

CORPORATE SOCIAL RESPONSIBILITIES (CSR) AND FIRM GROWTH IN LISTED NIGERIAN CONSUMER GOODS FIRMS: A NON-LINEAR FIXED-EFFECT PANEL THRESHOLD (FEPT) ESTIMATOR APPROACH

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ABSTRACT

The Nigerian consumer goods sector, in recent time, has been grappling with pronounced macroeconomic headwinds, which have resulted in a marked decline in sectoral market capitalization. This downturn raises concerns about the sustainability of firm growth, as reflected in diminishing revenue figures. Despite the growing importance of corporate social responsibility (CSR) as a potential lever for firm performance, its specific impact on firm growth within this challenging context remains underexplored and insufficiently addressed in existing literature. To address this gap, this study utilizes the non-linear fixed-effect panel threshold (FEPT) estimator method by Hansen (1999) to investigate how CSR expenditures influence the growth of listed Nigerian consumer goods firms, using revenue growth as a proxy for firm growth. The research adopts an ex post facto design and analyzes secondary data from 2012 to 2022. Findings revealed a threshold effect as follows: CSR expenses significantly influence revenue growth only in firms with high CSR spending ($\beta=0.0057$, $p=0.009$), while the effect is insignificant in firms with low CSR spending ($\beta=4.61 \times 10^{-8}$, $p=0.486$). The study concluded that robust CSR investments are linked to enhanced firm growth in Nigeria's consumer goods sector, supporting stakeholders' and social contract theories. It is recommended that consumer goods firms should improve on their CSR efforts to drive up revenue generation, while ultimately supporting sustainable growth.

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1.1 Introduction

The Nigerian consumer goods sector stands as a cornerstone of the national economy, serving as both a major contributor to economic output and a barometer of consumer confidence and overall economic stability. Within this sector, the food and beverage industry is particularly significant, accounting for approximately 49.01% of the manufacturing sector's GDP as of Q3 2023 (Meristem, 2023). Given its critical importance, understanding the drivers of revenue growth in this industry is paramount. Nevertheless, the sector faces persistent challenges that demand a comprehensive, multi-faceted approach—one that increasingly considers the social responsibility of firms and the sector as a whole.

Corporate Social Responsibility (CSR) has become recognised as an essential element of business strategy worldwide. In the late 2000s, only about one-third of the top 250 global companies by revenue released CSR reports, but since the early 2010s, more than 90% have consistently done so (KPMG, 2020, cited in Tran, Le & Nguyen, 2025). The ongoing debate over the impact of CSR on financial performance (FP) remains unresolved, as scholars continue to report conflicting findings (Nwude & Udeh, 2020). This debate encompasses both the factors influencing CSR and its potential outcomes. Globally, the importance of CSR is growing, especially from the consumer perspective, as ethical considerations increasingly influence purchasing decisions, making CSR a worldwide concern (Amit, Gayatri, Vipul & Shraddha , 2012; Carolin & Suvi, 2022). For manufacturers operating across multiple locations, aligning with the expectations and needs of host communities is becoming essential. CSR enables companies to address the diverse interests of these communities equitably, ensuring smooth and harmonious operations (Amit, Daly & Sivi , 2012).

Owolabi (2018) emphasizes that a firm's ongoing success relies heavily on its performance, with its going concern depending on profitability, technical capability, and the maintenance of core business activities. High performance signals effective management and efficient use of resources, which has significant implications for the broader economy (Owolabi, 2018). Isanzu and Fengju (2016) further

describe firm performance as a subjective assessment of a company's ability to utilize its core assets to generate income, highlighting the relative and multifaceted nature of performance measurement. These considerations extend naturally to firm growth, which can be measured in various ways, including revenue growth. Although there is abundant literature linking CSR to firm growth, there is limited understanding of how CSR specifically influences revenue growth within the Nigerian consumer goods sector.

