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Corporate Social Responsibility, Profit After Tax and Return on Asset of Selected Multinational Companies: A Granger Causality Approach

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Abstract
This study investigated the causal relationship among corporate social responsibility (CSR), profit after tax and return on assets of selected quoted multinational companies in Nigeria. The data gathered from the financial statements of the selected quoted multinational companies were analysed using granger causality technique. The result revealed that there was no direction causality between profit after tax and corporate social responsibility as well as the return on assets and corporate social responsibility of the selected multinational companies with estimated probability values ranging from 0.065 to 0.999 > 0.05. Based on the findings, the study concluded that profit after tax and return on assets of the selected multinational companies do not granger cause corporate social responsibility or vice visa. This study established that, despite the huge investment and profit made by the selected multinational companies in Nigeria, there was no significant contribution towards the corporate social responsibility of the nation or hosting communities. Therefore, this study recommended that multinational companies should strived to harness the strength of corporate social responsibility by increasing the amount committed to yield the expected result of performance; multinational companies should investe in the infrastructural development and productivity of their operating environments to boost and enhance their performances.
Keywords: corporate social responsibility, profit after tax, return on asset, multinational, financial statement, granger causality.

1.0 Introduction

Corporate social responsibility encompasses a variety of meanings and anticipated functions that have undergone vital modifications over a period of time. It is important to note and acknowledge the influence of dialogue between governments, business and other civil society groups. The various changes observed from corporate social responsibility have implications on different parties regarding the legal implication, obligations and impact of corporate social responsibility standards. The fact that corporate social responsibility is a cost phenomenon which without doubt increase the operational cost of multinational companies, has become a serious concern as it ultimately has the capability of dampening the profitability prospect.

According to Friedman (1970), there are few readily measurable economic benefits of corporate social responsibility, despite the cost implication and notable influence on the profit margin of organizations. In recent times, a call for more corporate social responsibility has increased especially in the context of multinational companies. Effect of such spending on corporate financial performance had triggered curiosity of researchers and policy makers to examine whether corporate social responsibility has a link with profitability of the multinational companies. The nature of the nexus between corporate social responsibility and profitability has remain inconclusive over the years as myriad of investigations has resulted into conflicting discoveries both in the context of developed and few developing countries where studied were carried out. Kapoor and Sandh (2010) discovered that there is no detrimental penalty for allocation of some resources towards corporate social actions rather such investments might be beneficial in terms of more profits.

Antoni and Portale (2010) found out that the adoption of good practices of corporate social responsibility in social cooperatives has a very important role in determining the productivity of workers which is a sine-qua-non to improved profitability. In the word of Doane (2005), businesses have to be profitable to exist and social and environmental goals are not the answer to a business being competitive. Mordi, Opeyemi, Tonbara, and Ojo (2012) asserted that corporate social responsibility is a distraction for the economics of the business. In Nigeria, investigations carried out to delineate the relationship between corporate social responsibility and corporate financial performance, reflect conflicting discoveries. Studies by Adebayo, Oluwatoyosi, and Elizabeth (2012), Adeyanju, (2012), Babalola, (2012), Richard and Okoye, (2013) revealed that there is a notable relationship between corporate social responsibility and financial performance of organizations in Nigeria. However, most of these studies only examined the relationship between corporate social responsibility and profitability but failed to establish the direction of causal relation between the variables. Therefore, this study was carried out to determine the extent of the relationship among corporate social responsibility, profit after tax and return on asset. The study also seeks to establish the direction of causality using granger causality technique among the aforementioned variables on the selected quoted multinational companies in Nigeria.

2.0 Literature Review

Corporate social Responsibility and Financial Performance

The relationship between corporate social performance (CSP) and CFP has been a hot debate topic of scholars for a half century (Dodd, 1932; Jarrell and Peltzman, 1985; Hoffer, Captor and Dae, 2012; Preston and O'Bannon, 1997; Waddock and Graves, 1997; Griffin and Mahon, 1997; McWilliams and Siegel, 2000; and Simpson and Kohers, 2002). The empirical study result on the CSP and CFP link have never been in agreement, as some studies determined negative correlation, some determined positive correlation, while others determined no correlation at all. The viewpoint for positive correlation between CSP and CFP suggests that as a company's explicit costs are opposite of the hidden costs of stakeholders, therefore, this viewpoint is proposed from the perspectives of avoiding cost to major stakeholders and considering their satisfaction (Cornell and Shapiro, 1987).

