Corporate Social Responsibility Disclosure and Financial Performance of Listed Insurance Firms in Nigeria

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ABSTRACT: *The backdrop of contending views that CSR is merely façade, just a marketing campaign, and that CSR disclosures among insurance companies in Nigeria are very scanty; whereas organizations desire to be seen as legitimate corporate citizens satisfying various stakeholders, justify this study to examine the relationship between corporate social responsibility disclosure and financial performance of listed insurance companies in Nigeria. Based on the ex-post-facto research design, this study employed secondary data obtained from published financial statements of sampled seven insurance firms between 2015 and 2022. These seven insurance companies are all currently listed in Nigerian Exchange Group. The data gathered was analysed using simple linear regression technique based on the ordinary least square method assisted by E-Views version 9. Three hypotheses were formulated and tested at 0.05 level of significance based on the specific study objectives, using the results of analysis. The findings revealed that corporate social responsibility disclosures have statistically positive significant relationship with earnings per share, net profit margin, and return on assets of listed insurance firms in Nigeria. It was recommended that the management of insurance companies should adopt policies that would favour appropriate increase in corporate social responsibility to enhance performance and peaceful coexistence with their host communities.*

KEYWORDS: assets, earnings, legitimacy, performance, profit, returns, stakeholder

INTRODUCTION

Corporate social responsibility (CSR) has become a strategic issue for companies in many countries. Recently, companies in developing countries have begun to disclose social, environmental and community involvement, professional development of employees, and other information related to CSR in their annual financial report (Jitaree, 2015). Many organizations have incorporated the concept of corporate social responsibility into their strategies and focus on actively supporting society and the environment to make a difference for their stakeholders. It is no longer acceptable for companies to experience economic prosperity independently of the actors affected by their actions. Companies now need to focus on increasing profits and being good corporate citizens. To keep pace with global trends and continue to meet financial obligations that serve both private and public benefits, companies are being forced to redesign their frameworks, rules, and business models.

Businesses work to improve the standard of living for the general public as well as the communities in which they operate. Initiatives carried out with the goal of enhancing society without seeking projected financial advantage are categorised as corporate social responsibility. In contemporary times, the primary objective of CSR is to maximise an organization's overall impact on stakeholders and society. An increasing number of companies are fully incorporating corporate social responsibility policies, procedures, and initiatives into every facet of their business operations and processes (Kavitha & Anuradha, 2016). The demand for transparency is increasing, and there is greater expectation for companies to measure, report and continuously improve their social, environmental and economic performance. According to McWilliams and Siegel (2000), CSR is the behaviour that occurs to promote the good of society, beyond corporate needs and legal requirements.

Corporate Social Responsibility shows that companies must be responsible to the society and the environmental stakeholders in which they operate. Therefore, companies know that they cannot separate their work from society. Responsible companies must not only increase the value of shareholders, but also take responsibility for others, stakeholders (including employees, customers and suppliers), government, environment and society. In developing countries, ecological and environmental problems have pressured the business world through pressure groups and regulations. Stakeholders are becoming increasingly aware of the environmental damage caused by corporate irresponsibility. This has increased the pressure on companies to do justice, especially in developing countries, where companies have to pay more through fines, taxes, lawsuits and civil unrest.

A lot of companies, especially those that are traded on the stock market, now publish information about their CSR efforts on their websites or in their annual reports. As a result, it is usual to come across an environmental report, a social responsibility report, a governance report, or a general CSR report that tells the company's external stakeholders about the initiatives it is taking to be responsible for something beyond its normal business activities.

Studies have indicated that the incorporation of corporate social responsibility into a business's policy can lead to improvements in profitability, sustainability, patronage, integrity, and reputation (Eze & Bello, 2016). Carpenter et al. (2010) state that some opponents contend that corporate social responsibility, as practiced by certain organisations, is merely a facade. Many people have the common misconception that corporate social responsibility initiatives are just marketing campaigns used by businesses to boost their brands. Eze and Bello (2016) go on to say that a lot of Nigerians don't know what corporate social responsibility is, therefore when a firm does anything "supposedly big" for the community, the management of that company receives accolades for their generosity and goodwill.