1.2 Statement of the Problem

The Nigerian consumer goods sector continues to grapple with a multitude of challenges, such as a stringent regulatory environment, limited market distribution channels, inadequate infrastructure, high financing costs, low per capita income, insecurity, foreign exchange shortages, Naira devaluation, and reduced consumer purchasing power driven by persistent inflation and rising commodity prices (KPMG, 2023; Meristem, 2023). Traditionally recognised for its resilience, the sector has recently faced significant macroeconomic pressures. For instance, the food and beverage sub-sector, which reached a peak growth rate of 9.81% in Q1 2022, has since experienced a marked decline, with growth dropping to just 0.92% year-on-year in Q3 2023, compared to -4.05% in Q3 2022 and 4.94% in Q4 2022 (Meristem, 2023).

This downturn has been reflected in the sector's market capitalization, with major firms such as Guinness Nigeria Plc, International Breweries, Nigerian Breweries, Honeywell Flour Mill, Cadbury Nigeria Plc, and Nestle Nigeria Plc all experiencing significant share price declines, while only Nascon Allied Industries Plc recorded a marginal gain (Aina, 2025). These declines are often linked to sectoral revenue performance. While existing research has explored numerous factors influencing the sector's market capitalization, the role of Corporate Social Responsibility (CSR) remains underexamined within empirical studies.

CSR involves an ongoing commitment by businesses to operate ethically, contribute to economic development, and improve the quality of life for employees, their families, and local communities. CSR is also regarded as instrumental in achieving organizational goals such as customer satisfaction,

revenue growth, and expansion. However, the relationship between CSR and firm performance—both financial and non-financial—remains ambiguous, and there is limited evidence regarding the impact of CSR on corporate management outcomes in Nigeria (Tijani, Adeoye & Ogunyemi, 2021).

Although numerous studies (e.g., Oladele and Tedekon, 2024; Ikilidih, Dibua & Onwu, 2024; Audu, Ibrahim & Okoro, 2024; Okegbemi & Garba, 2022; Emamoke & Omodero, 2021; Oshatimi & Tuoyo, 2020) have investigated the determinants and outcomes of CSR, there remains ongoing debate regarding its true impact on firm growth, particularly top-line revenue—a key driver of other financial outcomes. While several analytical methods have been used to study the influence of CSR on firm growth, the specific effect of the non-linear fixed-effect panel threshold (FEPT) estimator, which categorises CSR expenses as high or low, on revenue growth remains under-explored. This gap in knowledge underscores the need for this study, which aims to clarify how varying levels of CSR investment influence revenue growth in the Nigerian consumer goods sector.

1.3 Research Objective

The objective of this study is to examine the influence of CSR on revenue growth of consumer goods firms in Nigeria.

1.4 Research Question

The pertinent question to which answer is sought is:

- i. how does CSR influence revenue growth of consumer goods firms in Nigeria?

1.5 Research Hypothesis

Following the research objective and research question, the hypothesis below, in null form, is formulated:

H₀₁: CSR does not significantly influence revenue growth of consumer goods firms in Nigeria.

1.4 Scope of the Study

This study examined the influence of CSR on firm growth. It focused on listed consumer goods firms in Nigeria, having collected data which covered years 2012 to 2022.

2.1 Conceptual Review

Corporate Social Responsibilities (CSR)

CSR refers to the way in which businesses use a portion of their earnings to help the local communities that are most affected by their operations. It refers to a company's commitment to act ethically toward its stakeholders, and this responsibility should be integrated into the business' overall strategy and daily operations (Nimani, Zeqiraj & Spahija, 2022). According to Eze and Bello (2016) research, many Nigerians are unaware of the concept of CSR. As a result, when a company engages in community activities that are perceived as significant, the management of that company often receives praise for their generosity and customer loyalty. This increase in CSR engagements in Nigeria can be attributed to the growing global interconnectivity (Oboreh & Arukdroha, 2021).

According Madugba & Okafor (2016), corporate organisations in Nigeria are rapidly committing to CSR through various means, taking into account factors such as company policy, size & culture, industry factors, and stakeholder's demand. Research has demonstrated a significant relationship between these factors and CSR in promoting organisational growth (Mikon-Ya'u 2018; Obi, Ode & Ichakpa 2020; Yahaya & Apochi 2021). With CSR, organisations can bolster patronage, engender sustainability, increase profitability, enhance integrity, and strengthen the reputation of their firms. (Eze & Bello 2016).