López, Garcia and Rodriguez, (2007) reported a negative relationship between CSR and CFP by conducting a study on firms listed on the Dow Jones Global Index. Brammer and Millington (2008) showed that unusually poor social performers have higher financial performance in the short run. Also, Vance (1975) found a negative correlation between CSR and corporate performance measured as stock market performance in the United States. There are also some studied that revealed no relationship between CSR and CFP. Fauzi (2009) investigate the relationship between CSR and CFP in companies listed on New York Stock Exchange. Selecting a sample of 101 listed companies, the study established that there is no effect of CSR on CFP. Sandhu and Kapoor (2005) also discovered that there is no relationship between CSR and CFP. Nelling and Webb (2009) suggested that strong stock market performance leads to more investment in employee relations aspect of CSR but CSR activities do not affect financial performance. Simpson and Kohers (2002) examined the link between CSR and CFP in the banking industry. Using the Community Reinvestment Act ratings as a social performance measure and return on assets and losses from loan to total loans as CFP measures, they find a positive relationship between social and financial performance. Chih, Chih and Chen, (2010) explored a total of 520 financial firms in 34 countries for the period 2003-2005 and found that there is no relationship between CSR and CFP. On the contrary, Wu and Shen (2013) report that CSR is positively associated with financial performance measured by return on assets, return on equity, net interest income, and non-interest income by examining 162 banks in 22 countries between 2003-2009.

In addition, this theory further infers that commitment to CSR would result in increased costs to competitiveness and decrease the hidden costs of stakeholders. This argument is meaningful and reasonable, as good relationships with employees, suppliers and customers are necessary for the survival of a company. Bowman and Haire (1975) pointed out that some shareholders regard CSR as a symbolic management skill, namely, CSR is a symbol of reputation and the company reputation will be improved by actions to support the community, resulting in positive influence on sales. Therefore, when a company increases its costs by improving CSP in order to increase competitive advantages such CSR activities can enhance company reputation thus, in the long run CFP can be improved by sacrificing the short term CFP. When carrying out CSR activities, increased costs will result into little gain if measured in economic interests. When neglecting some stakeholders such as employees or the environment, result in a lower CSP for the enterprise and as result improved the CFP.

Waddock and Graves (1997) indicated that this theory was based on the assumption of negative correlation between CSP and CFP some other studies suggested that CSR is not related to CFP at all. Ullmann (1985) pointed out that there is no reason to anticipate the existence of any relationship between CSR and CFP, as there are many variables in between the two. On the other hand, the issue of CSP measurement may also cover the link between CSP and CFP. McWilliams and Siegel (2000) also established that the relationship between CFP and CSP would disappear with introduction of more accurate variables, such as the R&D strength, into the economic models .Social responsibility is a powerful way of making sustainable competitive profit and achieving lasting values for the shareholders as well as for the stakeholders. Therefore being involved in social responsibility is a win-win opportunity not just for companies and financial investors but also for the society at large.

Empirical Review

Weshah, Dahiyat, Awwad and Hajjat (2012) examined the association between corporate social responsibility and bank size, the level of risk in bank and advertising intensity on one hand and corporate financial performance on the other hand. Thirteen Jordanian commercial banks listed on Jordanian stock exchange for the year 2011 were selected for the study. A multiple regression method was adopted for the study and it was observed that a positive relationship exists between corporate social responsibility and corporate financial performance; corporate financial performance positively related with bank size, the level of risk and advertisement expenses of the banks. Ekatah, Samy, Bampton & Halabi (2011) studied the relationship between corporate social responsibility and profitability of Royal Dutch Shell Plc in UK for the period of 2001-2005. Principal component analysis method was used for the study and the result showed that a positive relationship between corporate social responsibility and profitability of the company.

Buckingham (2012) carried out study to investigate the impact of corporate social responsibility dimensions such as environment, employee and community on three financial aspects such as profitability, market value and stock return in the UK. The collected data from ethical investment research information service database for over a period of 2003-2007 was analysed using descriptive statistics, ordinary least square regression technique and generalized method of moment. The result revealed that corporate social responsibility had a positive impact on return on asset and a negative impact on return on sales; corporate social responsibility and market value were positively correlated but their relationship was statistically insignificant; corporate social responsibility had insignificant positive impact on stock return and that one also insignificant and the result further revealed that corporate social responsibility was positively related to profitability of the UK stock market. Ngwakwe (2009) examined the link between CSR practices and CFP only focusing on the manufacturing industry. Findings from the study showed a positive link exists between CSR and CFP. Bolanle, Olanrewaju and Muyideen, (2012) study on corporate social responsibility and financial performance of banks in Nigeria and discovered that the relationship between CSR and financial performance is positive.