Companies frequently consider how their operations affect the environment, local communities, workers, and other pertinent stakeholders. Because they provide services, insurance businesses do not harm the environment. But, they have expenses associated with operating the company. Organisations are required to include social responsibility issues in their annual reports under the International Financial Reporting Standard (IFRS) on the disclosure convention. Because there isn't currently an accounting standard in Nigeria for reporting on corporate social responsibility accounting, organisations have been forced to create various social responsibility reporting strategies, policies, and philosophies. Since the implementation of IFRS, more social costs have been reported in annual reports through the chairman's statement, director's report, and notes to the account; nonetheless, Onyekwelu and Uche (2014) observed that the qualitative information in these reports is quite brief and scanty regarding CSR disclosure.

A corporation's resources are also ill-suited to deal with social issues that belong in the hands of the government, such as community investment and human rights. One argument against misallocating resources is this. The question of whether CSR initiatives can impact insurance companies' financial performance must thus be thoroughly investigated. Decision-making and resource allocation for CSR initiatives may benefit insurance companies from this. This study aimed to examine the nexus between CSR disclosure levels and financial performance amongst listed Insurance companies in Nigeria. This is undertaken using data collected from the annual reports of insurance firms listed on the Nigerian Exchange Group (NGX).

Against the background provided above, the goal of this study was to examine the impact of corporate social responsibility disclosure on financial performance of listed insurance firms in Nigeria. In more specific terms, the study aimed to:

1. Determine the effect of corporate social responsibility disclosure on earnings per share of insurance companies
2. Examine the effect of corporate social responsibility disclosure on net profit margin of insurance companies
3. Evaluate the effect of corporate social responsibility disclosure on return on asset of insurance companies

These objectives form the basis of the research questions addressed and the hypotheses tested in this study. The background literature reviewed, methodology adopted, results of analysis and discussion, as well as conclusion and recommendations are presented in the following sections of this paper.

LITERATURE REVIEW

Conceptual Review

Corporate Social Responsibility

A firm can become more socially accountable to the public, its stakeholders, and itself by implementing a self-regulating business model known as corporate social responsibility (CSR). Through the implementation of corporate social responsibility, also known as corporate citizenship, businesses can become aware of the effects they are having on the social, economic, and environmental facets of society. A corporation that practices CSR operates in a way that improves society and the environment rather than harming them during normal business operations. The capacity of an organisation to contribute to the development and progress of the community in which it works is known as corporate social responsibility. It delineates the unpaid contributions made to society by an organisation. A positive brand image for the company in society and an increase in purchasing behaviour are the results.

CSR within Insurance Companies

Insurance companies function as financial intermediaries within society, undertaking tasks such as pricing and valuing financial assets, monitoring borrowers, managing financial risks, and providing coverage for adverse financial circumstances and events that individuals typically seek to avoid (Greenbaum & Thakor, 2007). Through these functions, insurance companies have a significant impact on society (Scott, 2003). Given that corporate social responsibility has become a fundamental concept in the corporate realm and is considered a crucial management concern, it is imperative for insurance companies to incorporate CSR into their organizational framework. CSR initiatives undertaken by insurance firms often encompass various areas such as community development, education, environmental conservation, and healthcare enhancement, among others (Ruiter, 2022). The aim of engaging in CSR activities may be to effect meaningful societal change and enhance overall quality of life (Kavitha & Anuradha, 2016).

When implementing CSR policies, insurance companies should consider the interests of various stakeholders including customers, employees, shareholders, intermediaries, suppliers, regulators, and the broader society, ensuring that these policies benefit all involved parties. As stakeholders' interests vary, insurers should prioritize those who are directly impacted by or aligned with their business activities in order to enhance their market reputation. Effective CSR initiatives can enhance employee engagement and loyalty, leading to reduced turnover rates. Furthermore, by positively influencing society and the competitive landscape of the market, CSR efforts may contribute to long-term sustainability and profitability. Ultimately, this can make insurers more attractive to investors, who are increasingly focusing on CSR and corporate governance issues (Kavitha & Anuradha, 2016).

