribed percentage as per New Companies Act, 2013 under Section 135, in which Ambuja Cement is contributing more towards CSR activities. It also revealed that the impact of CSR on the overall company's financial performance is significantly positive to financial ratios like PBT, ROC, ROE, and ROA but individually insignificant.

Elif (2019) focused on corporate social responsibility and financial performance: The moderating role of ownership concentration in Turkey. The objective of the study is to investigate the impact of corporate social responsibility (CSR) engagement on firm financial performance in a developing country using Turkey as a case study. He analysed the moderating role of ownership concentration in the CSR–financial performance relationship. The sample consisted of non-financial public firms listed on the Borsa Istanbul (BIST)-100 index and covers the period between 2014 and 2018. Empirical results using an instrumental variable approach show that corporate social responsibility has a positive relationship with financial performance. Furthermore, findings indicate that this relationship is negatively moderated by ownership concentration even when endogeneity is controlled for.

Malik, Ahsan, and Khan (2017) examined the impact of ownership structure on corporate social responsibility: evidence from Pakistan. Their objective is to investigate the relationship and impact of ownership structure with CSR. This study used five variables of ownership structure including individual ownership, institutional ownership, government ownership, foreign ownership, and insider ownership and uses a composite index measure of CSR. 47 non-financial firms listed in the Karachi Stock Exchange (KSE) of Pakistan are used in this study, and the study uses panel data estimation as a tool for regression. The study also used size, profitability, firm-age, and leverage as control variables. The findings of their study revealed that except for government ownership all other ownership variables have a significant relationship with CSR. It was found that institutional, individual and foreign ownership has a positive impact on CSR, whereas, insider ownership showed a negative impact on CSR. Their empirical results have several policy implications for good corporate governance practices in Pakistan and other emerging economies that the governments have to need to make some strict policies for firms regarding the CSR that will compel firms to be responsive to social activities.

Sreevas, Bindu, and Mukesh (2019) focused on ownership structure and corporate social responsibility in an emerging market with the purpose to examine the impact of ownership structure on corporate social responsibility (CSR) which was the objective of the study and they also investigated firms in developed markets. They showed that less work has examined how ownership in firms from emerging markets influences community-related CSR. They opined that both internal and external forces potentially drive community-related CSR decisions. Hence their study helps to understand the role of internal constraints arising due to agency problems along with institutional pressures from external stakeholders in emerging markets in shaping CSR. In this study, they draw on agency theory and sociological perspectives of institutions to explore variations in the motivation of different owners to pursue a socially responsible agenda. The analysis of a sample of Indian firms for the period 2008–2015 illustrated that business group and family ownership is beneficial for community-related CSR.

Yuan, Yanhui, and Yuxiao (2016) in their study titled Does ownership type matters for corporate social responsibility disclosure: evidence from China? This comprehensively examined the link between different types of shareholders and CSR disclosure in the context of China which was the objective of the study. They found out that different owners have a differential impact on CSR. They opined that the firms controlled by the state are more likely to disclose CSR information and their CSR reports' quality is better compared with non-SOEs. Interestingly, firms with more shares held by mutual funds, foreign investors or other corporations are significantly better at CSR disclosure. The study also discloses that firm size, profitability, and leverage affect CSR in China. Overall, the study contributes to the literature on CSR practices in emerging countries and points to some policy suggestions.

Ejo-Orusa and Gabriel (2018) focused on organizational citizenship behaviour and corporate performance of telecommunication firms in Port Harcourt, Nigeria. Their objective was to investigate the impact of organizational citizenship behaviour on corporate performance in the selected telecommunication firms operating in Port Harcourt, Rivers State. He also investigated the relationship between some dimensions of organizational citizenship behaviour and measures of corporate performance. A cross-sectional survey approach was used and a quantitative method of analysis adopted. Techniques for data analysis used were Spearman's Correlation Coefficient, Cronbach Reliability Coefficient and (IBM) SPSS. Copies of the questionnaire were distributed to the appropriate respondents and data for the research elicited. The population of the study is 64 management personnel of the telecommunication industry operating in Port Harcourt who know what citizenship behaviours and their potential outcome entails. The sample size of the study is 62 being the number of management personnel who received copies of the questionnaire. The result showed that the relationship between organizational citizenship behaviour and corporate performance is significant at a 95% confidence interval. Conclusions drawn from the study is that the majority of the selected telecommunication firms in Port Harcourt currently having employees who exhibit citizenship behaviour in their organization.