Cheung and Mak (2010) evaluated the relationship between corporate social responsibility disclosure and financial performance of 57 publicly traded commercial banks. The data obtained from Bloomberg ESG database between the periods of 2006-2009 was analysed using regression technique. From the result, it was revealed that there was no significant relationship between corporate social responsibility disclosure and financial performance of the selected banks under study. Babalola, (2013) employed Ordinary Least Square using CSR investment as proxy for CSR, while profit after tax was used as proxy for financial performance. The result reported a negative relationship between CSR investment and profit after tax. Uadiale & Fagbemi, (2012) employed multiple regressions to measure CSR by: community performance, environmental management system and employee relations. Performance was measured in terms of return on equity and return on assets. The results show that CSR has a positive and significant relationship with the financial performance measures.

Enahoro, Akinyemi and Olutoye (2013) applied multiple regression method to examine the relationship between CSR measured by companies' CSR investment and performance measured by PBT and companies turnover. The results revealed a significant relationship between CSR and profit before tax on one hand; and CSR and turnover on the other hand. It was recommended that firms increase their investments in CSR as this would boost their financial performance in the long run. Iqbal, Ahmad, Hamad, Bashir and Sattar, (2014) used least square to study CSR measured by donations and financial performance measured by Net Profit and Earnings Per Share. From the result it was discovered that there is a positive relationship between CSR and financial performance in banking sector of Pakistan.

Adeneye and Ahmed (2015) assessed the influence of corporate social responsibility on performance 500 UK companies. They selected market to book value, company size and return on capital employed as the performance indicator of the companies. Descriptive statistics, regression and correlation analysis technique were employed for the study. The result revealed that corporate social responsibility was a positively related with market to book value and return on capital employed but negatively relationship with company size. Thus, rendering more corporate social responsibility activities will give the company more competitive advantage. Dzhavdatovna, Rashadovna and Alexandrovna (2014) examined the impact of corporate social responsibility on financial efficiency of 10 large companies selected from the energy sector of fusion federation in Russia for the year 2009-2011. A descriptive analysis and ordinary least square regression was employed for the study and it was discovered that a positive relationship exists between corporate social responsibility and firm's financial efficiency.

Malik and Nadeem (2014) examined the extent to which corporate social responsibility influence the financial performance of banks in Pakistan for the period of 2008-2012. The regression method employed for the study showed that a positive relationship between corporate social responsibility and profitability indicator. Siddiq and Javed (2014) examined the effect of corporate social responsibility on the organizational performance of six companies in Pakistan. The corporate social responsibility was measured by perceived corporate social responsibility and perceived stakeholder relationship and return on asset and total turnover as indicators of organizational performance. The study adopted descriptive statistics, correlation and regression for the analysis of the data gathered. The correlation result showed that corporate social responsibility measure and organizational performance were positively correlated; the regression result revealed that perceived corporate social responsibility had insignificant positive relationship with organizational performance and perceived stakeholders relationship insignificant and negatively affect the organizational performance.

However, this study further investigate the relationship and the direction of causal relationship among corporate social responsibility, profit after tax and return on asset of some selected multinational companies in Nigeria using granger causality. This will give insight about the selected quoted multinational companies on their corporate social responsibility to the hosting nation and community in relation to their profit after tax and return on asset which without doubt contribute to the knowledge and serve as a valuable source of information to researchers interested in the area.

3.0 Research Method

Area of the Study

The researchers used 10 multinational companies purposively selected from all the multinational companies quoted on the Nigeria Stock Exchange. Companies selected included Guinness Nigeria Plc, Oando Nigeria Plc, Cadbury Nigeria Plc, Nigeria Breweries Plc, Unilever Nigeria Plc, Total Nigeria Plc, 7UP bottling company, Chellaram Plc, Nestle Plc and AG Leventis Plc.

Nature and Sources of Data

The secondary data used in this study were collected from the annual financial statements of the selected multinationals and were gathered using extraction method. It covered the periods of 2010-2014.

