Unlocking the Power of Responsible Business: Exploring the Synergy Between Corporate Governance and Corporate Social Responsibility Performance in Listed Cement Companies in Nigeria

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Abstract

This study explored the synergy between corporate governance and corporate social responsibility performance in listed cement companies in Nigeria. secondary data were collected from annual reports and accounts of the sampled cement companies for the period of eleven years from 2011 to 2021. Data were analysed by means of descriptive, correlation and regression statistics to provide summary statistics for the variables. Ordinary Least Square (OLS) and Random effect regression were used in testing the study hypotheses using STATA software version 13.00. Non-Survey descriptive research design (Panel Data Regression) was employed since the data has both time series and cross-sectional attributes. Data collected were subjected to pre and post estimation tests (Multicollinearity test, Heteroscedasticity test, Hausman Specification test and Breusch-pagan Langragian Multiplier Test) whose conditions were all satisfied. The findings of the study revealed that, while Board Size, Managerial Share Ownership and Audit Committee Composition show no significant synergy with Corporate Social Responsibility Performance, Board composition had a strong positive significant synergy with Corporate Social Responsibility Performance of listed cement companies in Nigeria; and Block-holder Share Ownership had a semi strong negative synergy with Corporate Social Responsibility Performance of listed cement companies in Nigeria. the study concludes that there is synergy between corporate governance and corporate social responsibility performance in Nigerian cement companies. The study suggests that to promote good relationship with host communities through corporate social responsibility, Nigerian *cement companies should increase the number of independent directors on the board and cut down on the number of Block shareholders within the companies.*

Keywords: *Corporate Governance, Corporate Social Responsibility, Corporate Social Responsibility Performance*

INTRODUCTION

Businesses have been viewed as profit maximizing entities and governments have the responsibility of improving the standard of living of the populace. However, as social activism sprang up with new expectations, other aspects of businesses' performance besides financial results were also considered. For companies to meet what is expected of them by the stakeholders and make themselves outstanding to their competitors, businesses started engaging into Corporate Social Responsibility (CSR) activities in addition to what is required of them by law.

Corporate Social Responsibility (CSR) is voluntary thing and improves environments, socials, economies, as well as the image of company's stakeholders. It is a crucial element of dialogue between businesses and their stakeholders that continues to attract attention in the management of corporate organisations. This is as a result of a growing awareness of businesses to integrate social and environmental concerns in their activities, as their concern supersedes the interest of shareholders to consider a variety of groups (Employees and host communities) as stakeholders with interest in companies' activities (Jamali et al., 2008). CSR leads to development sustainability (Dahlsrud, 2006), and is a trend for new business era due to intangible advantages to improve their image, customer loyalty, differentiate, sustainability, and connection between their business and society (Prariyamekin, 2009). However, in today's competitive business market environment, companies need to reconcile conflicting interest of different stakeholders such as owners, the government, employees and the community.

In current times, Public Limited Companies (PLCs) are required to present their CSR activities in Sustainability Reports. These reports seem to show that CSR is primarily used as marketing and management tool. Companies operate with the aim of maximising shareholders' wealth. As a result of this, a number of companies' activities and operations may cause nuisance and damages to the societal and environmental condition of host communities in which they operate (Belkaoui&Karpik, 1989). Companies should make efforts to safeguard societal and environmental conditions of the communities, since by operating in the communities, companies make gains of financial nature. It is logical for the companies to use part of these financial gains to compensate the communities. Communities evaluate the performance of companies in relation to discharge of social and environmental responsibilities by referring to companies' CSR.

The voluntary and philanthropic nature of CSR makes companies' boards in Nigeria reluctant on engaging and reporting fully about their company's CSR, unlike developed countries where there are many pressure groups that pressurise companies to engage and report on CSR. In Nigeria few of such groups exist, this adds to companies' reluctance on engaging and reporting their CSR activities (Amaeshi et al., 2006).

A number of studies have been conducted on the impact of CG mechanisms on CSR but rarely on the synergy between CG and CSR as a means of unlocking the power to responsible

business. Most related studies were conducted in other countries outside Nigeria as was the case of Kim et al. (2018) in Korea, Kordloie and Shahverdi (2018) in Romania, and Kabir and Thai (2017) in Vietnam. This motivated interest in undertaking this study.
More so, most studies conducted in Nigeria on CG concentrated on financial performance in the Nigerian companies. This was the case with Paul et al. (2015), Peters and Bagshaw (2014), and Adeusi et al. (2013). Other empirical studies carried-out in Nigeria investigated the direct relationship between CSR and firm performance as seen with Jibril et al. (2016), Osisioma et al. (2015), and Abdulrahman (2014).
In addition, this study distinguishes itself from prior studies in many aspects, among which are: The study employed wide range of CG mechanisms including board size, board composition, managerial ownership, block-holders ownership, audit committee composition,(as independent variables); firm size and profitability (as control variables); and CSR Performance in Nigeria measured with expenditure on CSRcaptured in the companies' annual report and account (dependent variable). The study used financial statement of listed cement companies in Nigeria for a period of eleven years from 2011-2021.To the best of the researcher's knowledge, Nigerian studies did not give attention on the synergy between CG and CSR as a means of unlocking the power to responsible business in listed cement companies in Nigeria. Consequently, there was need to fill this gap by examining the synergy between CG and CSR as a means of unlocking the power to responsible business in Nigerian cement companies.