Revenue Growth

A firm's success can be measured by its revenue growth. A corporation can learn a lot about sales volume trends and expansion patterns by analysing the revenue growth rate. It is the growth in a company's overall income or revenue over a certain time frame, usually measured on a quarterly or yearly basis (Keji, 2016). Revenue growth typically refers to an increase in quantity or value of revenue when compared to a previous period or baseline (Abba, Yahaya, Sani & Abubakar, 2025). According to Timi and Lyndon (2025), revenue growth reflects how well a company can boost its sales within a certain period and serves as a useful metric for comparing different companies,

especially those in the same industry or market sector. Societal trust in a company can result in long-term success. Therefore, a company may keep its relationships with different stakeholders strong and, in the end, see an increase in economic or revenue growth if it engages in trust-based entrepreneurial activities. This is because continuous contributions to the development of the host community will enhance customer loyalty, providing an opportunity for the company to generate an astronomical increase in revenue growth (Zieliski & Jonek, 2020).

2.2 Theoretical Review

Stakeholders' Theory

Proposed by Freeman (1984), stakeholders' theory holds that a business should not only seek profit maximisation. The notion contends that companies should strike a balance between the needs of different stakeholders. It claims that to boost their efficiency and market competitiveness, businesses should treat all stakeholders fairly (Tilakasiri, 2016; Yin, Zhang & Dong, 2017). Stakeholders are members of society who influence or participate in an organization's activities. They are possible benefactors and risk-takers who boost the company's capacity to generate riches (Sweeney, 2014). Companies have clear (legal) and implicit (self-enforcing) contracts with many stakeholders. The key players in the company's activities include its employees, suppliers, customers, media, local communities, government, NGOs, environmental activists, and others (Freeman, Harrison, Wicks, Parmar & De Colle, 2018). The whole approach to researching CSR is stakeholder theory (Chen, 2015; Tilakasiri, 2014). Specific stakeholders—government, communities, customers, and workers—shaped the CSR framework in this study. The biggest weakness of the stakeholder approach is its insistence on fair treatment of all parties, which conflicts with the fundamental aim of business success. The fundamental benefit of this concept is that it mandates businesses to assume more duty than legally necessary, hence guaranteeing the long-term viability and success of the organisation (Tilakasiri, 2015).

Social Contract Theory

As cited in Yahaya and Sikiru (2022), Social Contract Theory finds its origins in the influential works of Thomas Hobbes (1588–1679), John Locke (1632–1682), and Jean-Jacques Rousseau (1712–1778). The theory views the state as the result of a mutual agreement among individuals, established for a specific purpose: to meet essential social needs. Essentially, it suggests that the state is formed through conscious and deliberate efforts, making it an artificial construct designed to serve society (Musa & Titus, 2020). According to the social contract idea, society has “the mandate” or “the viability of the business.” This concept is also known as the "permission to operate," "iron law of accountability," and "legitimacy theory" (Hilson, 2014). Under this theory, society permits organisations to exist and operate, so they must be considerate of all stakeholders. Organisations will ultimately be subject to externally imposed restrictions over their conduct if they behave in ways inconsistent with what society expects of them. Therefore, businesses must maintain the perception that they are respectable companies with legitimate goals and practices (Sweeney, 2018).

2.3 Empirical Review

Focusing on return on assets (ROA), return on equity (ROE), and earnings per share (EPS), Oladele and Tedekon (2024) investigated the link between CSR activities and the financial performance of Nigerian commercial banks. Covering the period from 2014 to 2023, the study collected data from the published annual reports of ten selected major banks in Nigeria using an *ex-post facto* research design. Using panel data analysis methods, the study found notable differences in financial results and CSR activities among the institutions. Strong positive correlations between financial measures and CSR activities shown by the Pearson correlation matrix imply that community development (CD), corporate contributions and charity (CDC), and stakeholder involvement (SE) all improve financial performance.

Ikilidih *et al.*, (2024) evaluated the impact of corporate social responsibility on the financial performance of Nigerian industrial goods enterprises. The study used an *ex post facto* research

design. The study examined twelve industrial goods firms listed on the Nigerian Exchange Group. It gathered data from these companies' annual reports and accounts from 2013 to 2022. To examine the relationship between CSR and financial performance, the study used a panel regression model. Findings revealed that CSR costs has a significant influence on return on assets of listed industrial products firms in Nigeria, but not on the return on capital employed.

