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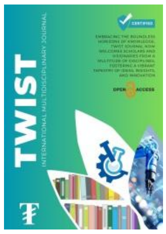

Effect of Ownership Structure on Corporate Social Responsibility of Consumer Goods Firms in Nigeria

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Abstract
This study examines the effect of ownership structure on corporate social responsibility of consumer goods firms in Nigeria, covering 2012-2021. The population of this study consists of all the twenty-one (21) quoted consumer goods firms in Nigeria while seventeen (17) firms were sampled. The hypotheses were tested using a random effect regression model after conducting some diagnostic tests. The results showed that managerial ownership has a significant positive effect on corporate social responsibility of consumer goods firms in Nigeria. However, institutional ownership has a significant negative effect on corporate social responsibility of consumer goods firms while ownership concentration has an insignificant negative effect on corporate social responsibility of consumer goods firms in Nigeria. The study concludes that the holding of a good percentage of shares by the companies' directors will make them to be more committed and diligent in running the affairs of the companies which will, in turn, increase the amount spent on corporate social responsibility in Nigeria. The study recommends that the consumer goods firms in Nigeria should make sure that their directors hold at least 15-20 per cent of shares in their firms to make them more committed and increase the amount to be spent on corporate social responsibility in their firms. The study also recommends that the consumer goods firms in Nigeria should ensure that institutional investors hold at least 20-25 per cent of shares in their firms to increase the amount to be spent on corporate social responsibility in their firms.

Keywords
Consumer goods firms, Corporate social responsibility, Managerial ownership, Institutional ownership, Ownership concentration

INTRODUCTION

The ownership structure of a company reflects the diverse array of investors holding shares and is seen as a mechanism for maintaining a balance between profitability and ethical conduct, including social initiatives (Haniffa & Cooke, 2005). This structure ensures that companies fulfil their obligations and responsibilities to various stakeholders. Nofsinger et al. (2019) emphasize that investors often gravitate towards companies that demonstrate a strong commitment to corporate social responsibility (CSR).

In addition to gaining the trust of investors, companies exhibit a commitment to societal and environmental welfare. When stakeholders consider investing in a company, CSR is a key consideration. This is because CSR serves as an indicator of the company's dedication to the well-being of the community and the environment, both of which can be directly or indirectly impacted by the company's operations. Corporate social responsibility (CSR) focuses on the importance of creating long-term value (economic sustainability) to ensure the company's enduring acceptance and presence (Esa & Ghazali, 2012). Moreover, the analysis of Environmental, Social, and Governance (ESG) factors has become an integral part of the investment process, driven by the growing emphasis on investing in companies with a positive social influence and a commitment to sustainability (Caporale et al., 2022).

Managerial ownership has an impact on Corporate Social Responsibility (CSR) as it aligns with their interest in enhancing the company's competitive advantage, which can be achieved through the benefits of CSR performance (Khan et al., 2013). In recent years, corporations have experienced a shift towards increased accountability for their environmental and societal impacts. This shift is primarily driven by demands from various stakeholders such as customers, regulators, shareholders, suppliers, employees, creditors, media, and social and environmental activist groups (Maama & Appiah, 2019; Sajjad et al., 2019).

Moreover, the level of CSR activities within a company is also influenced by institutional investors. This category of shareholders encourages managers to focus on critical aspects that support overall company performance, including social performance. Social performance reflects the company's contributions to the local community, signifying that the company's activities not only benefit its interests but also positively impact the social well-being of the community. Oh et al. (2011) and Swandari and Sadikin (2016) further assert that the company's CSR policies are also shaped by the prevailing ownership structure. Institutional ownership plays a constructive role in promoting social commitment, given the professional expertise, influence, credibility, and safeguarding abilities possessed by institutional investors, enabling them to facilitate increased transparency and disclosure within the organization.

Ownership concentration influences interests and encourages long-term growth, prompting companies to prioritize Corporate Social Responsibility (CSR) as a fundamental policy (Garanina & Aray, 2021). The significance of CSR quality concerning owner type, as highlighted by Abdullah et al. (2011), underscores the power differentials between majority and minority shareholders. Affirming this, Juniarti (2020) emphasizes that CSR serves to safeguard the long-term value of shareholders.

