Corporate social responsibility reporting among Nigerian firms: strategic implications

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Abstract

Corporate social responsibility (CSR) reporting refers to how companies disclose information on their CSR performance in their annual financial statements. The current paper examines: how Nigerian companies incorporated CSR into their financial accounts; the correlation between an organisation’s earnings and CSR reported; and the relationship between CSR reported and firm size. Using ANOVA and Pearson product-moment correlation to test the three hypotheses postulated, the central issues that emerged were that: the recognition, manner and style of CSR in annual financial reports were not standardised in Nigeria, notwithstanding stakeholders’ keen interest in such disclosures; it appeared there was a significant relationship between CSR reported and a firm’s earnings and capital level. This study concluded that CSR disclosures were a key concept that had gained increasing international recognition and acceptance given its crucial role in the activities of an organisation and importance to a variety of stakeholders. Consequently, relevant legal authorities, standard setting bodies and other regulators in Nigeria should expedite action on standards and guidelines on CSR reporting.
Keywords: corporate social responsibility, CSR, CSR reporting, financial statements, strategic implications, firm earnings, firm size, Nigeria