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SOCIAL REPORTING DISCLOSURE AND CORPORATE PERFORMANCE OF MULTINATIONAL FIRMS IN NIGERIA

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Abstract

This study analyses social reporting disclosure and corporate performance in the Nigerian bank. The specific objectives contains the relationship between community development costs disclosure and return on asset of multinational firms in Nigeria, and pollution control cost disclosure and earnings per share. Secondary data obtained from Nigeria Stock Exchange for the period 2006-2017 was regressed using the Eview-9 Statistical Software to determine the relationship between the independent and dependent. The first hypothesis showed that there is no significant relationship between community development costs and return on asset. Hypothesis two revealed that the second hypothesis hypothesized that there is no significant relationship between pollution cost control and earning per share. In conclusion, return on asset, earnings per share are all important determinants of social reporting disclosure in Nigeria both in the short run and the long run as these variables have negative effect and thus stimulate corporate performance in Nigeria. While community development costs and pollution cost control have negative impact on Social reporting disclosure in Nigeria as these variables are found to be statistically insignificant in predicting the development of the economy. It is recommended that policymakers should be concerned with community welfare, given that profit after tax is a strong indicator of social reporting disclosure as it is positive and statistically significant; to promote social reporting disclosure in Nigeria through promulgation of laws that will mandate multinationals firms to disclosure social corporate responsibilities; that community development costs should be cubed higher than the pollution cost control in the multinationals budget and multinationals should strengthen project monitoring and evaluation team stabilizing the monetary policy and also corruption should be tackle with all sincerity in antecedent to community welfare.

Keywords: Social reporting disclosure, corporate performance, multinational firms, return on asset, earning per share, icommunity development cost.

Introduction

Business enterprise is considered as a social unit which conducts its activities within the society therefore it is perceived that business houses should fulfill its responsibilities towards society. Traditional management approaches regarded the business unit as a robust economic engine which management approach holds that transparent economic and social progress should go hand in hand. This concept led to the emergence of corporate social reporting disclosure (CSRD).

The disclosure of social responsibility becomes significant because it provides the clear picture about the role of business towards societal development aspects. Over the time, corporate social reporting and disclosure (CSRD) have become a hot topic of discussion and investigation among academic accounting researchers (Gray, 2001; Mathews, 1997). Corporate performance (CP) which is an assessment of how well an organization has fared in achieving its most important outcome parameters, usually measured in terms of financial, market and shareholders performance has become a subject of interest to many; researchers inclusive (Rouse, 2015). The reporting literature on social disclosure and reporting (Ernst and Ernst, 1978' Mathews, 1993; Perks, 1993) provides illustrations and categories of this disclosure. This type of disclosure may include information about the following;

Environment: Pollution control, prevention or repair of environmental damage, conservation of natural resources, other environmental information.
Energy: conservation, energy efficiency of products, other information about energy.
Community involvement: Community activities, Health and related activities, education and arts, other community activity information.

Product: Safety, Reducing pollution from product use, other product related information.
Employees/Iluman Resources: Employee health and safety, Employee training, other cmployecs/human resources disclosures.

Companies are also using such reports to convey the broader economic, environmental and social benefits they provide 'through their products and services as well as through their ongoing operation including job creation, employee training, and human resources development, technological innovation and product development and at the most basic level rate payments. The backbone of social accounting is the explicit recognition that every organization has a wide range of stakeholders those who are influenced by and/or, in turn, influence the organization. In addition to shareholders and other financial participants, the most important of the other stakeholder are usually taken to be the employees, the local community (ies), customers, suppliers, the environment and government(s). From society's point of view, each of these stakeholders has rights to, amongst other things, information about the activities of the organization-whether or not the organization chooses to recognize those rights. From the organization's point of view, it has a range of stakeholders that it must manage and whose interests it must balance if it is to remain a successful enterprise. These two points of view, not surprisingly, lead to different-though overlapping-specifications of what a social account should comprise. For this reason, if no other, social accounting is likely to remain an evolving and widely debated practice for the foreseeable future.