In contrast, widely held firms face greater public accountability, leading them to disclose a more comprehensive range of social information. Social disclosures provide insights into a company's initiatives for various stakeholders, such as regulators, communities, investors, and employees (Atif et al., 2022). Such disclosures reflect the organization's approach toward communities, employees, and clients, and its responsibility concerning products and services, diversity, anti-corruption measures, and the protection of human rights across the supply chain. Emphasizing the social dimension promotes ethical values, fosters trust among employees, and reinforces respect for human rights.

Lack of transparency in disclosing environmental, social, and governance (ESG) practices can lead to a lack of crucial information for conscientious financiers and investors while evaluating investments (Rabaya & Saleh, 2021). According to agency theory, when ownership is widely dispersed, agency problems tend to escalate (Fama & Jensen, 1983). Institutional investors face heightened information asymmetry due to limited involvement in day-to-day operations, exposing them to increased risk (Gehrig, 1993; Huafang & Jianguo, 2007). Given that corporate social responsibility (CSR) initiatives can help mitigate information asymmetry and risk, institutional, managerial, and controlling investors may consider directing their funds toward socially responsible companies, thereby exerting pressure on them to act in a socially responsible manner (Oh et al., 2011; Kabir & Thai, 2021).

Existing empirical research, exemplified by Ching-Chung and Tran (2022), Heni and Ifan (2018), and Nugraheni et al. (2022), predominantly focuses on ownership concentration, managerial ownership, institutional ownership, and corporate social responsibility in global contexts, with limited studies conducted in Nigeria. Identified gaps in the literature underscore the need for further exploration in this domain, prompting this study on the effect of ownership structure on corporate social responsibility of consumer goods firms in Nigeria. The research aims to update the data upto 2021 and specifically cover the periods coinciding with the implementation of International Financial Reporting Standards (IFRS) in Nigeria.

The main objective of this study is to examine the effect of ownership structure on corporate social responsibility of consumer goods firms in Nigeria. The study specifically intends to: (i) determine the effect of managerial ownership on corporate social responsibility of consumer goods firms in Nigeria; (ii) ascertain the effect of institutional ownership on corporate social responsibility of consumer goods firms in Nigeria and (iii) evaluate the effect of ownership concentration on corporate social responsibility of consumer goods firms in Nigeria. Based on the above-stated specific objectives, these hypotheses are formulated as follows: Ho_1: Managerial ownership has no significant effect on corporate social responsibility of consumer goods firms in Nigeria; Ho_2: Institutional ownership has no significant effect on corporate social responsibility of consumer goods firms in Nigeria and Ho_3: Ownership concentration has no significant effect on corporate social responsibility of consumer goods firms in Nigeria.

The findings of the study are useful to consumer goods firms' managers, owners, shareholders and government policymakers. This study covers eleven years from 2012 to 2021 and focuses on the effect of managerial ownership, institutional ownership and ownership concentration on corporate social responsibility of all the quoted firms in the consumer goods sector on the Nigerian exchange group.

MATERIALS

Ownership Structure

Garanina and Aray (2021) highlighted how the ownership structure functions as a crucial governance mechanism, impacting a company's behaviour, values, strategic policies, and overall performance. This structure is typically categorized into managerial ownership, institutional ownership, public ownership, and foreign ownership. Managerial ownership refers to the shares held by company managers, while institutional ownership represents shares held by entities such as governments, financial institutions, and other companies. Foreign ownership pertains to shares owned by individuals or institutions from foreign countries, and public ownership denotes shares held by the general public (Nurleni et al., 2018; Swandari & Sadikin, 2016; Oh et al., 2011).

Each category within the ownership structure corresponds to the proportion of shares held by specific stakeholders, including managers, institutional entities like banks and pension funds, the general public, and foreign investors, whether individual or institutional (Shahid et al., 2018). These stakeholders often possess the ability to influence the company's decision-making process due to their vested interest in the company's growth and development. The ownership structure, as defined by this study, signifies the amalgamation of various shareholdings within an organization.

Managerial Ownership

Various scholars have offered diverse interpretations of managerial ownership. Mueller and Spitz (2006) viewed it as a scenario where managers possess shares in the firm they oversee, effectively assuming the dual role of managers and shareholders. Conversely, Ogabo et al. (2021) defined managerial ownership as the percentage of shares owned by managers within a corporation, highlighting its role in bolstering the equity of the organization and incentivizing managers to align their interests with those of the company.