Audu *et al.*, (2024) examined the impact of CSR on the financial performance of publicly traded Nigerian manufacturing businesses. The 21 manufacturing businesses quoted on the Nigeria Exchange Group as of December 31, 2023, made up the population of the *ex post facto* study design. It used the filtering sampling methodology to select ten (10) manufacturing companies from the quoted list as sample firms. It used data from manufacturing companies quoted in the Nigerian exchange group's annual reports. The information covers a ten-year span, from 2014 to 2023. Using STATA 13.0 software, the study employed multiple regression modeling as an analytical tool. The study found that the health expenditures used in the community. The social responsibility of corporations (CSR) has a negligible negative impact on the development and training costs of listed manufacturing businesses in Nigeria.

Okegbemi and Garba (2022) investigated the impact of CSR on the growth of Nigerian procurement enterprises. To achieve that goal, the study used a survey design, gathering data from 384 management staff members at five purposively chosen procurement organisations in Lagos, Nigeria, via a self-administered questionnaire. The statistical approach program SPSS was used to aid with data analysis. Results showed that CSR efforts had a significant impact on the growth of Nigerian procurement and materials firms.

Emamoke and Omodero (2021) investigated how CSR affects profit after tax, earnings per share, and net asset per share of Nigerian listed consumer goods firm. Adopting *ex post facto* research design, the study collected data from the financial reports of five publicly traded consumer products businesses in Nigeria from 2015 to 2019. The financial reports and hypotheses were statistically

evaluated using panel data regression analysis. The paper documented a positive but insignificant effect of CSR on profit after tax, earnings per share, and net assets per share.

Focusing on the Nigerian manufacturing companies, Oshatimi and Tuoyo (2020) investigated the impact of CSR on firm performance. It retrieved data from a manufacturing company's yearly financial report using both the descriptive research and correlation methods, and then utilised the Vector Error Correction Model (VECM) to assess the associations between the variables from 1994 to 2020. It revealed a correlation among the variables of interest, indicating a positive and significant impact of CSR on price earnings ratio, dividend yield, and return on investment, but a negative and insignificant impact on earnings per share.

Interrogating the influence of CSR on organisational performance in Nigeria, Eboh and Uzor's (2022) study assessed how environmental challenges, the cost of doing business, competitive advantage, and CSR affect organisational performance. It employed N-Vivo to analyse the participant responses. Findings revealed that, environmental challenges have a significant effect on organisational performance, as do social efforts and competitive advantage.

3.0. Research Methods

The study adopted *ex post facto* research design, on the basis of which secondary data were collected from the Machame's Ratios database, S&P Capital IQ and annual reports. The sample size comprised fifteen (15) listed consumer goods firms, out of a population of twenty-one (21) firms, using purposive sampling technique. The data covered years 2012 to 2022.

Based on the data structure, panel data methodology was utilized in the study. The analysis followed the stages of preliminary analysis, model estimation and post-estimation tests. While the preliminary analysis was conducted to assess the statistical properties of the data using mainly descriptive analysis (such as mean, maximum, minimum, skewness and kurtosis) and multicollinearity test (using variance inflation factor), the study utilized non-linear panel data methodology under the model estimation stage to examine the effects of CSR on firm growth of selected consumer goods

firms. Revenue growth was used a measure for firm growth. Meanwhile, firms may incur high or low level of CSR expenses depending on certain socio-economic circumstances or financial capability of the firms. To capture the effects of high-CSR (CSR^H) and low-CSR (CSR^L) regimes for firm growth, the study employed the fixed-effect panel threshold model (FEPT) proposed by Hansen (1999) using the STATA “xthreg” command developed Wang (2015). In other words, FEPT model demonstrates the individual effects of CSR on revenue growth for a given threshold (γ). Thus, as a non-linear analysis, two regimes of high CSR and low-CSR were captured. The estimation results include (i) threshold estimator and confidence interval (ii) threshold effect test (iii) the fixed-effect model estimation for a single threshold.