Statement of the Problem

The reporting entity can also be held accountable for its impact since it is disclosed. However, environmental reporting has developed rather voluntarily and this implies that companies can choose what to disclose and may even decide not to. In addition, the evidence in this area of developing economics is still largely inadequate and a number of reasons may account for this and of paramount amongst them being the voluntary Stance on CSR reporting. With the extensive empirical evidence from developed economies, there is a knowledge gap about how corporate characteristics will influence voluntary reporting for developed and developing economies as the magnitude: Level of awareness and implications of social cost differs considerably.

Consequently, if CSR practices are not properly entrenched in multinational firms while they continue to post high profit figures, the true reflection of the firms' activities will not be captured. Decisions made based on such information will not only be misleading; but deceptive and counter-productive. Moreover, if the performance of firms is measured by only financial metrics like profitability they might continue to perpetrate irresponsible behaviours to the detriment of stakeholders. Hence, this study aims at using quantitative metrics as measures of corporate performance (CP).

Aim and Objectives of the Study

The aim of the study is to evaluate the effect of social reporting disclosure on the corporate performance of multinational firms in Nigeria. Specific objectives of the study are to:

1. Evaluate whether community development costs significantly affects increase in Return on asset of multinational firms in Nigeria.
2. Determine whether pollution control cost disclosure significantly affects increase in Earnings per share.

Research Questions

The following research questions are raised for the purpose of this study.

1. How does the community development by multinational firms affect return on asset In Nigeria?
2. How does the pollution control cost disclosure by multinational firms affect increase in Earnings per share?

Research Hypotheses

The following research hypotheses have been formulated for testing:

1. There is no significant relationship between community development by multinational firms and return on asset in Nigeria.
2. There is no significant relationship between pollution control cost disclosure by multinational firms and Earnings per share in Nigeria.

Theoretical Framework

Legitimacy Theory,

Legitimacy theory is central to the social contract, which can be implicit and explicit (Shocker and Sethi 1974) in which the firms have contract with the society as a whole (Dowling and Pfeffer 1975; Mathews 1993). Social contract is expressed by the expectations of the society (Shocker and Sethi 1974), which are not fixed and changing over time (Islam and Craig 2008). It is moral obligation of the company to meet the expectations of the societal members. If the Company fulfils the expectations of the whole society than it would be treated as legitimate otherwise its legitimacy would be at risk (Woodward, Pam et al 1996; Deegan and Jeffry 2006). Only legitimate company has the right to utilize society's natural and human resources (Matthews 1993; Deegan and Jeffry 2006). So organizations are required to respond to the changing expectations of the society (Islam and Craig 2008) to maintain their legitimacy. Dowling and Pfeffer (1975) have mentioned three ways to legitimize the company's activities. Firstly the company can adopt those goals, various, and operations which are consistent to existing legitimacy definition. Secondly, it can use the communication strategy to legitimize its present practices by influencing existing legitimacy definition.

Stakeholder Theory

Stakeholder theory is bit different from legitimacy theory because legitimacy theory treats the whole society as one group and asks the firm to meet the expectations of the whole society while the stakeholder theory divides the whole society into groups called stakeholders. Stakeholder of the firm can be defined as "any identifiable group or individual who can affect the achievement of organization's objectives, or is affected by the achievement of an organization's objectives "(Freeman and David 1983). These stakeholders vary in power to influence the corporation (Ullmann 2015). Comparing to legitimacy theory, under stakeholder theory, the organization has more than one social contracts (between organization and its stakeholders), which can influencc/hurt the company's operations (Mathews 1993). Stakeholder theory has been divided into two branches: normative (ethical) branch of stakeholder theory and managerial branch of stakeholder theory.

Dimension of Social Reporting Disclosure

The measures of social reporting disclosure include reporting of community development. Hence, community development is the process by which local communities can raise their standards of living. The dimensions of social reporting disclosure are: pollution control, employees health and safety cost.