Kamardin (2014) elucidated that managerial ownership pertains to the percentage of shares held by executive directors, both directly and indirectly, at the culmination of a fiscal year. Similarly, Lawal et al. (2018) delineated it as the ownership stake or fraction in a firm held by managers. Meanwhile, Li and Sun (2014) defined managerial ownership as the ratio of equity owned by directors. In the context of this study, managerial ownership signifies the number of shares or share units held by those entrusted with the management of the organization.

Institutional Ownership

Lawal et al. (2018) defined institutional ownership, characterizing it as the proportion or stake in a firm held by major financial organizations, pension funds, or endowments. Typically acquiring significant blocks of a company's shares, these institutions hold the capacity to exert considerable influence over its management. Institutional ownership, in essence, refers to the share ownership ratio held by corporate entities in other organizations. The shareholders of these institutions are typically professionals who leverage their expertise to oversee management, ensuring alignment between their interests and those of the company (Shohreh et al., 2015). Institutional investors, as a collective, involve entities that pool substantial funds to invest in other firms. Through their equity holdings, institutional investors wield the power to influence the board, thus providing protection for shareholders and enhancing organizational governance. This study defines institutional ownership as the percentage of shares held by these institutional entities, which leverage their professional insight to monitor management and strive for optimal performance.

Ownership Concentration

Ownership concentration refers to the situation where a shareholder possesses a minimum of 5% of a company's total shares. This concentration of ownership provides shareholders with both the incentive and the capability to oversee and manage the decisions made by the management team. According to Pathirawasam (2013), ownership concentration can be understood as the percentage of total votes held by the largest owner. Similarly, Alhassan and Mamuda (2020) suggested that ownership concentration indicates the portion of ownership or stake in a company held by shareholders who possess a controlling interest or a substantial stake. Additionally, Lawal et al. (2018) defined ownership concentration as the fraction or stake in a company held by shareholders with a controlling interest or significant stake. This study defined ownership concentration as the presence of shareholders holding at least 5% of a company's total shares, thereby enabling them to exercise control over management decisions and ensuring sound financial performance for the company.

Corporate Social Responsibilities

Carroll (1979) provided a comprehensive definition of Corporate Social Responsibility (CSR) as the practice of conducting business in a manner that is economically profitable, legally compliant, ethically conscious, and socially beneficial. In essence, CSR entails a commitment from companies to not only prioritize financial gains but also demonstrate concern for societal well-being and environmental conservation (Nurleni et al., 2018). Mirfazli (2008) emphasized that CSR represents the moral responsibility of companies towards stakeholders impacted by their operations, whether directly or indirectly.

The World Business Council for Sustainable Development (WBCSD) defined Corporate Social Responsibility as a business pledge to contribute to sustainable economic development through collaborative efforts with employees, their families, local communities, and the public at large, to enhance overall quality of life in a mutually beneficial manner. The underlying philosophy of CSR is rooted in the belief that companies are accountable not only to shareholders in terms of economic obligations but also to various stakeholders such as the government, community, customers, investors, and even competitors. CSR aims to garner public approval and recognition for sustainable, long-term operations by appropriately addressing economic, social, and environmental responsibilities, often referred to as triple-bottom-line reporting (Patten, 1992; Hackston & Milne, 1996). This study aligns with the definition of CSR put forth by Nurleni et al.

(2018), which characterizes CSR as the commitment of companies to pursue not only profit but also to prioritize social welfare and environmental preservation.

Theory Underpinning the Study

Enlightened stakeholder theory

Jensen (1993) introduced the enlightened stakeholder theory as an extension of the traditional stakeholder theory, asserting that a company's primary goal should be the maximization of shareholder wealth. However, the theory emphasizes the importance of satisfying the interests of other stakeholders as a means to achieve this long-term objective. Accordingly, in the short term, organizations should prioritize the satisfaction of stakeholders to ensure long-term value maximization for shareholders.

Building on the principles of the enlightened stakeholder theory, this study posits a positive correlation between corporate social responsibility and ownership structure variables, namely managerial ownership, institutional ownership, and ownership concentration. According to stakeholder theory, an organization's success is not solely reliant on the contributions of shareholders but is rather influenced by the collective efforts of various stakeholders (Freeman, 1984). Consequently, organizational decisions should be made with the recognition of the diverse interests of these stakeholders (Freeman, 1984; Jensen, 1993).