In terms of influencing sustainable development, insurance companies face a fundamental limitation due to the indirect and intermediary nature of their operations. While insurance companies facilitate a wide range of activities and projects by providing insurance coverage, ultimately, the success or failure of these endeavours rests with the entrepreneur. Insurance firms encounter additional challenges in terms of ensuring that entrepreneurs consider social, ethical, and environmental factors in both their insurance offerings and investments (Scholtens, 2011).

Financial Performance

Financial performance encompasses a comprehensive evaluation of a company's position by analysing its assets, liabilities, revenue, expenses, profit, and other relevant factors. Various measures such as profitability, liquidity, and efficiency are considered when assessing financial performance. It serves as a broad indicator of an organization's overall financial well-being. Financial performance analysis involves scrutinizing the operational and financial characteristics of a firm through examination of its accounting and financial statements. The objective of this analysis is to evaluate the effectiveness and competence of the firm's management, as evidenced by its financial records and reports. Analysts seek to gauge the firm's liquidity, profitability, and other indicators to ensure that business operations are conducted in a rational and sustainable manner, yielding adequate returns to shareholders to at least maintain market value.

Earnings per Share (EPS)

A company's profitability is measured by its earnings per share (EPS), which is determined by dividing its quarterly or yearly income (after deducting dividends) by the total number of outstanding shares. An increased in EPS indicates a higher perceived profit and value by investors for the organisation. Since it shows a company's profitability per share, EPS is an important metric for investors. Greater profitability is typically indicated by higher EPS, and this might draw in more investors and possibly raise the price of the shares.

Return on Assets (ROA)

Return on assets (ROA) is a financial indicator used to assess how well a business generates money from its assets. ROA indicates how well a company utilizes its assets to generate profits. It calculates a company's net income as a proportion of total assets. A company's ability to use its assets to create profits is indicated by a higher ROA; conversely, a lower ROA implies inefficiency in asset utilisation.

Net Profit Margin (NPM)

Net Profit Margin is a financial ratio called calculates the portion of income that is turned into profit after deducting all costs, interest, taxes, and other out-of-pocket expenses. It shows the percentage of revenue that is still available for net income, which is a measure of profitability. Net profit margin reflects a company's efficiency in managing its expenses and generating profits from its revenue. A larger net profit margin shows that a business is more effective at turning its sales into profits, while a lower net profit margin denotes poorer profitability.

Theoretical Review

Stakeholder Theory

Stakeholder theory is an ethical philosophy of business and organisational management that takes into consideration the various groups that are affected by businesses, including creditors, employees, suppliers, and local communities. It covers principles and values associated with managing an organisation, including those found in the social contract theory, the market economy, and corporate social responsibility. As put forward by Parmar et al (2010), stakeholder can be defined as any group or individual who can affect or is affected by the achievement of an organization’s purpose. Freeman (2010) recognized stakeholder theory as an important element of corporate social responsibility (CSR), a concept that acknowledges the obligations of corporations in the world today, encompassing economic, legal, ethical, and philanthropic dimensions. According to stakeholder theory, organizations strive to address the expectations of all stakeholder groups in their operations. It is essential for organizations to maintain balanced relationships with all stakeholders. When making corporate disclosure decisions, managers should carefully consider and uphold the expectations of all stakeholder groups.

Stakeholder theory serves as the foundational principle of CSR, asserting that businesses can achieve better performance by engaging in socially responsible practices. This entails not only "doing good" but also reaping benefits such as cost savings and decreased business risks, including those stemming from legal action or penalties due to unethical conduct. Furthermore, Chernev and Blair (2015), and Garay and Xavier (2012) highlighted that embracing CSR initiatives can foster stronger employee relationships and motivation, while also garnering legitimacy and broader community support.