THEORETICAL REVIEW

In unlocking the power of responsible business by exploring the synergy between CG and CSR, three theories were of great importance. They included the Stakeholder Theory, the Legitimacy Theory and the Agency theory.

Stakeholders Theory

To succeed in unlocking the power of responsible business, businesses must keep the interest of customers, suppliers, employees, communities and Shareholders. Stakeholder theory suggests that the purpose of business is to create value for all these stakeholders. Freeman (1984) described stakeholders a "any group or persons who can change or is influenced by the accomplishment of the relationships aims." Here, the meaning of stakeholders of a company has been enlarged to include shareholders, government, creditors, customers, employees, suppliers, the general public and Legislative bodies (Frynas, 2010). Subsequently, one may foresee that companies would give careful consideration to those genuine stakeholders. As indicated by Robert (2004), stakeholder theory addresses various issues related with the relationship with stakeholders, including considerations of the privileges of stakeholders, the force of stakeholders and the successful management of fulfilling stakeholders' desires. A significant end of relations along these lines is to achieve the capability to adjust the clashing request of various stakeholders in the firm. Performing and unveiling social responsibility exercises are a part of the procedure for overseeing stakeholder connections.
Stakeholder theory relates to this study in that, it tries to establish the power of responsible business through exploring the synergy between CG and CSRP in listed cement companies in Nigeria. It better explains the synergy between CG and CSRP as the theory stipulates that corporate entities should provide a balance between the interest of their various stakeholders in order to ensure that each stakeholder receives some degree of satisfaction.

Legitimacy Theory

Legitimacy theory is derived from the concept of Organisational Legitimacy, which has been defined by Dowling and Pfeffer (1975) as a condition or status which exists when an entity's value system is congruent with the value system of the larger social system to which the entity belongs. When a disparity (actual or potential) exist between the two value systems, there is a threat to the entity's legitimacy. Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definition (Suchman, 1995).

In relation to this study, legitimacy theory explains CSR activities by the company's norms, values, customs and attitudes. It posits that for a corporation to exist, it must act in congruence with society's values and norms, then, to continue to exist a corporation would continue to act to remain legitimate in the eyes of those it considers able to affect its legitimacy. One way to remain legitimate to the public is to engage in CSR and voluntarily disclose its information in annual reports. Therefore, companies in Nigeria need to to have recognition of the society because ethnicity, language and religion are the major context that shape Nigerian societies.

Agency Theory

The Agency theory developed by Demsetz (1972) and worked upon by Jensen and Meckling (1976) is based on the principal agent relationships. The separation of ownership from management in modern corporations provides the context for the functioning of the agency theory. In modern corporations, the shareholders (Principals) are widely dispersed and are not normally involved in the day-to-day operations and management of their companies, so they hire managers (Agents) to manage day-to-day affairs of the corporation on their behalf (Habbash, 2010). The separation of ownership and management rights results in conflicts of interest between the agent and principal. To resolve this problem, aligning conflicting interests of managers and owners of the company incurs controlling costs including incentives given to managers.

In context, Agency theory posits that managers would strive to achieve their personal objectives at the expense of the owners of the corporation as they are highly driven by their personal benefits and interests than those of the owners. To reduce the agency problem, there must be better monitoring and controlling mechanisms which helps to ensure that managers pursue the interests of shareholders rather than only their own interests. It contributes to this study in that, Board structure of organisations heavily rely on the concept of agency theory focusing on the controlling function of the board (Habbash, 2010). The CG mechanisms considered in this study include Board size, Board Composition, Managerial Ownership, Block-Holder's Ownership and Audit Committee Composition.

LITERATURE REVIEW

Concept of Corporate Governance

Corporate Governance is about putting in place the structure, processes and mechanisms that ensures that the firm is being directed and managed in a way that enhances long term shareholder wealth through stewardship of the management which consequently enhances firm performance. According to Appah (2019), corporate governance is all about the association between the owners and managers in directing and controlling companies as separate entities. It is a structure of directing and controlling corporate entities, be they in the private sector, public sector or be they financial institutions to fulfil long–term strategic goals, take care of the welfare of their employees and the local community, maintain harmonious relations with their suppliers and customers and work in compliance with the legal framework that exists in the country and use such processes of production that generate minimum externalities of the negative kind of the nation as a whole. Thakar et al. (2012) defined CG as a formal or informal rule that must be followed by any legal entity. Thus, the objective of CG is to enhance the efficiency of market mechanisms, build investors' confidence and produce a mechanism to help in evaluating the performance of firms. In addition, Young and Thyil (2014) defined CG as a monitoring mechanism consisting of internal policies and external regulations. These policies and regulations ensure that managers of organizations conduct themselves in the interest of the companies' stakeholders. These stakeholders who impact or are affected by the activities of the organization include management, investors, employees, suppliers, regulatory agencies, government agencies, consumer protection groups and the general public.