Community Development cost disclosure

Community development is the process by which local communities can raise their standards of living. These processes of community development usually include the establishment of services such as health protection, education, social welfare, and improvement of agriculture and the development of small-scale enterprises (UNESCO 1956). These are policies aimed at promoting a proper adjustment between individuals and their communities, thereby increasing participation of individuals or involvement in the decision making process of issues regarding their well being. Community development is important in that it helps people recognize and develop their own potentials and organize themselves to response to community problems. This is the direct result of community development is equality and social inclusion. Community development involves a whole range of issues such as; capacity building, social capital formation, political participation, health, education, urban and rural development and general social work services to members of that community, (Midgley 1986).

Pollution Control cost disclosure

Pollution control is a term used in environmental management. It means the control of emissions and effluents into air, water or soil. Without pollution control, the waste products from overconsumption, heating, agriculture, mining, manufacturing, transport they accumulate or disperse, will degrade the environment. In the hierarch of controls, pollution prevents and waste minimizations are more desirable than pollution control. In the field of land development, low impact development is a similar technique for the prevention of urban runoff.

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Measures of corporate performance:

Return on Asset

Return on Asset often called the Return on Investment (ROI) measure overall effectiveness of management of generating profit with its available assets Horne and Wachowicz (2012:180) formulas of ROA is earning after tax divided by total assets ROA =

$$\frac{\text{Earnings After Tax}}{\text{Total Asset}}$$

The higher score of ROA means that management is better perform in generating profits with total asset of the firm. A firm can increase ROA by push sales; do the business to be more efficiency; minimize cost; activity of managing asset etc. Some studies try to move other variable that has positive impact to ROA. One of the variable is CSR. CSR has become a mainstream business activity; more firms provide regular public statement about CSR, more company report - includes detail on CSR activities, more firms have voluntary external certifications for social and environmental standard, more firms invest in CSR (Kitzmueller and Shimschack, 2012). Profitability was used to obtain relationship between CSR and financial performance. Profitability usage was very important, especially to see efficiencies of company's financial performance. This explain positive effect between CSR with profitability. Profitability index considerations can be used in measuring financial performance of company, in addition to increase net income and a dividend payout ratio. It was proved that higher ROA and ROE value means higher company performance. This indicates that company was worthy in investors consideration from previous studies, relationship was not always generate positive but also negative relationship.

Earnings per Share (EPS)

Earning per share (EPS) represent the firms earnings distributed on each outstanding share of common stock. Earnings per share are a measure to evaluate the profitability of the company several studies have employed an EPS to investigate the relationship with CSR disclosure and other variable (Pava and Krausz, 1996; More, 2001; Dragomir, 2010; Oeyono et al, 2011; Ehsan and kalem, 2012), Kwanbo (2011) suggests that the relationship between social disclosure and earnings per share of public firms in Nigeria is not significant that is, CSR disclosure is not an important issue for companies to maximize their profits. The study of Oeyono et al, (2011) suggests that there is a positive correlation between EPS and CSR but the relationship is very weak, i.e. companies that conducted CSR in their business will obtain the higher EPS. In view of discrepancy in previous studies, this study measures the relation between CSR and EPS of relational firms. EPS can be defined as Earnings after tax and divided scaled by total number of outstanding shares at the end of each year of study.

$$EPS \sim \frac{\text{Net Income}}{\text{Total Number of Capital Stock Share}}$$