Legitimacy Theory

Legitimacy theory posits that organisations always make an effort to make sure that their operations adhere to social norms and boundaries (Deegan et al, 2002). The company's relationships with society are the main emphasis of this legitimacy theory. According to this view, an organisation should adhere to the social norms that are applicable in the community since it is a part of it. According to legitimacy theory, a company's reporting practices and business practices are shaped by the social values of the community and society in which it operates (Ahmad et al, 2003). Therefore, businesses will make an effort to obtain legitimacy if they are aware of the changes in public opinion and the need for them to be socially responsible. In order to accomplish its goals, assure its existence, and reap other benefits, the organisation has to carry out a variety of socially expected acts; society undoubtedly plays a role in determining the efficacy and legality of any particular corporation's activities. Society is putting more pressure on companies to use a portion of their profits to address pressing environmental issues, worker welfare, consumer safety, and involvement in the community. This is a significant departure from the long-held belief that an organization's ability to make money is a reliable measure of its legitimacy (Muwazir, 2011).

The phrase "legitimacy gap" refers to the picture that shows how the firm's values diverge from those of the community in which it operates, putting the company in jeopardy. There will be a legitimacy gap if the business is solely focused on making the most profit and is not considerate of the effects that its actions may have on the community or other stakeholders (Md Mahmud, 2019). Here, corporate social responsibility (CSR) is necessary to close the legitimacy gap by putting business practices into alignment with the expectations of the community.

Empirical Review

Kartadjumena, et al, (2011) researched into the connection between Indonesia's manufacturing industry's financial performance and profit and corporate social responsibility disclosures (CSRD). The study concluded that there is a positive correlation between CSRD and EPS using the t-test and chi-square analytic methods. Using statistical correlations based on content analysis of sustainability reports of the largest 50 companies classified by Global Fortune in 2009, Lungu et al. (2011) investigated the relationship between reporting companies' characteristics and the importance assigned to social and environmental disclosure. Regression analysis was used to address the research hypotheses. The findings indicate that there is no significant negative correlation between the amount of CSR reports that companies publish and firm characteristics measured by assets and revenues. However, there is a significant negative correlation between changes in revenues and return on equity and social and environmental disclosure for the companies in the sample.

Nnenna and Carol (2016) examined the impact of corporate social responsibility on profitability of Nigerian manufacturing firms for the period 2004 to 2013. The resulted showed that with CSR, the impact of corporate social responsibility has positive and significant impact on net profit of manufacturing firms in Nigeria. The implication is that as the companies add to the social wellbeing of the society where the company is located it affects their return in terms of profit positively.

Jibril et al (2016) investigated the relationship between corporate social responsibility and financial performance of listed deposit money banks in Nigeria for a period of 6 years from

2008 to 2013. The study utilized data obtained from a sample of twelve banks through their annual reports and accounts. Corporate social responsibility served as the independent variable and was represented by the natural logarithm of the total amount spent on CSR by banks. Return on equity (ROE) and return on assets (ROA) were employed as proxies for financial performance, serving as dependent variables. The research employed multiple regression analysis techniques with the assistance of SPSS to analyse the study data. The results indicated that corporate social responsibility had a positive and significant effect on both return on equity and return on assets, serving as financial performance proxies for listed deposit money banks in Nigeria.

Owolabi et al. (2022) studied the impact of corporate social responsibility on the earnings per share (EPS) of oil and gas companies in Nigeria, using ex-post-facto research design, where 8 Oil and Gas companies in Nigeria were examined for a period of 10 years. Total enumeration sampling technique was adopted for the study, and descriptive and inferential statistics were used to analyse the data. The study's findings demonstrated that corporate social responsibility had no bearing on EPS of oil and gas companies in Nigeria. The study concluded that corporate social responsibility has no significant effect on the earnings per share of oil and gas companies in Nigeria.

Mohammed et al (2016) evaluated the impact of corporate social responsibility disclosure (CSRD) on the financial performance of listed manufacturing firms in Nigeria. The study utilized a sample size of ten (10) manufacturing firms drawn randomly from seven (7) subsectors of the Nigerian manufacturing industry. Secondary data for the study were collected from the financial statements of the sampled firms and analysed with the aid of multiple regression analysis. The study finds an overall significant positive association between CSRD and EPS.