The models of Emamoke and Omodero (2021), Audu *et al* (2024) and Kilidih, Dibua and Onwu (2024) were adapted as shown in model 3.1:

$$RGRT_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 FZE_{it} + \beta_3 FLEV_{it} + \beta_4 FAGE_{it} + \mu_{it} \dots (1)$$

RGRT is revenue growth; *CSR* = CSR Expenses; *FZE* = Firm Size; *FLEV* = Firm Leverage and *FAGE* is Firm Age

The model aimed to capture the relationship between CSR and revenue growth of selected consumer goods firms in Nigeria. The model is specified below with the core independent variable as CSR expenses (CSR) while the control variables include firm leverage (FLEV) and the firm age (FAGE). Meanwhile, the dependent variables are Revenue growth (*RGRWT*) for firm growth. Thus, functional or implicit form of the model is specified as follows:

RGRWT Model

$$RGRWT_{it} = (CSR_{it}, FLEV_{it}, FAGE_{it}) \quad (3.2)$$

$t = 2012, \dots, 2022$ (annual time period)

$i = 1, 2, \dots, 15$ (individual consumer goods firms)

Thus, the explicit panel data regression models are expressed as follows:

RGRWT Model

$$TOBQ_{it} = \beta_0 + \beta_1^H CSR_{it}^H (> \gamma) + \beta_1^L CSR_{it}^L (< \gamma) + \beta_2 FLEV_{it} + \beta_3 FAGE_{it} + \mu_i + \varepsilon_{it} \quad (3.3)$$

Where: *RGWRT* is revenue growth; *CSR* = CSR expenses; *FLEV* = firm leverage and *FAGE* is Firm Age; μ_i = specific-firm (individual) effect. Meanwhile, γ = the threshold parameter that divided the model into high and low CSR regimes with the respective coefficients β_1^H and β_1^L (Wang, 2015).

The ‘a priori’ Relationship

The theoretical expectation on the relationship between CSR and revenue growth of selected consumer good firms in Nigeria is the *a priori* expectation.

$$\beta_1^H > 0, \beta_1^L > 0, \beta_2 < 0, \beta_3 > 0$$

The above statements imply expected positive cause-effect relationships between the response variables (*RGRWT*) and explanatory variables (*CSR*, *FLEV* and *FAGE*).

4.0 Data Analyses and Results

Summary Statistics

This section presents the summary statistics of the variables being examined in the study such Revenue growth (*RGRWT*), CSR expenses (*CSR*), firm leverage (*FLEV*) and firm age (*FAGE*).

Table 4.1-: Summary Statistics

Variables	Obs	Mean	Std. Dev.	Min	Max	Skew.	Kurt.
RGRWT	165	0.047	0.253	-0.907	1.445	1.217	9.918
CSR	165	87755.54	334000	0.100	3760000	8.695	91.341
FLEV	165	0.391	1.657	0.000	20.083	10.503	122.896
FAGE	165	54.267	25.959	8.000	123	0.763	3.645

Source: Researcher’s computation, (2024)

The summary statistics, as displayed Table 4.1, demonstrate that observed that *RGRWT*, *CSR*, and *FLEV* exhibit high level of variability such that the standard deviations appear to be above the respectively averages. The foregoing suggests that the variables may possess low predictive ability as regards revenue growth in the selected consumer goods firms. However, *FAGE* may witness high variability having a standard deviation below its mean, thus, demonstrating high forecasting capacity. Meanwhile, it appears that all the variables being examined demonstrate negatively skewed pattern of distribution judging by their respective positive coefficients of skewness across the selected

consumer goods firms. Similarly, all the variables demonstrate leptokurtic, having their kurtosis coefficients above the threshold of 3 for a normal distribution.

Multi-collinearity Test

The variance inflation factor (VIF) was used to assess the presence or absence of multicollinearity among the independent variables. The VIF illustrates the extent to which the variance of an explanatory variable's estimate may be overstated as a result of any collinearity among the explanatory variables. Essentially, the VIF indicates the presence or absence of multicollinearity among the policy variables.