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Operational Framework

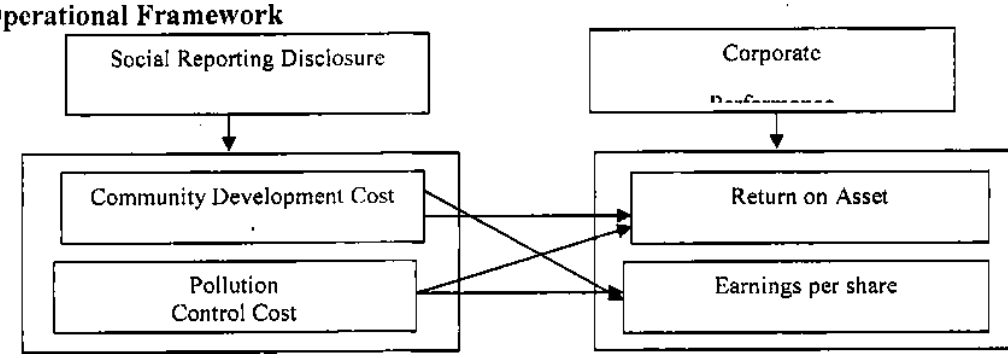

Figure 1: Operational framework of Social Reporting Disclosure and Corporate Performance of Multinational Firms in Nigeria.

Empirical Review

Tortman (1979) investigated a sample of annual reports of the top 100 companies in Australia. He analyzed CSD in these reports under 5 major categories. Such categories were related to environment, energy, human resources, products, and community involvement and other. This finding revealed an increased in incidence of CSD from 28 companies in 1967 to 69 in 1977 with the environment and human resources as the most frequently included themes in 1977. Zeghal and Ahmed (1990) argue that “it is misleading to evaluate the scope of CSD solely on the basis of the annual report. Companies use other media to get information across to the public". Accordingly, they carried out a study based upon the content analysis of CSD by the six largest Canadian banks and the nine largest petroleum companies in 1981 and 1982, comparing the amount and the focus of disclosures in the annual reports, brochures and advertisements. The results of the annual reports survey revealed that there was some homogeneity among the banking industry in terms of the themes of CSD, with 82% of the disclosures focused respectively on human resources, products and business practices. The petroleum industry, on the other hands made CSD from all categories with *69%* of such disclosure emphasized respectively human resources, community involvement and environment. As far as the advertisements (radio, TV and newspaper) survey is concerned, the findings revealed that they were not a major means of CSD for banking industry and petroleum companies in Canada at the time of the survey. The study also showed that brochure was widely used as means of CSD for both banks (5 out of 6) and petroleum companies (8 out of 9). With respect of the number of words disclosed, brochures may clearly be seen as very important in terms of CSD program of the banking industry (9 times the annual reports) and petroleum companies (5 times the annual reports).

Methodology

Research Design

This study employed ex-post facto design and correlational design. The research is therefore descriptive and analytic in nature. The descriptive design is suitable for the study because it will enable the researcher to know and explain social reporting disclosure and corporate performance of multinational firms in Nigeria.

Population of the Study

The population of this study consists of the multinational firms in Nigeria Stock Exchange (NSK) that arc recognized by the corporate affairs commission, central bank of Nigeria and chamber of commerce. There are 40 lists of top multinational companies in Nigeria with branches spread across the nation. The researcher limited this research work to four multinational firms in Nigeria.

Sample and Sampling Techniques

The choice of the sample was focused on those that have credible track performance on the disclosure of social reporting. Purposive sampling techniques were used to drawn sample for the study in antecedent to the selected banks and oil and gas. Hence, the sample frame of the study was drawn from 2006-2017 with 12 observations.

Data Collection Method

Secondary data was used for this study. Relevant data was collected from the Directors report in a published annual report and the Nigeria Stock Exchange of each multinational firm in Nigeria from 2006 - 2017. The panel data was used to anticipate and analysed the econometric trend forecast.

Data Analysis Method

This study examined the relationship between social reporting disclosure and corporate performance of multinational firms in Nigeria. Hence, graphical method, asymptotic and stochastic statistics were used. Thus, this study adopted the used of descriptive statistics, panel unit root test, co-integration test, error correction model, ordinary least square and granger causality test to analyze the data with the aid of E-view 9 software statistical package.