Stakeholders are defined as groups or individuals who impact or are impacted by the organization's pursuit of its objectives (Freeman, 1984). However, stakeholder theory has faced criticism for being overly abstract and lacking a clear decision-making framework. Each organization contends with a broad array of stakeholders, including creditors, shareholders, government entities, employees, customers, and, in some cases, adversaries, all with conflicting interests. Consequently, decision-making necessitates a trade-off among these various interests. This requires the establishment of a standardized criterion to determine which interests best align with the company's objectives at any given point in time. This study is rooted in the enlightened stakeholder theory, which underscores the concept that a firm should benefit all stakeholders, not just its shareholders.

Empirical Review

Nugraheni et al. (2022) conducted a comprehensive examination of the relationship between ownership structure and corporate social responsibility (CSR) disclosure, focusing on the context of Indonesia. The study, conducted between 2017 and 2019, targeted companies operating within the sensitive industry category listed on the Indonesian stock exchange. The study evaluated the impact of managerial ownership, institutional ownership, public ownership, and foreign ownership on CSR disclosure, utilizing the Global Reporting Initiative (GRI) as the measure. The panel data regression analysis revealed that institutional ownership had a positive influence on CSR disclosure, while managerial, foreign, and public ownership did not exhibit any significant effect on CSR disclosure. While the study adhered to appropriate statistical tools for panel data analysis, as per Hausman's (1978) suggestions, it is essential to acknowledge that the data's time frame was limited to 2019, thus potentially impacting the current relevance of the findings. Additionally, the study's geographical focus on Indonesia raises questions about its generalizability, emphasizing the necessity of accounting for environmental variations when applying the results to other regions, such as Nigeria. To ensure the study's currency and applicability, it is imperative to update the data to encompass the latest developments in Nigeria and consider any unique contextual factors at play.

Ching-Chung and Tran's (2022) research investigated how ownership structure influences corporate social responsibility (CSR) performance within the context of Vietnam. Their analysis relied on data sourced from company financial statements over a specific timeframe. Employing the Ordinary Least Squares (OLS) regression method, the study determined that managerial and foreign ownership exhibited a positive correlation with CSR performance, while ownership concentration and government ownership showed no significant association. While the study effectively applied panel data analysis techniques, it is important to note that the research was conducted in a distinct setting from Nigeria, limiting the generalizability of its findings due to environmental disparities.

Heni and Ifan's (2018) research studied the impact of stock ownership on corporate social responsibility (CSR) disclosure. The study selected participants from the Indonesia Sustainability Reporting Awards 2015 through purposive sampling. Utilizing simple linear regression analysis, the data was scrutinized. The findings suggested that government, institutional, and foreign ownership did not notably affect CSR disclosure. While the study employed a robust statistical technique for panel data estimation, it is important to note that its contextual framework lies outside Nigeria and hence, its generalizability to the Nigerian environment is limited. Furthermore, considering the dynamic nature of CSR and the need for current data, there is a need for an updated examination of the topic in the Nigerian context.

Alhassan and Basariah (2016) conducted a comprehensive analysis of the interplay between corporate ownership and sustainability reporting, with a specific focus on the moderating effects of environmental agencies. Their research encompassed a population of 81 companies spanning 6 environmentally sensitive industries within the economy. Employing a stratified random sampling technique, the study was based on data collected from 67 selected firms, covering the period from 2009 to 2014. Utilizing Ordinary Least Squares (OLS) regression for data analysis, the study unearthed a noteworthy and negative correlation between the structure of ownership and environmental disclosure. However, given the current pace of developments in Nigeria since 2016, there is a pressing need to update this study to ensure its findings reflect the contemporary dynamics and trends within the Nigerian business landscape.

Faizah, Engku and Haslinda (2013) conducted a comprehensive investigation into the realm of CSR web reporting, specifically focusing on the impact of ownership structure and mimetic isomorphism. The study delved into a sample of the 120 most prominent companies listed on Bursa Malaysia, over six months from May to October 2010. The data analysis primarily employed the OLS regression method. Notably, the study unveiled the crucial role of ownership concentration and foreign ownership in influencing the utilization of corporate websites as a means to disseminate CSR-related information to stakeholders. It's imperative to acknowledge that the findings of the study may not be universally applicable due to the specific environmental context in which it was conducted, emphasizing the need for further research to update the data in the Nigerian context up to the current period.