Table 4.2:- Variance Inflation Factor

Variable	Dependent Variables: RGRWT	
	VIF	Tolerance (1/VIF)
FLEV	1.005	.996
CSR	1.003	.997
FAGE	1.003	.997
Mean VIF	1.003	.

Source: Researcher's computation (2024)

Table 4.2 displays the VIFs and tolerance (1/VIF) for the explanatory factors. A variance inflation factor less than the allowable band of 10 implies that the variables are not multicollinear. As a result, all of the VIFs are less than 10, indicating that the model under consideration does not exhibit substantial multicollinearity (strong correlations) among the included independent variables.

Model Estimation and Results

The study involves the nexus between revenue growth and CSR in the consumer goods sector. Meanwhile, magnitude of CSR expenses fluctuates depending on certain socio-economic circumstances. The foregoing suggests that firms may incur high or low level of CSR expenses that benefit their financial capability. Thus, to capture the effects of high-level of CSR (CSR^H) and low level of CSR expenses (CSR^L) on revenue growth, the study employed the non-linear fixed-effect panel threshold (FEPT) estimator method proposed by Hansen (1999).

The estimation involves the use of the “**xthreg**” STATA command developed by Wang (2015). Thus, FEPT model provides the individual effects of high and low levels of CSR expenses on firm growth

measure (*RGRWT*) for a given threshold. The estimation results include (i) threshold estimator and confidence interval (ii) threshold effect test (iii) the fixed-effect model estimation. For the purpose of simplicity, the study focuses on a single-threshold model Wang (2015).

Table 4.3-: CSR Threshold and Threshold Effect Tests
Response variable: *RGRWT*

Threshold	Threshold Estimator			Threshold Effect Test	
	Threshold (γ)	Lower	Upper	F-Stat.	<i>p</i> -value
Single	70.000	7.8320	305.000	7.330**	0.0300

Source: Researcher's computation (2024)

Note: The values in the parentheses () are *p*-values of the respective coefficients and statistics while ** denotes statistical significance at 5% level of significance, respectively.

The threshold and threshold effect as regard the nexus between *CSR* and *RGRWT* are shown in Tables 4.3. It could be observed that threshold ($\gamma = 70.000$) lies between the lower limit (7.8320) and upper limit (305.00). Evidently, the significant result of the single threshold effect test (F-stat = 7.330, $p = 0.0300$) suggest that there is definitely a significant difference in the effect of high and low regimes of *CSR* expenses on firm growth (Revenue growth). In other words, the threshold effect test supports the non-linear approach to the nexus between *CSR* and *RGRWT*.

Table 4.4-: Fixed-Effect Panel Threshold Model Estimation Results
Response variable: *RGRWT*

Sector	Consumer Goods $T = 11, N = 15$
Independent Variable	
<i>Constant</i>	-0.8304** (0.0140)
CSR^H	0.0057*** (0.009)
CSR^L	4.61×10^{-8} (0.4860)
<i>FLEV</i>	0.0052 (0.675)
<i>FAGE</i>	0.0159** (0.0110)
Statistics and Tests	
Explanatory Power	
R-squared	0.1090
Overall test	
F-stat.	4.460*** (0.0020)
Fixed effect test:	
F-stat.	4.340*** (0.0004)

Source: Researcher's computation (2024)

Note: The values in the parentheses () are *p*-values of the respective coefficients and statistics while *** & ** denote statistical significance at the conventional 1% and 5% levels of significance, respectively.

As shown in table 4.4, the significant fixed effect test ($F = 4.340, p = 0.0004$) suggest that the fixed effect estimator is superior to the common effect (pooled OLS) estimator. Following the estimation results, high-CSR regime ($CSR^H, \beta_1^H = 0.0057, p = 0.009 < 0.01$) exert positive and significant effect on Revenue growth ($RGRWT$) of the selected consumer goods firms. The forgoing just that the selected firms witnessed significant revenue growth resulting from high level of CSR expenses. The forgoing just that the selected firms witnessed insignificant revenue growth resulting from low level of CSR expenses.