Functional Expression of Model

Y =f (Xi, X_2)......................... 1

CP= f (CDC, PCC) 2

Where:

CP Corporate Performance (ROA, EPS)

CDC, PCC, EHSC, - Community Development costs, Pollution Control costs

Mathematical Expression of Model

PAT = ao-t- β1CDC +. β_2 PCC................ 3

EPS = $a_0$1- β1CDC +β_2 PCC.................... 3

The above equation 1 is transmodified into econometrics form by adding constant tcrm(ao),siope(P) and error term(s) in the model below:

Econometric Expression of Model

PAT = a_0 +β1CDC + p_2 PCC 1 E....................4

KPS= a_0+β1CDC t p_2 PCC i c........................4

Where:

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CP Corporate Performance
EPS = Earnings per share
CDC = Community Development
PCC - Pollution Control costs
a_0 Constant
E = Error Term
$\beta_1\beta_2\beta_3$- Regression slope

Results And Discussions

The presentation of data, analysis, as well as interpretation of results in light of the statistical method which has been adopted for the investigation so as to evaluate the interrelationship of the profit after tax (PAT)/Earning per share (EPS) between community development costs (CDC), pollution control cost (PCC) in Nigeria economy.

Table 1: Data Presentation (Dynamic Slacked Data)

MUET1NATION AES	ROA	EPS	CDC	PCC
ZENITH – 06	961	0.42	26	83
ZENITH – 07	620	0.42	27	119
ZEN mi - 08	6523	0.42	30	195
ZENITH 09	6660	0.36	22	169
ZENITH 10	4178	0.52	26	386
ZENITH – 11	6686	0.52	41	410
ZENITI1 12	6953	0.52	47	468
ZENITH 13	8275	0.52	63	571
ZENITH 14	9005	0.42	85	657
ZENITH – 15	10293 ;;	0.36	96	591
ZENITH ^ 16	5182 T	0.18	86	609
ZENITH – 17	8455	0.29	102	712
MOBILE – 06	10036	1.04	96	279

MOBILE - 07	12126	1.26	97	523
MOBILE - 08	24737	2.00	112	795
MOBILE - 09	71052	5.00	-254	808
MOBILE - 10	74764	14.00	-136	633
MOBILE - 11	76711	12.00	179	403
MOBILE - 12	3170	15.00	171	486
MOBILE - 13	5121	30.00	188	593
MOBILE - 14	20486	12.00	206	636
MOBILE - 15	18035	106.00	234	581
MOBILE - 16	15885	94.00	251	638
MOBILE - 17	12839	75.00	201	765
TOTAL- 06	17383	33.00	59	5
TOTAL- 07	36679	18.00	77	22
TOTAL-08	12560	51.00	340	29
TOTAL - 09	3622	16.00	317	15
TOTAL - 10	29177	95.00	340	86
TOTAL - 11	44814	14.00	270	59
TOTAL-12	819	2.00	402	11
'TOTAL - 13	70631	21.00	308	1
TOTAL - 14	5683 :	16.00	278	4
TOTAL - 15	2180	6.00	277	2
TOTAL - 16	7507	21.00	260	2
TOTAL - 17 ,	9275	26.00	269	6
UBA 06	11468	19.00	48	17
UBA 07	19831	24.00	164	12
UBA -08	40002	31.00	188	14
UBA - 09	12889	60.00	188	14
UBA-10	2167	8.00	179	15
UBA - 11	7966	32.00	170	39
UBA 12	51477	54.00	220	52
UBA 13	46601	6.00	260	24
UBA - 14	47907	9.00	282	41

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UBA	15	59654	110.00	338	34
UBA	-16	72264	63.00	291	73
UBA	17	58106	52.00	402	89

Descriptive Statistics (Diagnostics Test)

To access underlying trend amongst employed data, the study employs the Descriptive statistics as a form of Univariate Analysis:

Table 2: Results of Descriptive Statistics of Profit after tax (PAT), Community development costs (CDC), Pollution control cost (PCC), and Earning per share (EPS) in Nigeria Over the period of 2006 to 2017.