Also, Garko (2016) argued that CG encompasses the controls and procedures that exist to ensure that management conduct themselves in the interest of the companies' stakeholders, to maximize the firm value. It also consists of legal, cultural, and institutional arrangements that determine the activities of publicly traded companies and how they are controlled. CG can be regarded as a set of mechanisms through which firms operate when ownership is separated from management. Furthermore, Yuniasih (2018) states that corporate governance are those structures, systems, and processes utilised by the various organs of a firm in an effort to provide value-added firm sustainability in the long term by taking into consideration the interests of stakeholders based on beliefs, ethics, norms and rules. It is based on professional ethics in the firm. From the foregoing, it can be inferred that CG is an all-encompassing term that means the general rules and procedures through which organizations are directed and controlled in order to achieve their desired goals in the interest of all the companies' stakeholders. In general, CG is how companies take good decisions, organize themselves and communicate to shareholders and all other stakeholders. Murni, et al (2016) made the submission that good corporate governance inspires confidence in investors; liberalisation of financial markets; improvement of the basis for the establishment of a new corporate value system.

Concept of Corporate Social Responsibility

Many definitions of CSR were given by scholars such as Alkababji (2014) and Krishnan (2012) based on the social, economic, political and environmental context of a particular period. No unique all-encompassing definition came up throughout the history of the development of CSR. Devis (2012) defined CSR as the voluntary activities that an organisation initiates in its own way that will positively impact the host community, its environment and the people generally. Also, Krishnan (2012) stated that a set of policies, practices and programs which are incorporated into business processes and include issues related to business ethics and socially responsible investment is termed CSR. Similarly, Alkababji (2014) defined CSR as a situation where companies take into account the concerns of most of the stakeholders such as shareholders, employees, suppliers, customers, government and the host community and include the principles of social justice and sustainability into the process of carrying on business. Furthermore, CSR is a concept that views organization as embodiment of diverse interest groups beyond the traditional view of the firm which states that the organization exists for economic reason only. Therefore, modern day corporations are nexus of contractual association between the company and its extended stakeholders with the aim of maximizing the value of the firm (Richardson et al., 2015; Usman &Amran, 2015). Thus, it can be deduced from the foregoing that CSR refers to the decisions and actions taken by companies for not only achieving their direct economic interest, but also to meet the expectations of all their stakeholders.

Concept of Corporate Social Responsibility Performance

According to Carroll (1979), CSRP involves three components: the identification of the domains of an organisation's social responsibility, the development of processes to evaluate stakeholder demands and the implementation of programs to manage social issues. Also, Wartick et al. (1985) view CSRP as a business organisation's configuration of principles of social responsibility, processes of social responsiveness and policies, programs and observable outcomes as they relate to the firm's societal relationships. This implies that, to assess a company's social performance, there is need to examine the degree to which principles of social responsibility motivates actions taken on behalf of the company, the degree to which the firm makes use of socially responsive processes, the existence and nature of policies and programs designed to manage the firm's societal relationships; and the social impacts of the firm's actions, programs, and policies. CSRP has been defined by Gnyawali (1996) as an index or set of indices that measure the impact of firms' social action on the society.

Clarkson (1995) has it that, CSRP is a company's responsibility to all parties affected by its actions. A socially responsible business/ company should not only consider its shareholders in making decision but also non-owner stakeholders. Mcguire (2003) posits that CSRP requires firms to meet performance expectations of societal stakeholders. To do this firms may invest in social responsibility in which returns are uncertain. CSRP measures how well firms have met the expectations of stakeholders and environmental concerns.

EMPIRICAL REVIEW

Several studies were conducted related to exploring the synergy between CG and CSRP. For example, Arshad and Abdul-Razak (2011) examined how ownership structure affect the link between CSR disclosure and financial performance of 242 listed companies in Malaysia from 2006-2008. Descriptive statistics and multiple regression techniques were used for data analysis and the result revealed that ownership structure moderates the link between CSR and financial performance positively. On the other hand, Peng and Yang (2014) investigated whether ownership concentration moderates the link of CSR and financial performance of all listed companies in the cement, plastics, chemical, paper and pulp, and iron and steel industries with annual environmental capital expenditures in Taiwan's SFI (Securities and Futures Institute) database during the period 1996-2006. The techniques employed for data analysis were descriptive statistics, correlation and regression and the result showed that ownership concentration has negative moderating effect on the link between CSR and financial performance.