METHODS

This research adopted an ex-post facto research design to investigate how ownership structure influences corporate social responsibility within the consumer goods sector in Nigeria. The study's target population comprised the twenty-one (21) consumer goods firms listed on the Nigerian Exchange Group as of 31st December 2021. For this study, a sample size of seventeen (17) consumer goods firms was selected based on specific sampling criteria. Eligible firms were required to be listed on the NGX, operational throughout the 2012-2021 period, and possess the necessary fundamental data in their financial statements for analysis during the specified timeframe. Consequently, the study focused on the seventeen chosen firms. The data utilized in this research were extracted from the annual financial reports of the seventeen sampled consumer goods firms in Nigeria. The robust random effect regression model was deemed suitable, as affirmed by the results of the conducted Hausman test. To ensure the reliability of the findings, various robustness tests were carried out, including the Shapiro-Wilk Normality Test, Pearson Correlation, Heteroscedasticity Test, Breusch-Pagan Lagrangian Multiplier, and Hausman Specification Test.

The dependent variable of this study is corporate social responsibility measured by t/the log of the total amount spent on education, health and the environment by consumer goods firms in Nigeria. The independent variable is ownership structure measured by Managerial Ownership (MO), Institutional Ownership (IO) and Ownership Concentration (OSC) while the control variable is firm size. A specified functional relationship is presented as adapted from Nugraheni *et al*. (2022) as follows:

$$CSR = f(MO + IO + OC + FZ)$$

Econometrically, the model is stated thus:

$$CSR_{it} = \alpha + \beta_1 MO_{it} + \beta_2 IO_{it} + \beta_3 OC_{it} + \beta_4 FZ_{it} + e_{it}) \text{ ----------------------------Equation}$$

where: β1, β2, β3 and β4 are parameters estimated.

CSR = Corporate Social Responsibility

MO = Managerial Ownership

IO = Institutional Ownership

OC = Ownership Concentration

FZ = Firm Size

α = Constant

e = Error term

i = Firms

t = Periods

A-priori expectations: β1, β2 and β3 > 0

Variables' Measurements and Justification

Table 1 Variables Measurement and Justification

Variable	Acronym	Type	Measurement	Justification
Corporate Social Responsibilities	CSR	Dependent	The log of the total amount spent on education, health and environment by consumer goods firms in Nigeria.	Ching-Chung and Tran (2022) and Heni and Ifan (2018)
Managerial Ownership	MO	Independent	This is the percentage of shares held by the directors of a firm.	alhassan and basariah (2016), ching-chung and tran (2022) and Nugraheni et al. (2022)
Institutional Ownership	IO	Independent	This is the percentage of shares held by institutional investors in a firm.	Alhassan and Basariah (2016), and Heni and Ifan (2018)
Ownership Concentration	OSC	Independent	This is the percentage of block shareholding of 5% and above in a firm.	Ching-Chung and Tran (2022), Alhassan and Basariah (2016) and Faizah et al. (2013)
Firm Size	FSZ	Control Variable	Log of total assets.	Luk et al. (2022)

RESULTS AND DISCUSSION

The data of seventeen (17) consumer goods firms regarding Corporate Social Responsibility (CSR), Managerial Ownership (MO), Institutional Ownership (IO), Ownership Concentration (OSC) and Firm Size (FSZ) covering 2012 to 2021 were used. The data were analysed with the aid of Stata 15 software using Descriptive Statistics, Shapiro Wilk Normality Test, Pearson Correlation, Heteroscedasticity test, Breusch-Pagan Lagrangian Multiplier, Hausman Specification Test and Robust Random Effect Regression Model.

Descriptive Statistics

Table 2 summarizes the descriptive statistics of the entire data set.

Variable	Obs	Mean	Std. Dev.	Min.	Max.
CSR	163	7.70	0.93	6.25	10.07
MO	164	7.56	16.48	0.009	74.74
IO	158	60.07	22.06	5.01	89.40
OC	163	66.52	14.55	19.73	94.80
FZ	166	7.59	0.80	5.04	8.85

Source: Researcher’s Computation using STATA 15 software

Table 2 shows that corporate social responsibility (CSR) has a minimum value of 6.25, a maximum value of 10.07 and a mean value of 7.70 which is within the minimum and maximum values indicating a good spread within the period studied. The table also reveals that CSR has a standard deviation of 0.93 which is less than the mean, which implies that it had slow growth for the period under review. Table 2 equally shows that the managerial ownership (MO) has a minimum value of 0.009, a maximum value of 74.74 and a mean value of 7.56 which is within the minimum and maximum values indicating a good spread within the period studied. The table also reveals that MO has a standard deviation of 16.48 which is more than the mean, which implies that it had strong growth for the period under review.