	PAT	EPS	CDC	PCC
Mean	22696.15	24.15104	165.0625	266.1667
Median	11797.00	14.00000	179.0000	87.50000
Maximum	76711.00	110.0000	402.0000	808.0000
Minimum	620.0000	0.180000	-254.0000	1.000000
STD. Dev.	23469.03	30.27524	132.9293	282.9971
Skewness	1.134282	1.504455	-0.527185	0.565351
Kurtosis	2.879851	4.297245	3.707536	1.672155
Jarque-B	10.32163	21.47277	3.758940	6.083316
Probability	0.005737	0.000022 _	JU5267J _	0.047756
Sum	1089415	1159.250	7923.000	72776.00
Sum Sq. Dev.	2.59E+10	43079.74	830498.8	3764107.
Observations	48	48	48	48

Source: E-view 9 Output (Extracts Computation).

Unit Root Test (Augmented Dickey Fuller).

Due to the underlying shocks inherent in time series variables, and also shocks that could be found in the error terms (other variables not captured by the model), we therefore intend to capture the stationarity qf the employed variables, since a stationary variables is useful in forecasting and predicting and has a great possibility of the effect if shock to die out gradually, while non-stationary data arc not suitable for long run test.

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Table 3: Summary Output of Unit Root Output (Augmented Dickey Fuller)

Variable	**ADF**	**Critical Value 5%**			**Order of**	
	t-statistics	1%	**5%**	**10%**	**Integration**	**Prob.**
D(ROA)	-8.368791	-3.679322	-2.967767	-2.622989	1 (1)	0.0000
D(CDC)	-6.078230	-3.769597	-3.004861	-2.642242	*1(1)* ____	0.0000
D(PCC)	-4.881263	-3.679322	-2.967767	-2.622989	1 (1)	0.0005
D(KPS)	-4.858950	-3.679322	-2.967767	-2.622989	1 (1)	0.0006
Source: E-view 9 Output (A	*uthors Extractions).*					

Going by the critical values of (1%), (5%) and (10%), it can be identified that all variables arc stationary at the TOTAL difference (1) showing a great level of co-integration amongst variables, since the prerequisite of co-integration is the integration of all variables at same level. This parameter therefore leads to the co-integration of employed variables.

Co-integration Test

The researcher proceeds to test the long run association/Relationship amongst employed variable which includes Profit after tax (PAT), Community development costs (CDC), Pollution control cost (PCC), Employees' health and safety cost (EHSC) and Earning per share (EPS) over the period of 2006 to 2017.

Table4: **Results of Pedroni Residual Co-integration Test.**

Pedroni Residual Cointegration Test Scries: PAT EPS CDCPCCEHSC				_	_
Date: 11/09/18 Time: 0T:05					
Sample: 2006 2017					
Included observations: 48					
Cross-sections included: 4					
Null Hypothesis:		integration deterministic trend			——.
User-specified	lag length: 1 utomatic bandwidth			Bartlett kernel	
	------	common		l	
Alternative	pothes	common AF	l coefs.	lin-dimension)	
				Weighted	
		Statistic	Prob.	Statistic	Prob.
Panel v-Statistic ,		0.715263	0.7628	0.612987	0.730 1
Panel rho-Statistic		1.0268	0.8478	1.091207	0.862
Panel PP-Statistic:		2.068745	0.0193	2.049570	0.020 2
Panel ADF-Statistic		0.223204	0.5883	0.237308	0.406 2
Alternative	pothesis: individual AR coefs. (between-				
		Statistic	Prob.	---- ---	—
Group rho-Statistic		2,0214	0.9784		

Group PP-	istic	2.849637	0.0022		
Stat Group	tatistic	0.707462	0.2396		
Cross section specific results					
Phillips-	results (non-paramctric)				
Cross ID	AR(1)	Variance	HAC	Bandwidth	Obs
ZENITH	-0.111	3125312.	802229.5	10.00	11
MOBILE	-0.015	3.28E+08	1.40EI-08	7.00	11
TOTAL	-0.213	3.61E	3.56EI08	1.00	11
UBA	-0.218	1.22E+08	1.22E+08	0.00	11
Augmented Fuller		results (parametric)			
Cross ID	AR(I)	Variance	Lag	Max lag	Obs
ZENITH	-0.819	1646948.	1	–	10
MOBILE	-0.327	3.06EI08	1	–	10
TOTAL	-0.315	3.93E408	1	–	10
UBA	-0.155	1.34E108	1	-	10

Source: E-view 9 Output (Authors Computation).