More so, Kabir and Thai (2017) investigated whether CG moderates the link between CSR and financial performance of 524 companies listed on Ho Chi Minh and Hanoi Stock Exchanges in Vietnam for the period 2008-2013. Descriptive statistics, correlation, OLS regression, fixed-effects and two-stage least squares model was used as techniques for data analysis. The results revealed that foreign ownership, board size and board independence have positive and significant moderating effect on the link between CSR and financial performance, while state ownership has no significant moderating effect.

Similarly, Siregar and Bukit (2017) analysed the moderating effect of Good CG on the relationship between CSR, company size and financial performance of listed plantation companies in Indonesia and Malaysia Stock Exchanges for the period 2012-2014. Linear and multiple regressions were used as techniques for data analysis and the result showed that CG (institutional ownership) has positive moderating effect on the link between CSR and firms' financial performance. In contrast, Ba (2017) investigated the moderating effect of CG on the link between CSR and financial performance of 75 firms listed on the Euronext Amsterdam (AEX), MidCap Amsterdam (AMX), and Small-Cap Amsterdam (AScX) in the Netherland for the period 2012-2016. The techniques used for data analysis were descriptive statistics, correlation and OLS regression. The result showed that board size, ownership concentration and management ownership do not positively and significantly moderate the link between CSR and financial performance.

In another study, Kim et al. (2018) examined the moderating effect of ownership structure on the link between CSR and value of 48 firms listed on the Korea Stock Exchange (KSE) for the period spanning from 2010 to 2014. Generalized Method of Moments (GMM) estimator and t-test were used as techniques for data analysis and the finding revealed that large shareholder ownership negatively and significantly moderates the link of CSR and value of firms, while there is no such evidence of the effect of foreign ownership on the link of CSR and value of firms.

Akbar et al (2019) carried out a study of corporate governance and firm performance of listed firms in Pakistan. The study employed ex-post facto and correlational research designs, targeting a population of 650 listed firms and a sample of 191 firms for the purpose of data analysis. The dependent variable firm performance (return on assets and TobinQ) and the independent variable is corporate governance (board size, board independence, board meeting, CEO duality, concentrated ownership, managerial ownership, institutional ownership, audit quality, audit committee composition) while the control variable in the study was firm size. Secondary data was collected and analysed using descriptive statistics, correlation matrix and general method of the moment. The result indicated a positive relationship between board size, board independence, board meeting, concentrated ownership, managerial ownership, audit quality, audit committee composition and financial performance (return on assets) respectively while TobinQ indicated a negative relationship with board size and board independence. The study also disclosed a negative relationship of CEO duality and institutional ownership on financial performance.

Al-Hamadsheh et al (2020) examined the moderating role of voluntary disclosure on corporate governance and financial performance in Jordan for the period 2012 to 2017. The study used ex post facto and correlational research designs. The target population consisted of 249 companies and a sample of 208 companies was used for the analysis. The study employed secondary data from the published financial reports of sampled companies obtained from the Amman Stock Exchange. The dependent variable financial performance (return on asset) and the independent variable corporate governance (audit committee, board committee, board activity, board size, board independence, audit committee size, foreign ownership, government ownership, and institutional ownership). The study utilised voluntary disclosure as a moderator variable. The secondary data obtained from the published financial reports were analysed using multiple regression analysis. The findings revealed a statistically significant relationship between board committee, board activity, the board size, board independence, foreign ownership, audit committee size, and institutional ownership on financial performance (return on asset) while audit committee and government ownership indicate a statistically insignificant relationship with financial performance (return on asset). The study also revealed the mediating role of voluntary disclosure on corporate governance and financial performance of listed companies on the Amman Stock Exchange for the period of 2012 to 2017 in Jordan.

From the above, it can be deduced that most of the studies reported a positive moderating effect of CG on the link between CSR and financial performance, implying that the CG mechanisms are usually associated with the protection of shareholder and other stakeholders' interests and as such engaged in CSR activities which in turn enhanced firms' financial performance. However, ownership concentration negatively moderates the link between CSR and financial performance, implying that higher concentration results in lower CSR performance, which adversely affects firms' financial performance. In addition, empirical studies on the moderating effect of CG on the link between CSR and firms' financial performance are scanty, especially in the Nigerian context and therefore, the need for an investigation. Thus, based on the aforementioned, the study came up with the following hypotheses:

Ho1: There is no significant synergy between board size and CSRPof listed cement companies in Nigeria.

Ho2: There is no significant synergy between board composition and CSRP of listed cement companies in Nigeria.

Ho3: There is no significant synergy between managerial ownership and CSRP of listed cement companies in Nigeria.

Ho4: There is no significant synergy between block-holder Ownership and CSRP of listed cement companies in Nigeria.