3. Methodology

3.1 Data and Measurement

This study adopted the ex-post facto research design. The choice of this research design is based on the premise that the data used in the study were already in existence and gives no room for manipulation by the researcher. Data of this study were collected from the secondary sources. This was sourced from the annual reports and accounts of selected companies listed on the Nigeria Stock Exchange and as well as the information available in fact book of the Nigeria stock exchange (NSE) were the major sources of data for the study. The population of this study comprises 169 listed companies on the Nigerian stock exchange as of 31st December 2018. From all the one hundred and sixty-nine (169) listed companies listed on the Nigerian Stock Exchange, a sample of thirty (33) firms were selected from all the sectors in the NSE using simple random sampling techniques covering the seven years from 2012 to 2018. The justification for this is to ensure that all the sectors on the NSE are represented. Data collected were analysed using statistical tools to test the hypothesis, achieve objectives and provide answers to research questions. The descriptive and inferential statistical tool was adopted and this was achieved using E-view statistical package. All the objectives were achieved using quantitative information collected from the available company's annual report.

3.2 Model Specification

In sequence to the broad objective of this study, which was to assess the effect of corporate citizenship on social performance of the selected companies in Nigeria stock Exchange the model below which was used in the past study such as Khamis, Hamdan, & Elali (2015), Yuan, Yanhui, &Yuxiao (2016), Malik, Ahsan, & Khan, (2017)were adopted and modified as thus;

FSP = f(CCit)……………………….(i)
FSPit = f(IND, FOR)……………….(ii)
FSPit = $\alpha + \beta_1$INDit+β_2FORit + ε…(iii)

Where:

CC = corporate citizenship, FSP = firm social performance, IND = indigenous ownership, FOR = foreign ownership, α = constant of the regression, ε = Residual (error) term, t = 2012-2018, β = beta Co-efficient (Co-efficient of the independent variable).

3.3 Operational Measure of Variable

The choice of variables used in this study is informed by previous empirical studies on this topic. The variables were grouped into the dependent variables and independent variables. In this study, firm social performance was used as the dependent variable. In this study, firm social performance was measured using social performance disclosure index as used in the past studies (Yuan, Yanhui, & Yuxiao, 2016; Male, Ahsan, & Khan, 2017). These were obtained from the financial statements and annual reports of the respective firms. In this study, foreign ownership (FOR) and indigenous ownership (IND) were used as independent variables. Foreign ownership is measured using Dummy variables where 1 is given for the presence of foreign ownership and 0 if otherwise and indigenous ownership was measured with percentage of shares owned by the indigenous government in the firm as used in the past studies(Malik, Ahsan, & Khan,2017); Sreevas, Bindu&Mukesh2019; Khamis, Hamdan, & Elali 2015; Yuan, Yanhui, &Yuxiao 2016).

4. Results and Discussion

4.1 Descriptive statistics

Table 4.1 in the appendix presents the descriptive statistics of the dependent and independent variables. The descriptive statistics as presented in the table shows the summary of seven-year mean and standard deviations for the variables employed in the study. The result obtained from the descriptive statistics presents an average mean value for firm social performance

(FSP) as 66%, with minimum and maximum values of 0% and 100% respectively, and a standard deviation value of 22.9, which indicates the level of dispersion of FSP from the mean across the selected firms. This indicates that the firm discloses 66% of its corporate social responsibilities on average. The results also reveal that the standard deviation of 22.9% indicates low variability across the sampled firms. Similarly, the table presents a mean value of 1.25% with respect to indigenous ownership (IND) and a standard deviation value of 3.4%. This means that indigenous ownership across the sampled listed firms in Nigeria is widely dispersed as it is statistically proven by the standard deviation of 3.4%. The minimum and maximum values are 0% and 20% respectively. Also, the mean value of foreign ownership (FOR) from the table is 59%, while its standard deviation value is 49%. This means that on average, foreign ownership contains 59% of firm ownership and the standard deviation indicates that shares owned by the foreign owners across the sampled firms are not widely dispersed. The minimum and maximum foreign ownership of the listed sampled firms in Nigeria for the period covered is 0 and 1 respectively.

4.2 Correlation Matrix

Table 4.2 in the appendix shows the relationship between each pair of variables. It was revealed that all the correlation coefficient between the pairs of the independent variables is less than 0.8, which means that there is no existence of multi-collinearity. Thus, suggesting that the two independent variables can be well fitted into one regression model.