METHODOLOGY

Ex-post facto research design was used in the conduct of this study. Observers cannot directly influence independent variables in ex-post facto studies because their manifestations have already happened or they fundamentally cannot be modified. Due to the nature of this research, there is no manipulation of factors. Twenty-nine (29) of Nigeria's listed insurance firms were included in this study's population. Using the probability sampling approach was chosen since it does not leave the researcher with any choice. The sample size was determined using a random sampling method. Due to a lack of data, the research is only looking at seven (7) insurance providers. Aiico Insurance Nigeria Plc, Cornerstone Insurance, Coronation Insurance Company Nigeria, NEM Insurance Company Plc, Leadway Insurance Nigeria, African Insurance Company Plc, and Axamans Insurance Company are some of the companies that fall under this category. The research was based on panel data from insurance firms' published financial statements for the years 2015 through 2022.With the help of E-

Views version 9, Pearson correlation and simple regression were used to examine the connection between the variables in this study's data.

Model of Specification

The functional linear form specification of the models as adapted from Etale and Levi-Owonaro (2023) are given below. Each shows the proxies of financial performance (EPS, NPM and ROA) expressed as a function of corporate social responsibility disclosure (CSRD). The linear regression models are stated in a functional form as follows:

$EPS = f(CSRD)$ model 1

$NPM = f(CSRD)$ model 2

$ROA = f(CSRD)$ model 3

Where $CSRD$ = Corporate social responsibility disclosure

EPS = Earnings per share

NPM = Net profit margin

ROA = Return on assets

The above models are restated in the form of econometric equations as stated below:

$EPS_{it} = \alpha_o + \alpha_1 CSRD_{it} + \alpha_2$ equation 1

$NPM_{it} = \beta_o + \beta_1 CSRD_{it} + \beta_2$ equation 2

$ROA_{it} = q_o + q_1 CSRD_{it} + q_2$ equation 3

Where:
α_o, β_o & q_o = Intercepts or constant;
α_1, β_1 & q_1 = Coefficient of determination the independent variable to be calculated; and
α_2, β_2 & q_2 = Stochastic value or error terms of the equations.

The ordinary least square regression method (aided by E-Views) was used to analyse the data. The study used the coefficient of determination of the independent variable as the unit to measure the extent to which corporate social responsibility disclosure influenced financial performance (represented by the earnings per share, net profit margin or return on assets of quoted insurance firms from 2015 to 2022. The decision rule is that the null hypothesis would be rejected if the calculated p-value < 0.05, otherwise the null hypothesis would be accepted.

RESULTS AND DISCUSSION

Results

Table 1: Descriptive Statistics

Date: 03/25/24
Time: 09:25
Sample: 2015 2022

	CSRD	EPS	NPM	ROA
Mean	39535481	157.2080	0.488545	0.115455
Median	12658121	61.35000	0.460000	0.050000
Maximum	7.14E+08	605.0000	0.970000	2.000000
Minimum	158927.0	5.000000	0.000000	0.000000
Std. Dev.	99233417	178.7814	0.287366	0.271647
Skewness	5.894691	1.303207	0.076063	6.250798
Kurtosis	40.28488	3.490931	1.887747	43.72118
Jarque-Bera	3504.306	16.12051	2.888069	4158.240
Probability	0.000000	0.000316	0.235974	0.000000
Sum	2.17E+09	8646.440	26.87000	6.350000
Sum Sq. Dev.	5.32E+17	1725990.	4.459284	3.984764
Observations	55	55	55	55

Source: E-Views Output 2024

The mean value of CSR was approximately 39535481, EPS, NPM and ROA had mean values of 157.2080, 0.488545 and 0.115455 respectively. This shows that the average CSR expenditure for all listed insurance firms is roughly 3 billion from the year 2015 to 2022. Another important statistic is skewness which measures the asymmetry of the distribution of series around its mean, the result of the descriptive statistics shows that all the variables are positively skewed. The positive values for the skewness revealed that the data are skewed right this means that the right tail is long relative to the left tail. Lastly, the Jarque-Bera statistics which test for normality or the existence of outliers or extreme values among the variables shows that all the variables are normally distributed.