Ho5: There is no significant synergy between audit committee composition and CSRP of listed cement companies in Nigeria.

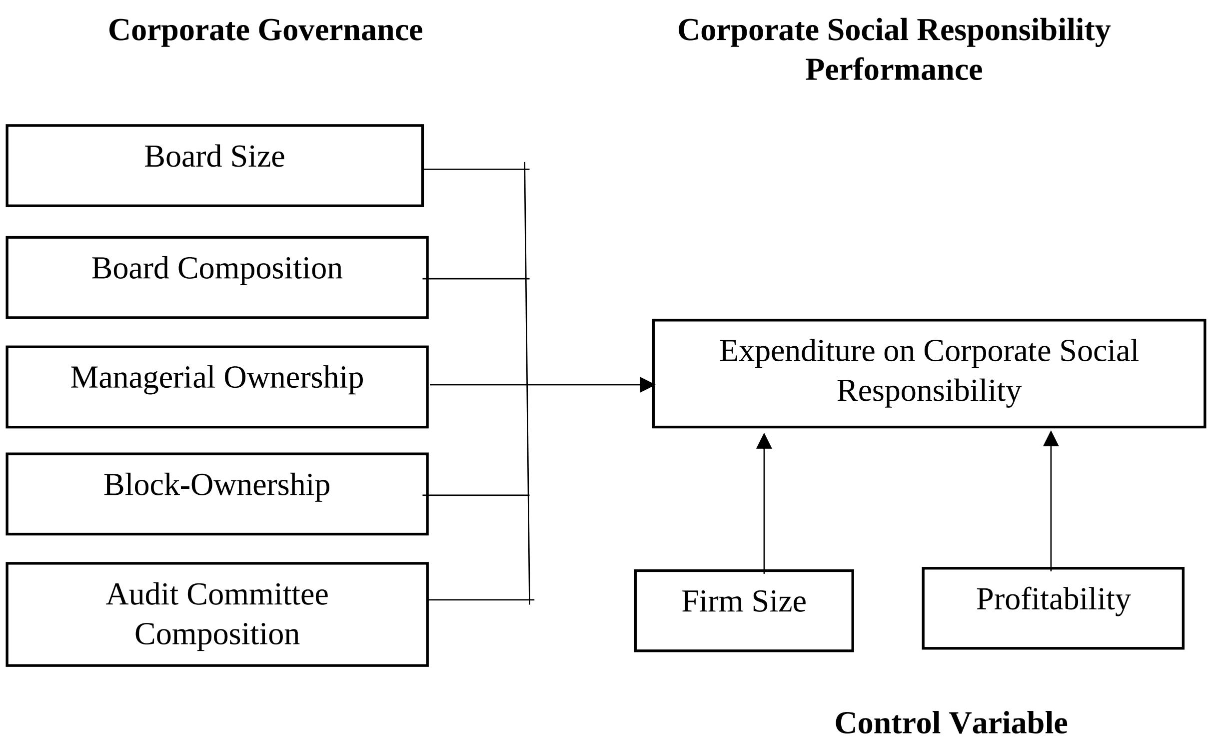

Fig 1: Conceptual Model on Synergy between Corporate Governance and Corporate Social Responsibility Performance

RESEARCH METHODS

This study employed Non-Survey Descriptive Research Design as the annual reports and accounts of cement companies listed on the floor of the Nigerian stock exchange was utilised in the study. This research design was used with the view of assessing the synergy between CG and CSRP in the Nigerian cement companies. Secondary data of the study for 11 years (2011-2021) were sourced from annual reports and accounts of Nigerian listed cement companies listed on the floor of the Nigerian stock exchange. This method was chosen because it allowes the researcher to carry out studies on real existing facts that have gone through some form of refinement. It also increases the external validity of the research. The population of the study consists of all four (4) cement companies (LarfargeWapco PLC, Ashaka Cement PLC, Dangote Cement PLC and Cement Company of Northern Nigeria PLC) listed on the floor market of the Nigerian stock exchange as at December 2021, under the umbrella of the building materials industry.

Sampling is a technique of selecting individual members or a subset of the population to make statistical inferences from them and estimate the characteristics of the whole population. This study used census sampling technique sampling the entire population because the population size was small.