Table 2 further shows that institutional ownership (IO) has a minimum value of 5.01, a maximum value of 89.40 and a mean value of 60.07 which is within the minimum and maximum indicating a good spread within the period studied. The table also reveals that IO has a standard deviation of 22.06 which is less than the mean, which implies that it had slow growth during the period under review. Table 2 also shows that ownership concentration (OC) has a minimum value of 19.73, a maximum value of 94.80 and a mean value of 66.52 which is within the minimum and maximum indicating a good spread within the period studied. The table also reveals that OC has a standard deviation of 14.55 which is less than the mean, which implies that it had slow growth during the period under review. Table 2 shows that the Firm Size (FZ) has a minimum value of 5.04, a maximum value of 8.85 and a mean value of 7.59 which is within the minimum and maximum values indicating a good spread within the period studied. The table also reveals that FZ has a standard deviation of 0.80 which is less than the mean, which implies that it had slow growth for the period under review.

Shapiro Wilk Normality Test

Table 3 and Figure 2 below present the results of the normality test conducted with the use of the Shapiro-Wilk Normality test and normal distribution curve.

Variable	OBS	W	V	Z	Prob>Z
Residual	157	0.81583	22.285	7.054	0.00000

Source: Researcher’s Computation using STATA 15 software

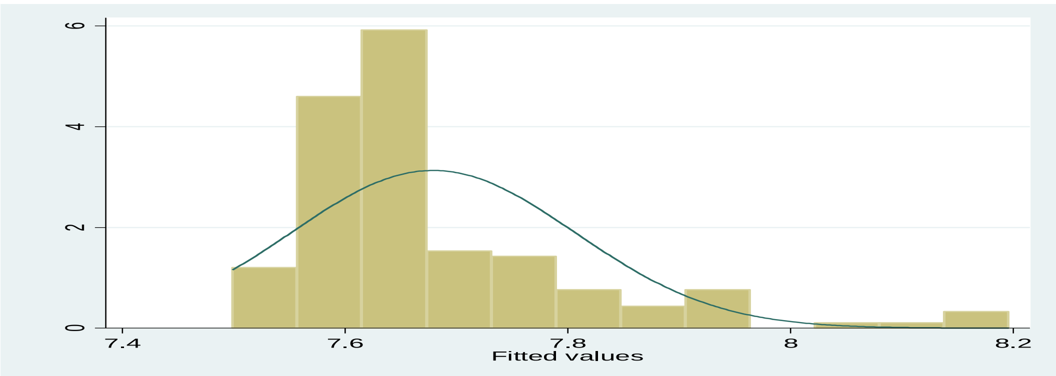

Fig. 1 Normal distribution curve

Table 3 above shows the residual and the z value of 7.054 and the corresponding probability value of 0.00 which is less than 0.05 which signifies that the residual is not normally distributed around the mean. This result is further corroborated by the normal distribution curve presented in Figure 1 above. This implies that one of the basic assumptions of the linear regression technique which allows only normally distributed residuals has been violated, which is corrected using a robust regression technique.

Pearson Correlation

Table 4 below is the Pearson correlation matrix for the data set to show the extent of associations between the variables.

Variable	CSR	OC	MO	IO	FZ
CSR	1				
OC	0.0589	1			
MO	-0.0345	-0.0903	1		
IO	0.0899	0.0083	0.7385	1	
FZ	0.0025	-0.0211	0.1872	0.2120	1

Source: Researcher's Computation using STATA 15 software

The correlation matrix determines the degree of relationships between the proxies of an independent variable and the dependent variable. It is also used to show whether there are associations among the proxies of independent variables themselves, to detect if a multicollinearity problem exists in the model. The result from Table 4 shows that there exists approximately a 6% positive and weak relationship between ownership concentration (OC) and corporate social responsibility (CSR) of consumer goods firms in Nigeria from a correlation coefficient of 0.0589. The table also shows that there is a 3% negative and weak relationship between managerial ownership (MO) and corporate social responsibility (CSR) of consumer goods firms in Nigeria from a correlation coefficient of -0.0345.