Model Summary and coefficient table

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	66.587	2.408		27.657	.000
	IND	-.225	.452	-.033	-.498	.619
	FOR	.303	3.104	.007	.098	.922

a. Dependent Variable: FSP

The table above shows the functional relationship between the dependent and independent variables. This means that there is a positive and insignificant relationship between FSP and foreign ownership shown from the p-value of 0.922. Also, there is a negative and insignificant relationship between IND and FSP shown from the p-value of 0.619 which is greater than the 0.05 significance level.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.033[a]	.001	-.008	23.003	.693

a. Predictors: (Constant), FOR, IND

b. Dependent Variable: FSP

From the table above which presents the model summary of the observed variables, the R-value shows the extent all the predictive influence the determined variable and the extent of relationship between the independent variable on the dependent variable. Considering the "Coefficient of Determination", since the correlation of corporate citizenship and firm social performance is (r) = 0.033; then, this outcome indicates that 3.3% and the R-square of 1% of the variance of FSP can be explained by (IND and FOR) put together. The Durbin-Watson test is used to check for autocorrelation amongst the independent variables. The rule says that a Durbin-Watson value of 2 and above shows a negative correlation, while the farther away i.e. the lesser the value of Durbin Watson from 2, the more positively correlated the variables are. Therefore, based on the value (0.693) indicated in the table, it could be deduced that the variables are not auto-correlated.

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	133.255	2	66.628	.126	.882[a]
	Residual	119059.727	225	529.154		
	Total	119192.982	227			

a. Predictors: (Constant), FOR, IND

b. Dependent Variable: FSP

ANOVA table shows the significance of the predictive variable as a whole against the dependent variable. This table above shows that there is a positive but insignificant relationship between corporate citizenship and firm social performance in Nigeria. With an F-stat of 0.126 and a probability value of 0.882 greater than 0.05, the coefficient is significant at a 5% level. This result implies that corporate citizenship (ownership structure) has no significant influence on firm social performance.

5.Conclusion and Policy Recommendation

This study examined the effect of corporate citizenship on the social performance of the listed companies in Nigeria, covering the period of 2012 – 2018. Indigenous ownership and foreign ownership were used to proxy corporate citizenship against the firm social performance. It was revealed from the study that there exists a negative but insignificant relationship between indigenous ownership and firm social performance (FSP) which indicates that as more indigenous ownership is encouraged, firm social performance tends to decrease. This implies that for every increase in the number of indigenous owners, the lower the level of corporate social performance. Also, foreign ownership tends to showcase a positive relationship with FSP but it is insignificant. This is the premise on the fact that foreign equity ownership may be considered a factor influencing diffusion of social responsibility practices in countries, which are targets for foreign investment as foreign investors are seen to be more interested in investing in an environment social establishment but it has a very low influence on firm social performance. Base on this finding, this study concluded that there is an insignificant relationship between corporate citizenship and firm social performance in Nigeria. This study, therefore, recommends that firms should focus on their social responsibility as this will be of greater benefits to their stakeholders which in return will promote the activities of the firm rather than the owners of the organisation as their impact is not felt on social performance. In addition, this study recommends that further studies can examined this concept by employing different methodology in order to affirm the findings of this study. Likewise, researchers could also investigate the influence of government owned organisation on corporate social performance in Nigeria.

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Appendices

Table 4.1Descriptive statistics

	FSP	IND	FOR
Mean	66.23377	0.012468	0.587719
Median	60.00000	0.000000	1.000000
Maximum	100.0000	0.200000	1.000000
Minimum	0.000000	0.000000	0.000000
Std. Dev.	22.90086	0.034294	0.493328
Skewness	0.206149	2.856829	-0.356405

Kurtosis	1.974978	10.77222	1.127024
Jarque-Bera	11.74886	895.6374	38.15328
Probability	0.002810	0.000000	0.000000
Sum	15300.00	2.880000	134.0000
Sum Sq. Dev.	120623.4	0.270494	55.24561
Observations	231	231	228

Table 4.2 Correlation Matrix

Correlations				
		FSP	IND	FOR
FSP	Pearson Correlation	1	-.044	.004
	Sig. (2-tailed)		.505	.953
IND	Pearson Correlation	-.044	1	.077
	Sig. (2-tailed)	.505		.247
FOR	Pearson Correlation	.004	.077	1
	Sig. (2-tailed)	.953	.247	