Research Model

The following regression model was used to assess the synergy between CG and CSRP

CSRP = f(CG)

Also expressed as:

CSRP = f(BS, BC, MO, BO, ACC, FS, PT)……………………………………………….…. 1

CSRP = β0+β1BSit + β2BCit + β3MOit + β4BOit + β5ACCit + β6FSit + β7PTit + εit…………. 1

Where: β0= constant for all entities in the time period

CSRPit = Log of Expenditure on Corporate Social Responsibility for all entities over the time period

BSit= Board Size for all entities over the time period

BCit= Board Composition for all entities over the time period

MOit= Managerial Ownership for all entities over the time period

BOit= Block-holder Ownership for all entities over the time period

ACCit= Audit Committee Composition for all entities over the time period

FSit= Firm Size for all entities over the time period

PTit= Profitability for all entities over the time period

β1-β7= Partial derivatives or the gradient of the independent variable

i= all firm t = the time period

CSRP for this study was measured with the log of total amount spent on CSR by the company each year. The log of the total amounts spent on youth empowerment and poverty alleviation, infrastructure development, provision of health care, sports /arts and culture, education involvement, philanthropic and charitable gifts, agricultural aids, environmental protection policies, pollution prevention and emissions reduction as disclosed in the financial statements of the companies. Both dependent and independent variables were measured as follows:

Table 1: Operationalisation of Variables

Variables	Variable Type	Symbol	Measurement	Source
Corporate Social Responsibility Performance	Dependent	CSRP	Log of total expenditure on CSR of the companies	Hamid (2012)
Board Size	Independent	BS	Total number of board members	Giannarakis (2014)
Board Composition	Independent	BC	$\frac{\text{Non-executive directors}}{\text{Total number of directors}}$	Ballesteros et al., (2015)
Managerial Ownership	Independent	MO	$\frac{\text{Board members shares}}{\text{Number of outstanding shares}}$	Abdurrahman (2014)
Block-Holders' Ownership	Independent	BO	Rate of shares held by significant shareholders (shares above 5%)	Abdurrahman (2014)
Audit Committee Composition	Independent	ACC	$\frac{\text{Total non-executive directors in Audit committee}}{\text{Total number of audit committee members}}$	Madi et al., (2014)
Firm Size	Independent	FS	Natural Log of total assets	Madi et al., (2014)
Profitability	Independent	PT	$\frac{\text{Earnings before interest and taxes (EBIT)}}{\text{Total Assets}}$	Madi et al., (2014)

RESULTS AND DISCUSSION

The robustness test was conducted to improve the validity of all statistical inferences made in the study. The robustness test gave solid evidence that the regression results were free of regression errors capable of invalidating the research's regression assumptions. The tests carried out included Multicollinearity test, Heteroscedasticity test, Hausman specification test and Breusch-pagan Langragian Multiplier (BPLM) test. A check of the Variance Inflation Factor (VIF) was carried out to test for multicollinearity in the study model. The VIFs were found to be consistently less than ten (10) as indicated in Table 3. The test for heteroskedasticity was carried out and the result for the study models revealed that errors have constant variance (non-heteroscedastic), which indicates that pooled OLS estimators have the minimum variance of all unbiased estimators and also the P-values were reliable which suggest that there is absence of heteroskedasticity. This is indicated by the insignificant prob>chi2 values of 0.1291. Hausman specification test was conducted to choose between GLS fixed and random effects model. The results showed that, the chi-square probability was insignificant (0.1319), which guides us to take the random effect model. Thus, BPLM test was used to choose between pooled OLS and fixed effect regressions. The probability value of the Breush-pagan Langragian Multiplier test (1.0000) for the model was insignificant. This led to the non-rejection of the null BPLM assumption which states that, there is no entity effect in the model. Thus, this implies that, OLS is the most efficient and appropriate.

Descriptive Statistics

Table 2: Descriptive Statistics

Variables	Observations	Mean	Std. Dev	Min	Max
CSRP (Log)	44	7.6915	0.6656	6.1926	8.563
BS (Number)	44	11.212	1.6537	8	15
BC (%)	44	0.8377	0.0491	0.7273	0.9167
MO (%)	44	0.0009	0.0005	0.0001	0.0022
BO (%)	44	0.6745	0.0935	0.5	0.8578
ACC (%)	44	0.4776	0.0697	0.3333	0.6667
FS (Log)	44	10.4786	0.4623	9.73	11.5361
PT/ROA (%)	44	0.1497	0.0899	-0.0013	0.3768

From Table 2, CSRP measured by the log on expenditure on CSR by sampled cement companies in Nigeria showed an average expenditure of 7.6915. this implies that, Nigerian cement companies spend an average amount of 49147330 on CSR to their host communities. The standard deviation of 0.6656 indicates a significant variation in CSR expenditure between sampled cement companies during the study with a minimum of 6.1962 (1,558,000) and a maximum of 8.563 (365,605,132) spent on CSRs. Secondly, board size indicated an average of about 11 members with a minimum of 8 members and a maximum of 15 members. The standard deviation of 1.6537 shows that, there is significant variation about the board size of sampled cement companies. Thirdly, board composition showed an average proportion of 88.77% of board members are non-executive directors. This ranges from a minimum of 72.73% to a maximum of 91.67% non-executive directors. The standard deviation of 0.0491 indicates a much significant variation in the composition of membership of the board among sampled cement companies. Also, as concerns managerial ownership, statistics prove that on average directors own only 0.09% of the total shares of the companies. This shows that 99.91% (majority) of the companies' shareholders are outsiders who are not directors. The standard deviation of 0.0005 signifies that managerial shareholding among directors of the company is not much diverse as indicated by the minimum managerial ownership of 0.01% and maximum managerial ownership of 0.22% among the companies.