Theoretical Underpinning of the Study: Stakeholders Theory

Stakeholder theory is very basic to corporate responsibility. Freeman's stakeholder theory was proposed in 1970 and it asserted that managers must satisfy a variety of constituents such as: workers, customers, suppliers, local community and organization. According to the Stakeholder theory, it is not sufficient for managers to focus exclusively on the needs of stockholders, or the owners of the corporation. McWilliams and Siegel (2000) said it will be of great benefit for the firm to engage in certain corporate social responsibility activities that non-financial stakeholders perceive to be important because without some of the social responsibilities to customers, workers and the local community; these groups might withdraw their support for the firm. A fundamental aspect of stakeholder theory is that it identified numerous factions within a society to whom an organization may have some responsibility. Stakeholder theory is a theory of organizational management and business ethics that addresses moral and values in managing organizations in other to enhance their profitability. In the traditional and shareholder view of the firm, the shareholders or stakeholders are the owners of the company and the firm has a binding financial obligation to put their needs first such as raising their profitability level. However, stakeholder theory argued that there are other parties that needed to be considered in adding value to the firm and increasing firms' profitability which can be achieved through corporate social responsibility to governmental bodies, political groups, trade associations, trade unions, communities, financiers, suppliers, employees and customers. Stakeholder concept provided a new way of thinking about strategic management. By paying attention to strategic management that can put a corporation back on the road to success.

Model Specification

This work adopted the model of Akinleye and Adedayo (2017) and Amole, Adebiyi and Awolaja (2012) which is in tandem with other studies on the connection between corporate social responsibility and financial performance such as Waddock and Graves (1997) and Mcwilliams and Siegel (2000). In the adopted model, financial performance was proxied by profit after tax while, corporate social responsibility was proxied by corporate social responsibility expenditure.

For simplicity the model adopted in this study is given as:

$$PAT = \alpha_0 + \alpha_1 CSRE + \varepsilon. \quad \ldots\ldots \quad 3.1$$

However the work modified this model using profit after tax (PAT) and return on assets (ROA) as measures performance of multinational companies as dependent variables while, corporate social responsibility (CSR) served as explanatory variable. Thus, the modified model for this study is stated in functional forms as follows:

$$PAT = f(CSR) \quad ---------------- \; 3.2$$

$$ROA = f(CSR) \quad ---------------- \; 3.3$$

The models as stated in 3.2 and 3.3 were transformed and stated in mathematical form as given in 3.4 and 3.5

$$PAT_{it} = \alpha_{10} + \alpha_{1i} CSR_{1it} + \mu_{1i} \; ---------------- \; 3.4$$

$$ROA_{it} = \alpha_{20} + \alpha_{2} CSR_{2it} + \mu_{2i} \; ---------------- \; 3.5$$

Where:

PAT = Profit After Tax

ROA = Return on Asset

CSR = Corporate Social Responsibility

μ_i(s)=Stochastic Error Terms

Definition of Variables

Profit after tax

Profit after tax (PAT) connotes the net amount earned by a business after all taxation related expenses have been deducted. Profit after tax is often a better assessment of what a business really earns and hence can be used in the operation. This amount is the final residual amount of profit generated by an organization. Profit after tax is considered the best measure of the ability of an entity to generate a return since it incorporates both operating income and income from other sources such as interest income.

Return on assets

Return on assets (ROA) is the ratio of annual net income to average total assets of a business during a financial year. It measures the efficiency of the business in using its assets to generate net income. It is a profitability ratio. The formula to calculate return on assets is:

$$ROA = \frac{Annual\ Net\ Income}{Average\ Total\ Asset}$$

Net income is the after tax income. It can be found on the income statement. Average total assets are calculated by dividing the sum of total assets at the beginning and at the end of the financial year by 2. Total assets at the beginning and at the end of the year can be obtained from the year ending balance sheets of two consecutive financial years. Return on assets indicates the amount earned on each naira spent on assets. Thus higher values of return on assets show that business is more profitable. An increasing trend of ROA indicates that the profitability of the company is improving. Conversely, a decreasing trend means that profitability is deteriorating.

Corporate Social Responsibility

This is the total amount spent on all forms of corporate social responsibility engaged in by the company for the year. It comprised of the fund that goes from the company into donations, programs, award and other community development services for a period of time, usually a year.

Method of Data Analysis

The study employed descriptive analysis, correlation and granger causality approach.