The co-intcgration test seeks to empirically define the Long-run association/relationship between a given set of variables i.e. identifying the stochastic drift amongst variable (to know if the variables move together). Carried out using the Panel v-Statistic output, Panel rho-Statistic output, Group PP-Statistic and Group ADF-Statistic. Assuming all study variables as endogenous using the Group PP-Statistic (Philip Perron) test which is not parametric, it can be seen that there exists only one co-integrating equation, while others shows no sign of co- integration which wepe all signed respectively, judging by the signed rank, there exist long run association and movement amongst employed variables, indicating that there is presence of long run co-integration amongst employed variable since the probability level exhibit one values lesser than 0.05 level of significance in which case we do proceed to Bayesian Error Correction. Although the Panel v-Statistic output, Panel rho-Statistic output, and Group ADF-Statistic denotes rejection of the alternate hypothesis at all cointegration equation level going against the output of the Group PP-Statistic, as it could therefore be established that there exist evidence of long run relationship amongst employed variables, the study therefore chose the Group PP-Statistic.

Discussion of Findings

The first hypothesis sought to examine the relationship between community development costs and return on asset. Hence, it was hypothesized that there is no significant relationship between community development costs and return on asset. This hypothesis was tested using multiple regression analysis (OLSM). As can be seen from our analysis of data this alternate hypothesis was rejected. Based on the above, the World Business Council for sustainable Development has defined CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families and as well as of the local community and society at large" (WBCS'S first report on corporate social responsibility 1999, p.3). The second hypothesis sought to examine the relationship between pollution cost control and earnings per share. Hence, it was hypothesized that there is no significant relationship between pollution cost control and earnings per share. This hypothesis was tested using multiple regression analysis (OLSM) statistical technique. As can be seen from our analysis of data this null hypothesis was rejected. Based on the above, it was concluded that pollution cost control does influence earning per share. This finding is in line with the fact that pollution control is a term used in environmental management. It means the control of emissions and effluents into air, water or soil. Without pollution control, the waste products from overconsumption, heating, agriculture, mining, manufacturing, transport they accumulate or disperse, will degrade the environment. In the hierarch of controls, pollution prevents and waste minimizations are more desirable than pollution control. In the field of land development, low impact development is a similar technique for the prevention of urban runoff.

Conclusion

It is concluded that return on asset, earnings per share are all important determinants of Social reporting disclosure in Nigeria both in the short run and the long run as these variables have negative effect and thus stimulates corporate performance in Nigeria. While community development costs and pollution cost control have negative impact on Social reporting disclosure in Nigeria as these variables are found to be statistically insignificant in predicting the development of the economy. This study concludes that there is a strong positive relationship between the selected variables on return on asset while earnings per share were average together and social reporting disclosure.

Recommendations

Base on the findings of this study, the following recommendations are advanced:

i. That policymakers should be concerned with community welfare, given that profit after tax is a strong indicator of social reporting disclosure as it is positive and statistically significant.
ii. To promote social reporting disclosure in Nigeria, the multinationals sector should be encouraged to increase the financing of the community sustainable projects so as to boast corporate performance and development in the country.
iii. Also, community development costs should be cubed higher than the pollution cost control in the multinationals budget
iv. Multinationals should strengthen project monitoring and evaluation team stabilizing the monetary policy and also corruption should be tackle with all sincerity in antecedent to community welfare.

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