Test of Hypotheses

Hypothesis 1

H01: There is no significant relationship between corporate social responsibility disclosure and earnings per share of listed insurance companies in Nigeria

Table 2: Regression Result for Equation 1

Dependent Variable: EPS
Method: Panel Least Squares
Date: 03/25/24 Time: 09:30
Sample: 2015 2022
Periods included: 8
Cross-sections included: 7
Total panel (unbalanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	160.6801	26.19536	6.133913	0.0000
CSRD	8.78E-08	2.47E-07	-4.355299	0.0038

R-squared	0.237600	Mean dependent var	157.2080
Adjusted R-squared	0.216447	S.D. dependent var	178.7814
S.E. of regression	180.2456	Akaike info criterion	13.26220
Sum squared resid	1721888.	Schwarz criterion	13.33520
Log likelihood	-362.7106	Hannan-Quinn criter.	13.29043
F-statistic	1.126237	Durbin-Watson stat	0.557709
Prob(F-statistic)	0.003776		

Source: E-Views Output 2024

From Table 2, there is about 23.7 per cent explanation for variance in the dependent variable by using an R-squared value modified to 0.237600. The F-statistic was 1.126237, the hypothesis that all of the regression coefficients are zero is rejected (p.<. 05). For the regression model, F-statistics and an adjusted R-squared suggest that the model has a good fit and can be used to explain CSRD fluctuations. The variable of interest in this study is the p-value of 0.0038 with a positive coefficient of determination value of 8.78. Since the p-value 0.0038 is less than 0.05, the null hypothesis is rejected. Hence, there is a significant relationship between corporate social responsibility disclosure and earnings per share of listed insurance companies in Nigeria.

Hypothesis 2

H02: There is no significant relationship between corporate social responsibility disclosure and net profit margin of listed insurance companies in Nigeria.

Table 3: Regression Result for Equation 2

Dependent Variable: NPM
Method: Panel Least Squares
Date: 03/25/24 Time: 09:29
Sample: 2015 2022
Periods included: 8
Cross-sections included: 7
Total panel (balanced) observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	0.110308	0.039132	2.818907	0.0067
CSRD	2.07E-10	3.73E-10	3.554874	0.0013

R-squared	0.560069	Mean dependent var	0.118393
Adjusted R-squared	0.512744	S.D. dependent var	0.270062
S.E. of regression	0.271778	Akaike info criterion	0.267398
Sum squared resid	3.988614	Schwarz criterion	0.339732
Log likelihood	-5.487137	Hannan-Quinn criter.	0.295441
F-statistic	2.307885	Durbin-Watson stat	2.209577
Prob(F-statistic)	0.001272		

Source: E-Views Output 2024

From Table 3, there is a 56.00 per cent explanation for variance in the dependent variable by using an R-squared value modified to 0.560069. Judging by the coefficient of determination value and p-value of 2.07 and 0.0013 respectively, the null hypothesis is rejected since 0.0013 < 0.05. For the regression model, F-statistics and an adjusted R-squared suggest that the model has a good fit and can be employed to explain NPM fluctuations. Hence**,** there is a significant relationship between corporate social responsibility disclosure and net profit margin of listed insurance companies in Nigeria.

Hypothesis 3

H03: There is no significant relationship between corporate social responsibility disclosure and return on asset of insurance companies

Table 4: Regression Result for Equation 3
Dependent Variable: ROA
Method: Panel Least Squares
Date: 03/25/24 Time: 09:31
Sample: 2015 2022
Periods included: 8
Cross-sections included: 7
Total panel (balanced) observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.509514	0.040617	12.54434	0.0000
CSRD	6.54E-10	3.87E-10	-1.691754	0.0005

R-squared	0.503033	Mean dependent var	0.483929
Adjusted R-squared	0.492747	S.D. dependent var	0.286830
S.E. of regression	0.282095	Akaike info criterion	0.341914
Sum squared resid	4.297182	Schwarz criterion	0.414247
Log likelihood	-7.573578	Hannan-Quinn criter.	0.369957
F-statistic	2.862033	Durbin-Watson stat	1.004207
Prob(F-statistic)	0.016457		