Furthermore, the table shows approximately 9% positive and weak relationships between institutional ownership (IO) and corporate social responsibility (CSR) of consumer goods firms in Nigeria from a correlation coefficient of 0.0899. Also, the table shows a positive and weak association between firm size (FSZ) and corporate social responsibility (CSR) of consumer goods firms in Nigeria from a correlation coefficient of 0.0025. Finally, the relationships between proxies of independent variables themselves suggest being mild as all coefficients are below the threshold of 0.80 as suggested by (Gujarati, 2003). This indicates that there is no problem of multicolinearity in the model, which satisfies one of the assumptions of linear regression.

Heteroscedasticity Test Results

Table 5 Heteroscedasticity test

Type of test	Chi2	P-Value
Heteroscedasticity Test	0.40	0.5246

Source: Researcher's Computation Using STATA 15 software

To establish that the data for this study was robust for the model, a heteroscedasticity test was carried out. The study revealed that the data is homoscedastic which means that the basic linear regression model is satisfied. This is confirmed by the heteroskedasticity result in Table 5 which revealed the chi2 value of 0.40 with a p-value of 0.5246. This satisfies the classical linear regression assumption of homoskedasticity (constant error variance).

Breusch-Pagan Lagrangian Multiplier

Table 6 below presents the result of the Breusch-Pagan Lagrangian Multiplier test conducted.

Variable	Chibar2	P-Value
CSR	556.98	0.0000

Source: Researcher's Computation using STATA 15 software

The Breusch-Pagan Lagrangian Multiplier test was conducted to give an insight into an actual test to be carried out between the Random Effect Model and Pooled Ordinary Least Square Regression. From the Breusch-Pagan Lagrangian Multiplier test, the chibar2 value of (556.98) and the corresponding probability of (0.00) in Table 6 above, suggests that REM is more appropriate instead of Pooled Ordinary Least Square.

Hausman Specification Test

Table 7 below presents the result of a Hausman specification test conducted.

Chi2	0.13
Prob. Chi2	0.8981

Source: Researcher's Computation using STATA 15 software

The data for this study is panel and panel data can lead to an error that is clustered and possibly correlated over time. This is because each consumer goods firm may have its entity-specific characteristic that can determine its corporate social responsibility (i.e. unobserved heterogeneity). This may bias the outcome variable or even the explanatory variables. As such, there is a need to control that. The Hausman test was conducted and shows that the random effect model is more appropriate than the fixed effect model. This can be confirmed by the Chi2 value of 0.13 with a p-value of 0.898 in Table 7 which is not significant at all levels of significance.

Results of the Robust Random Effect Regression Model

Table 8 below is the robust random effect regression model conducted for the estimation of this model.

Variable	Coefficients	z-value	Prob.
Cons.	6.605	12.76	0.000
MO	0.005	3.19	0.001
IO	-.004	-4.76	0.000
OC	-006	-0.27	0.787
FZ	.178	4.64	0.000
R-sq overall	0.6441		
Wald chi2	149.25		
Prob. >chi2	0.000		

Source: Researcher's Computation using STATA 15 software

Table 8 above shows that 64% variation of corporate social responsibility (CSR) is predicted by the combined effect of Managerial Ownership (MO), Institutional Ownership (IO), Ownership Concentration (OC) and Firm Size (FSZ) with (Overall R-sq of 0.6441). This indicates that the independent variables are properly combined and used. The Wald chi2 value of 149.25 with a P-value of 0.000 signified that the model is fit for the study.

Test of Hypotheses

To examine the effect of ownership structure on corporate social responsibility of consumer goods firms in Nigeria, the formulated hypotheses were tested using a random effect regression model:

Table 8 indicates that the z-value of 3.19 and the corresponding p-value of 0.001 shows that managerial ownership (MO) has a significant positive effect on corporate social responsibility of consumer goods firms in Nigeria for the period under review. Based on this, the null hypothesis which says that managerial ownership (MO) has no significant effect on corporate social responsibility of consumer goods firms in Nigeria is rejected.

Table 8 also reveals that the z-value of -4.76 and the corresponding p-value of 0.000 shows that institutional ownership has a significant negative effect on corporate social responsibility of consumer goods firms in Nigeria for the period under review. Based on this, null hypothesis two which says that institutional ownership has no significant effect on corporate social responsibility of consumer goods firms in Nigeria is rejected.