4.0 Result and Discussion

Table 4.1: Descriptive Statistics of Variables

Variable	Obs	Mean	Std. Dev.	Min	Max
PAT	50	7230.903	19573.16	-102400	43080
ROA	50	9.37569	9.47187	-36.83996	26.51654
CSR	50	43.3038	52.50078	.25	207

Source: Authors' Computation, 2017

Table 4.1 presents the descriptive analysis of the variables for assessing the causal link between the corporate social responsibility on the profit after tax and return on asset of the selected quoted multinational companies in Nigeria. Thus, it was discovered that the average amount of profit after tax (PAT), return on assets (ROA) and corporate social responsibility (CSR) for the selected quoted multinational companies in Nigeria under study are #7230.90, #9.38 and #43.30 million respectively. The minimum and maximum values of profit after tax (PAT), return on assets (ROA) and corporate social responsibility (CSR) in million of naira are -102400 & 43080, -36.84 & 26.52 and 0.25 & 207 respectively during the period under study. The standard deviation values of 19573.16, 9.47 and 52.50 revealed the amount through which profit after tax (PAT), return on assets (ROA) and corporate social responsibility CSR) of the selected quoted multinational companies under consideration deviates from their respective expected or mean values.

Table 4.2: Correlation Analysis Result

	PAT	ROA	CSR
PAT	1.0000		
ROA	0.8518	1.0000	
CSR	0.0249	-0.1221	1.0000

Source: Authors' Computation, 2017

The correlation coefficients presented in Table 4.2 showed the degree or the extent of relationship that exist among the variables under investigation. From Table 4.2, it was discovered that a strong positive correlation exists between profit after tax and the return on assets of the selected quoted multinational companies with correlation coefficient of 0.85. This result implies that as the return on assets increases, the profit after tax for the selected quoted multinational companies also increased or vice visa. It was also discovered that a positive but weak correlation existed between the profit after tax and corporate social responsibility with the 0.02 correlation coefficient. Thus, an increase in profit after tax of the selected quoted multinational companies had been accompanied by more corporate social responsibility but in a very small magnitude. However, the correlation between return on assets and the corporate social responsibility was a weak negative correlation. The coefficient of correlation -0.12 implies that as the return on assets of the selected quoted multinational increased their corporate responsibility decreased or vice visa. Thus, the need for the selected quoted multinational companies in Nigeria to invest more on corporate social responsibility such as education development, infrastructural development and technological advancement of the hosting community or nation.

Table 4.3: Granger Causality Result

Null Hypotheses	F-Statistics	Probability	Remark
GUINNESS NIG PLC			
CSR does not Granger Cause PAT	0.00018	0.9914	Accept H_0
PAT does not Granger Cause CSR	95.0328	0.0651	Accept H_0
CSR does not Granger Cause ROA	3.43670	0.3149	Accept H_0
ROA does not Granger Cause CSR	0.00047	0.9862	Accept H_0
OANDO NIG PLC			
CSR does not Granger Cause PAT	2.4E-06	0.9990	Accept H_0
PAT does not Granger Cause CSR	208.868	0.0440*	Reject H_0
CSR does not Granger Cause ROA	441.266	0.0303*	Reject H_0
ROA does not Granger Cause CSR	0.00418	0.9589	Accept H_0
	CADBURY NIG PLC		
CSR does not Granger Cause PAT	29.5813	0.1158	Accept H_0
PAT does not Granger Cause CSR	6.83862	0.2325	Accept H_0
CSR does not Granger Cause ROA	0.71998	0.5521	Accept H_0
ROA does not Granger Cause CSR	4.68359	0.2756	Accept H_0
BREWERIES NIG PLC			
CSR does not Granger Cause PAT	0.23134	0.7146	Accept H_0
PAT does not Granger Cause CSR	0.40991	0.6375	Accept H_0
CSR does not Granger Cause ROA	0.23134	0.7146	Accept H_0
ROA does not Granger Cause CSR	0.40991	0.6375	Accept H_0
UNILEVER NIG PLC			
CSR does not Granger Cause PAT	0.26720	0.6963	Accept H_0
PAT does not Granger Cause CSR	1.13774	0.4795	Accept H_0
CSR does not Granger Cause ROA	0.26720	0.6963	Accept H_0
ROA does not Granger Cause CSR	1.13774	0.4795	Accept H_0
TOTAL NIG PLC			
CSR does not Granger Cause PAT	46.4950	0.0927	Accept H_0
PAT does not Granger Cause CSR	0.00184	0.9727	Accept H_0
CSR does not Granger Cause ROA	1.34017	0.4536	Accept H_0
ROA does not Granger Cause CSR	1.03127	0.4951	Accept H_0
7UP NIG PLC			
CSR does not Granger Cause PAT	0.30522	0.6787	Accept H_0
PAT does not Granger Cause CSR	10.4329	0.1911	Accept H_0
CSR does not Granger Cause ROA	0.19203	0.7371	Accept H_0
ROA does not Granger Cause CSR	0.18002	0.7445	Accept H_0
CHELLARAM NIG PLC			
CSR does not Granger Cause PAT	0.32386	0.6706	Accept H_0
PAT does not Granger Cause CSR	0.20158	0.7313	Accept H_0
CSR does not Granger Cause ROA	0.13498	0.7759	Accept H_0
ROA does not Granger Cause CSR	0.89731	0.5172	Accept H_0
NESTLE NIG PLC			
CSR does not Granger Cause PAT	0.48967	0.6113	Accept H_0
PAT does not Granger Cause CSR	49.4833	0.0899	Accept H_0
CSR does not Granger Cause ROA	0.11903	0.7885	Accept H_0
ROA does not Granger Cause CSR	0.74965	0.5457	Accept H_0
A. G. LEVENTIS			
CSR does not Granger Cause PAT	0.29871	0.6816	Accept H_0
PAT does not Granger Cause CSR	0.23278	0.7138	Accept H_0
CSR does not Granger Cause ROA	0.00146	0.9757	Accept H_0
ROA does not Granger Cause CSR	0.90336	0.5162	Accept H_0