Source: E-Views Output 2024

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From Table 4, there is a 50 per cent explanation for variance in the dependent variable by using an R-squared value modified to 0.503033. For the regression model, F-statistics and an adjusted R-squared suggest that the model has a good fit and can be used to explain ROA fluctuations. The researchers' variable of interest CSRD had a positive coefficient of determination value of 6.54 and p-value of 0.0005. Since the p-value 0.0005 < 0.05, the null hypothesis is rejected. Hence there is a significant relationship between corporate social responsibility disclosure and return on asset of listed insurance companies in Nigeria.

DISCUSSION

First, the findings of this research work revealed that corporate social responsibility disclosure has a positive relationship with earning per share (EPS) of listed insurance firms in Nigeria. This is reflected in the coefficient of determination value of 8.78 and the p-value of 0.0038. Using the established decision rule and given that the calculated p-value, 0.0038 < 0.05, the null hypothesis was rejected. Therefore, the relationship between corporate social responsibility disclosure and earnings per share is positive and statistically significant. This finding supported by the results of Mohammed et al, (2016) and Kartadjumana et al (2011), who reported that corporate social responsibility expenditure has a significant effect on earnings per share of listed firms. However, this does not support the findings of Owolabi et al, (2022) who reported that CSR has no significant relationship with EPS.

Second, the findings of this study revealed that corporate social responsibility disclosure has a positive relationship with net profit margin of listed insurance firms in Nigeria going by the calculated coefficient of determination value of 2.07 and p-value of 0.0013. There is a 56 per cent explanation for variance in the dependent variable by using an R-squared value. Since the p-value of 0.0013 < 0.05, the null hypothesis was rejected. Therefore, the relationship between corporate social responsibility disclosure and net profit margin is positive and statistically significant. This finding supports Nnema and Carol (2016) who reported that corporate social responsibility expenditure has a significant effect on net profit margin of listed firms. However, this does not support the findings of Lungu et al (2011) who reported that CSR has negative significant relationship with revenues and return on equity.

Finally, the findings of this research effects revealed that corporate social responsibility disclosure has positive relationship with return on assets of listed insurance firms in Nigeria. There is a 50.30 per cent explanation for variance in the dependent variable by using an R-squared value. Also, the relationship between corporate social responsibility disclosure and return on assets is positive and statistically significant, given the coefficient of determination value of 6.54 and p-value 0f 0.005 which is less than 0.05. This finding support Jibril et al (2016), who reported that corporate social responsibility expenditures had significant effect on return on assets of listed firms. However, the findings of this study are not in consonance with the findings of Lungu et al (2011).

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

Based on the results of analysis of data obtained from the sample of seven insurance companies included in the study for the period 2015 to 2022, the study findings are summarized as follows**:** Corporate social responsibility has positive significant effect on earnings per share; net profit margin; and return on assets of listed insurance companies in Nigeria.

Conclusion

The study examined the relationship between corporate social responsibility disclosures and financial performance of insurance companies listed on the Nigerian Exchange Group using secondary data obtained from published financial statements of sampled seven companies for the period 2015 to 2022. Based on the ex post facto research design, data was analysed following three simple regression models, evaluated on the basis of ordinary least squares method with the aid of E-Views computer software. From the resulting coefficients of determination and p-values, the study revealed that corporate social responsibility disclosure has a positive and significant relationship with all the financial performance measures (earnings per share, net profit margin and return on assets). The study concluded that corporate social responsibility disclosure has positive effect on financial performance of listed insurance firms in Nigeria.

Recommendations

Based on the findings, the following recommendations were made**:**

i. The study recommends that insurance firms in Nigeria should make effort to increase their commitment to social responsibility activities such as community projects and environmental protection in order to enhance performance and peaceful coexistence with people within its environment.
ii. Management of insurance companies in Nigeria should try as much as possible to be proactive in their approach to social responsibility issues rather than being reactive in order to avoid business distraction from their host communities.
iii. Management of insurance companies should consider qualified and competent indigenes of host communities for employment for peaceful coexistence.

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