The further results in Table 8 above show that the z-value of -0.27 and the corresponding p-value of 0.787 shows that ownership concentration has an insignificant negative effect on corporate social responsibility of consumer goods firms in Nigeria for the period under review. Based on this, null hypothesis three which says that ownership concentration has no significant effect on corporate social responsibility of consumer goods firms in Nigeria is accepted. Table 8 finally reveals that the z-value of 4.64 and the corresponding p-value of 0.00 show that firm size has a significant positive effect on corporate social responsibility of consumer goods firms in Nigeria for the period under review.

Discussion of Findings

The study reveals that managerial ownership (MO) has a significant positive effect on corporate social responsibility of consumer goods firms in Nigeria. This implies that an increase in managerial ownership (MO) within consumer goods firms in Nigeria positively influences corporate social responsibility. Specifically, the study indicates that for every unit increase in managerial ownership, there is an associated increase of 0.005 in the expenditure on corporate social responsibility by financial firms in Nigeria. Notably, this aligns with the researcher's initial expectations and further resonates with the enlightened stakeholder theory, which underscores the importance of a firm's responsibility to benefit all stakeholders, not just the shareholders. Furthermore, the research highlights that managerial ownership (MO) significantly contributes to enhancing corporate social responsibility within quoted financial firms in Nigeria. This outcome corroborates the earlier findings of Alhassan and Basariah (2016) as well as Ching-Chung and Tran (2022). However, it diverges from the results presented by Nugraheni et al. (2022).

The study reveals that institutional ownership (IO) has a significant negative effect on corporate social responsibility of consumer goods firms in Nigeria. This implies that an increase in institutional ownership appears to correspond with a decrease in the allocation of resources towards corporate social responsibility, with a coefficient of -0.004. These findings deviate from the initial expectations of the researcher and appear to contradict the principles of the enlightened stakeholder theory. This theory posits that a firm's responsibilities extend beyond maximizing shareholder value to encompass the welfare of all stakeholders. In line with prior research by Alhassan and Basariah (2016), the study also confirms the significant effect of institutional ownership (IO) on the corporate social responsibility practices of consumer goods firms in Nigeria. However, this finding diverges from the findings of Heni and Ifan (2018).

The study reveals that ownership concentration has an insignificant negative effect on corporate social responsibility of consumer goods firms in Nigeria. The study's findings suggest that ownership concentration has a negligible and adverse impact on the corporate social responsibility initiatives of consumer goods firms in Nigeria, with a recorded decrease of approximately 0.006. Surprisingly, this contradicts the initial expectations of the researcher. Moreover, it does not align with the principles of the enlightened stakeholder theory, which underscores the importance of companies benefiting all stakeholders, not solely the shareholders. Interestingly, the study's discovery mirrors the results of previous research by Ching-Chung and Tran (2022). However, it diverges from the findings drawn by Alhassan and Basariah (2016) as well as Faizah et al. (2013).

CONCLUSION

The consumer goods firms in Nigeria ensuring that their directors hold a significant percentage of shares in their firms will increase the level of corporate social responsibility. The holding of a good percentage of shares by the companies' directors will make them more committed and diligent in the management of the affairs of the companies which will, in turn, increase the amount spent on corporate social responsibility in consumer goods firms in Nigeria. Also, the increase in institutional ownership of consumer goods firms reduces the amount spent on corporate social responsibility in Nigeria. The large institutional holding in the consumer goods firms will give them opportunities to control the firms in their interests as against the interests of other stakeholders which will lead to the reduction in corporate social responsibility in Nigeria. The over-concentration of ownership of consumer goods firms in a few hands reduces the amount spent on corporate social responsibility in Nigeria. The over-concentration of shares in the hands of a few shareholders in the consumer goods firms will give them opportunities to control the firms in their interests as against the interests of other stakeholders which will lead to the reduction in corporate social responsibility in Nigeria.

Based on the above conclusion, the following recommendations are proffered:

(i) The consumer goods firms in Nigeria should ensure that their directors hold at least 15-20 per cent of shares in their firms to make them more committed and increase the amount to be spent on corporate social responsibility in their firms.

(ii) The consumer goods firms in Nigeria should ensure that institutional investors hold at least 20-25 per cent of shares in their firms to increase the amount to be spent on corporate social responsibility in their firms.

(iii) The consumer goods in Nigeria should discourage over-concentration of ownership in their firms and encourage dilution of ownership to minimize and avoid too much control of organizations in the hands of a few individuals to increase the amount to be spent on corporate social responsibility in their firms.

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DECLARATION OF CONFLICT

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