Source: Authors' Computation, 2017

Table 4.3 present causal links between the profit after tax and corporate social responsibility on one hand and the causal connection between the return on assets and the corporate social responsibility on the other hand for the selected quoted multinational companies. The result showed the direction of a causal relationship between each pair of the variables profit after tax, return on assets and corporate social responsibility of each of the selected quoted multinational companies in this study. From the result, it was discovered that there was no direction causality between profit after tax and corporate social responsibility as well as the return on assets and corporate social responsibility of the Guinness Nigeria Plc, Cadbury Nigeria Plc, Nigeria Breweries Plc, Unilever Nigeria Plc, Total Nigeria Plc, 7-UP bottling company, Chellaram Plc, Nestle Plc and A.G. Leventis Plc. This is evidenced from estimated probability values of each of the selected quoted multinational companies ranging from 0.065 to 0.999 > 0.05. The probability of the error margin allowed for the estimations. Thus, the profit after tax and the return on asset of the aforementioned multinational companies do not granger cause corporate social responsibility or vice visa. In other word, despite the huge investment and the profit made year in year out by the multinational companies in Nigeria, the study established that there was no any significant contribution towards corporate social responsibility of the nation or hosting communities. It must be noted according to Nolan Norton & Co (2009), that corporate social responsibility by expectation should initiated a good rapport between an organization and the business environment, hence building social reputation would aid the expansion of business operation of the multinational companies and improved their performance. Also, Korkchi and Rombaut (2006) opined that if there is conscious commitment on corporate social responsibility on the part of the selected quoted multinational companies toward sustainable development and improve quality of life of the host community or nation, then, corporate social responsibility would undoubtedly culminate into better performance. However, the result revealed that 0.04 and 0.03 < 0.05 which showed a unidirectional causal relation between the profit after tax and the corporate social responsibility on one hand and corporate social responsibility and return on asset on the other hand. Thus, profit after tax granger cause corporate social responsibility and corporate social responsibility granger cause return on assets for Oando Nigeria Plc.

5.0 Conclusion and Recommendations

The study established that there was no direction causality between profit after tax and corporate social responsibility as well as the return on asset and corporate social responsibility of the sampled firms. This implies that profit after tax and the return on assets of the aforementioned multinational companies do not granger cause corporate social responsibility or vice visa. The study recommended that multinational companies should build social reputation that would aid the expansion of business operation of the aforementioned multinational companies and improved their performance; also, conscious commitment to corporate social responsibility on the part of the selected quoted multinational companies toward sustainable development and improve quality of life of the host community or nation would undoubtedly resulted in their better performance.

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