Meanwhile, changes in firm leverage ($FLEV$) appears to have positive, however, insignificant effect on Revenue growth. However, firm age ($FAGE$) appears to have positive and significant effect on Revenue growth. Overall, all the policy variables ($CSR^H, CSR^L, FLEV$ and $FAGE$) appear to have jointly or combined significant effect on revenue growth ($RGRWT$) judging by the F-statistics of the overall tests ($F = 4.460, p = 0.0020$).

Summary of Hypotheses Testing Results

Following the estimation results, a summary of the tests of significance of the estimated models is provided in this section to reveal the tests of hypotheses result for the study.

Table 4.5:- Summary of Tests of Hypotheses

CSR and revenue growth			
	IV	DV = RGRWT	Stat. Sig.
1	CSR	CSR expenses: High regime	+Significant ($p < 0.01$)
		CSR expenses: Low regime	+Insignificant ($p > 0.1$)

Source: Researcher's compilation (2024).

Table 4.5 presents the summary of the tests of hypotheses results derived from the model estimation results. The table shows the direction of impact and test of significance of the hypotheses.

4.5 Discussion of Findings

Empirically, this study involves the nexus between CSR expenses and firm growth of selected consumer goods firms in Nigeria using revenue growth as a measure for firm growth. Utilizing the fixed-effect panel threshold regression analysis, the study's empirical outcomes revealed that the selected consumer good firms witnessed positive and significant effects of high-CSR expenses on

revenue growth. On the contrary, a positive and inconsequential effect of low-CSR expenses on revenue growth was observed across the selected firms. The foregoing empirical findings suggest that high level of CSR expenses is beneficial to firm growth via revenue growth. However, low level of CSR expenses could exert detrimental effect on revenue growth of the selected consumer goods firms. While this result supports that of Al-ma'ani, Al-Qudah and Shrouf (2019), Oshatimi and Tuoyo (2020) and Okegbemi and Garba (2022) which revealed that organizational performance is positively influenced by CSR, it however contradicts the findings from the studies conducted by Emamoke and Omodero (2021), Audu et al (2024) Ikilidih, Dibua and Onwu (2024).

5.0 Conclusion and Recommendations

The study examined the influence of CSR on firm growth, providing evidence from listed consumer goods firms in Nigeria. While CSR is proxied using CSR expenses, firm growth is proxied using revenue growth. Guided by *ex post facto* research design, it collected secondary data from 2012 to 2022. It employed the non-linear fixed-effect panel threshold (*FEPT*) estimator method proposed by Hansen (1999). The FEPT model demonstrates the individual effects of CSR on revenue growth for a given threshold (γ), capturing two regimes of high-CSRs and low-CSRs. The estimation results include (i) threshold estimator and confidence interval (ii) threshold effect test (iii) the fixed-effect model estimation for a single threshold. Results showed that CSR expenses in the high regime has a significant influence on revenue growth of consumer goods firms in Nigeria, while also revealing that CSR expenses in the high regime has an insignificant influence on revenue growth of consumer goods firms in Nigeria. With these results, the study concluded that Nigerian consumer goods firms with high CSR expenses tend to witness growth, especially in their revenue. In addition, these findings reinforce the stakeholders' and social contract theories.

It is based on these results that the following recommendations were made:

- i. Consumer goods firms should increase CSR expenses to grow their revenue and witness general growth of firms.

- ii. Firms in this sector are encouraged to pay considerable attention to the welfare of the societies in which they operate, and institute measures geared at improving them.
- iii. Government and the respective boards of these firms should attempt to institutionalise CSR efforts to improve their perception by members of the society.

6.0 Contribution to Knowledge

This study makes notable contributions to knowledge in numerous ways. First, the study highlights the importance of CSR in attaining meaningful or commendable organizational achievement by, for instance, improving revenue. By demonstrating the significant contributions of CRS on required organizational performance or growth, the study provides businesses or organizations with compelling reasons to apply or invest in CSR as a strategy to achieve a standard organisational growth. Methodologically, this study has enriched existing cognate literature by employing the Fixed Effect Panel Threshold to examine how CSR drives firm growth. Lastly, the study provides actionable recommendations for businesses seeking to leverage CRS to increase their growth level. These recommendations can help firms develop a clear strategy for building strong connections with their customers, stakeholders, and communities, as this will propel them to strategically acquire a distinct lead in the industry.

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