More so, block-holder ownership indicated an average ownership of 67.45%, which shows that majority of shareholders of Nigerian cement companies hold at least 5% of the companies' shares with a dispersion of 0.0935, a minimum block-holder ownership of 50% and maximum of 85.78%. Thus, shareholders with at least 5% stake of the Nigerian cement companies owned more than half of the companies' total shares. In addition, Audit committee on average comprised of 47.76% non-executive directors. This implies that an average of 52.24% of the audit committee members of the sampled cement companies are shareholder representatives and executive directors. The standard deviation of 0.0697 indicates the low level of dispersion in the composition of audit committee as significant numbers of firms have equal or more shareholder representatives and executive directors than non-executive directors, as shown by the minimum composition of 33.33% and maximum of 66.67% of non-executive directors among the companies. Moreover, firm size indicated a mean of 10.4786, but the standard deviation of 0.4623 suggests that a considerable level of dispersion in size during the period with a minimum of about 9.73 and maximum of about 11.5361. Finally, the mean return on assets of 14.97% indicates that the cement companies make on average a profit of 14.97% of the total assets with a maximum loss of 0.13% and a maximum profit of 37.68% of total assets. The standard deviation of 0.0899 indicates no significant dispersion among the sampled companies with regards to return on assets. This implies that listed Nigerian cement companies have efficient utilization of their assets during the period of the study.

Correlation Analysis

Table 3: Correlation Analysis

Variables	CSRP	BS	BC	MO	BO	ACC	FS	PT	VIF
CSRP	1.0000								
BS	0.7362	1.0000							6.22
BC	0.0461	-0.3652	1.0000						1.58
MO	-0.1209	-0.0565	0.0374	1.0000					1.38
BO	-0.3002	-0.2222	0.1927	0.2118	1.0000				1.70
ACC	-0.1811	-0.1578	0.0331	-0.1241	0.4193	1.0000			1.40
FS	0.7348	0.8530	-0.2396	-0.1967	-0.0265	-0.0662	1.0000		5.57
PT	0.1701	-0.0651	-0.0464	0.1508	-0.2059	-0.0995	-0.1840	1.0000	1.20

As shown on Table 3, the association between expenditure on CSR, BS, BC, FS and PT were positively correlated (0.7362, 0.0461, 0.7348 and 0.1701 respectively) while the relationship between expenditure on CSR and MO, BO and ACC were negatively correlated (-0.1209, -0.3002 and -0.1811 respectively). From all the variables, only BS and FS were highly correlated while the rest (BC, MO, BO, ACC and PT) had weak correlation with expenditure on CSR.

Presentation and Interpretation of Regression Results

Table 4: Regression Result

	OLS		Random Effect	
Variables	**Coef.**	**P>/t/**	**Coef.**	**P>/z/**
Constant	-6.2149	0.015	-6.2149	0.009
Board Size	0.0949	0.283	0.0949	0.272
Board Composition	3.9256	0.013**	3.9256	0.007*
Managerial Ownership	46.4627	0.743	46.4627	0.740
Block-holder Ownership	-1.6692	0.047**	-1.6692	0.036**
Audit Committee Composition	-0.107	0.913	-0.107	0.912
Firm Size	0.9492	0.003*	0.9492	0.001*
Profitability/ Return on asset	2.2484	0.004*	2.2484	0.001*
R-Squared	0.8223			
Adj. R-Squared	0.7631			
F- Value	13.88			
Sign	0.0000			

Within	0.4751
Between	0.9911
Overall	0.8223
rho	0

Source: annual reports and accounts data of Nigerian cement companies. *, **, *** indicate 1%, 5% and 10% significance level.

Table 4 shows the OLS and RE regression results where CSRP is proxied with expenses on CSR and the explanatory variables (BS, BC, MO, BO. ACC, FS and profitability). Both OLS and RE results revealed the R^2 and the overall R^2 (0.8223) which is the multiple coefficient of determination gives the proportion or percentage of the total variation in the dependent variable explained by the explanatory variables jointly. This signifies that all captured explanatory variables jointly explain up to 82.23% variations in expenses on CSR of listed cement companies in Nigeria, while the remaining 17.77% of the total variation in the expenditure on CSR are explained by other factors not captured in the model.
Firstly, the regression result shown in Table 4 indicates that BS is positive and insignificantly affects CSRP in both OLS and RE. The implication of this is that an increase in board size, increases the level of CSRP in listed cement companies in Nigeria insignificantly. This finding is consistent with the findings of Hamid (2012) but contradictory to the findings of Giannarakis (2014) that portrays BS to have negative relationship with CSR. Therefore, from the results, it can be deduced that there is no significant synergy between BS and CSRP of listed cement companies in Nigeria, so Ho1 should be accepted. Secondly, BC was positive and significantly affected expenditure on CSR at 5% level of significance in OLS and 1% level of significance in RE estimation. Therefore, an increase in the number of independent directors on the board leads to a significant increase in the level of CSRP of listed cement companies in Nigeria. This finding is consistent with the findings of Ducassy and Montandrau (2015) but also inconsistent with the findings of Hamid (2012) who discovered a negative insignificant effect of BC on CSRP of listed cement companies. From stated evidence, it can be stated that there is a strong significant synergy between BC an CSRP of listed cement companies in Nigeria. Thus, Ho2 should be rejected.
Thirdly, regression results also indicated that MO was positive and insignificantly affected CSRP of listed cement companies in Nigeria in both OLS and RE estimation. It implies that an increase in managerial share ownership by one unit would lead to an increase in CSRP insignificantly. The finding agrees with that of Gamerschlag et al. (2010) but speaks contrary to the findings of Jian and Lee (2015) who found a negative effect of MO on CSRP. Evidently from the results, it can be stated that there is no significant synergy between MO and CSRP of listed cement companies in Nigeria. Therefore, Ho3 should be accepted. Also, the regression result also shows that BO was negative and significantly affected CSRP of listed cement companies in Nigeria at 5% level of significance in both OLS and Re estimations. Therefore, a unit decrease in BO would lead to a significant corresponding increase in expenditure on CSR of the companies. The result was in line in the findings of Ducassy and Montandraun (2015) and Ali and Atan (2013). The finding is contrary to the findings of Lahouel et al., (2014) who found BO to have negative insignificant effect on CSRP. From analysis presented it can be deduced that there is a fairly strong synergy between BO and CSRP of listed cement companies in Nigeria. As a result, Ho4 should be rejected.

More so, as concerns the effect of ACC on CSRP of listed cement companies, the OLS and RE estimation documented an insignificant and negative effect of ACC on CSRP. The study's result implied that an increase in the number of non-executive directors in the audit committee, result to a decrease in the level of expenditure on CSR in listed cement companies in Nigeria. This result contradicts the findings of Ali and Atan (2013). By implication, it can be said that there is no significant synergy between ACC and CSRP of listed cement companies in Nigeria. Thus, Ho5 should be accepted. Moreover, from Table 4, firm size measured by the log of total assets indicated a significant and positive effect on CSRP of listed cement companies in Nigeria at a 1% level of significance from both the OLS and RE estimations. This implies that larger companies spend more on CSR than smaller companies. In this light the findings of Ballesteroset et al. (2015) and Giannarakis (2014) align with the findings of this study while the findings of Melo (2012) who found FS to have a negative effect on CSR.

Lastly, the results from both OLS and RE estimations showed that Profitability measured by ROA had a positive and significant effect on CSRP of listed cement companies in Nigeria at a 1% level of significance. This finding implies that the more profit a company makes, the more it spends on CSR activities. This finding is in line with the findings of Ducassy and Montandrau (2015) and Li (2015) but contradicts the findings of Abdurrahman (2014) and Dam and Scholten (2013).

CONCLUSION AND RECOMMENDATION

Conclusion

This study investigated the synergy between CG and CSRP of listed cement companies in Nigeria from 2011 to 2021. With all necessary assumptions fulfilled and tests performed, the following conclusions were arrived at after due analysis of the results:

i) Board size was found to have no significant synergy with CSRP of listed cement companies in Nigeria. Implying that an increase in board members has no significant effect on CSRP of listed cement companies in Nigeria.

ii) Board composition was discovered to have a strong significant synergy with CSRP of listed cement companies in Nigeria. This supposes that, an increase in the number of independent directors on the board has a strong effect on companies' performance towards their CSRs.

iii) It was concluded that there is no significant synergy between MO and CSRP of listed cement companies in Nigeria. This is to say that, increasing managerial share ownership even by 1 unit is of no significant effect on CSRP of listed cement companies in Nigeria.

iv) Block-holder Ownership was concluded to show semi-strong synergy with CSRP of listed cement companies in Nigeria. This means that a unit decrease in BO would lead to a corresponding significant increase in CSRP of listed cement companies in Nigeria.

v) Audit committee composition was concluded to have no significant synergy with CSRP of listed cement companies in Nigeria. This is because an increase in the number of non-executive directors in the audit committee would insignificantly affect CSRP of listed cement companies in Nigeria.

Recommendations

Based on the conclusions made above it was recommended that to enhance CSRP and promote good relationship with host communities through CSR, cement companies in Nigeria should increase the number of independent directors on the board, since it would have a significant effect on CSRP. Also, it was also recommended that cement companies in Nigeria to boast CSRP should reduce the number of block shareholder within the company."

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