Mediating Role of Corporate Social Responsibility and Corporate Governance on Performance: Evidence from Manufacturing Enterprises in Nigeria

Egegwu Unogwu Emmanuel[1]; Lau Yeng Wai[2];
Ong Tse San[3]; Murali Sambansivan[4]

[1]Putra Business School, PBS Malaysia,
[2,3]School of Business and Economics UPM Malaysia
[4]Thiagarajar School of Management, Madurai, India.

Publication Date: 2025/08/08

Abstract: **The goal of this study is to find out what role corporate social responsibility (CSR) plays in the connection between corporate governance (CG) and the success of Nigerian manufacturing companies. This study also looks at how corporate governance (CG) affects the financial and non-financial success of Nigerian manufacturing businesses. We use agency theory (AT) and shareholder theory (ST) to back up the connections we think exist. The study methodology is cross-sectional, and samples were chosen at random. Quantitative analysis was done on the 280 acceptable questionnaire answers that were collected. In order to look at the data, Smart-PLS 3.3.9 was used with partial least squares structural equation modelling (PLS-ESM). The most important results show that CG not only affects CSR but is also strongly linked to both financial and non-financial success. CSR also acts as a go-between for the link between CG and both financial and non-financial success. The study's results show that the link between AT and ST makes sense for CSR to play a part in the model that was tried. This theoretical addition is what the study gives us. There were some suggestions made that could help managers do their jobs better. Because it is based on Nigeria, the study is limited in what it can say. In the future, researchers may use a continuous method to learn more about the subject.**

Keywords*: Nigeria, Corporate Governance, Corporate Social Responsibility, Financial Performance, Nonfinancial Performance.*

How to Cite: Egegwu Unogwu Emmanuel; Lau Yeng Wai; Ong Tse San; Murali Sambansivan (2025). Mediating Role of Corporate Social Responsibility and Corporate Governance on Performance: Evidence from Manufacturing Enterprises in Nigeria. *International Journal of Innovative Science and Research Technology*, 10(7), 3323-3340. https://doi.org/10.38124/ijisrt/25jul1909

I. INTRODUCTION

Corporate governance and corporate social responsibility (CSR) practices are examined in conjunction with their respective effects on corporate performance in the current study, which are defined as financial outcomes and non-financial indicators. CSR has had increased academic attention in most parts of the world and has assumed a focal point in most large corporations as well as small businesses due to the significant implications in numerous aspects of business performance. Under the contemporary complexities of the global economy, firms are compelled to incorporate CSR into their strategic repertoires (Gharbi & Jarboui, 2024). Empirical findings demonstrate that CSR not only aligns economic, social, and environmental considerations within the survival and operational structures of firms but also affords a competitive advantage by enhancing profitability and elevating the return on resources invested (Barauskaite & Streimikiene, 2020). While CSR is not generally mandated by law, it is progressively embedded in the routines of many global corporations (Singh et al., 2023). In recent decades, heightened global recognition of social and environmental obligations has markedly increased, particularly in advanced economies such as the United States of America and the United Kingdom (Kemper & Martin, 2010; Saeed et al., 2022). Parallel progress has been observed in emerging markets, notably China, where studies by Carroll & Buchholtz (2017), Chen et al. (2019), Desender & Epure (2021), Nguyen et al. (2020), and Parsa et al. (2021) emphasize the growing prominence of CSR. From a normative standpoint, CSR constitutes a guiding principle obliging organizations to pursue their activities in a sustainable and socially accountable mode, cognizant of the implications of their actions for diverse stakeholders

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

(Madanaguli et al., 2022). Furthermore, available evidence indicates that CSR has attracted considerable scholarly attention across emerging nations (Jamali et al., 2017; Khan et al., 2020). Competition in the global arena continues to intensify, with no observable decline, thus compelling firms to adopt novel mechanisms that enable effective contestation, endurance, and the fulfilment of their mandates (Alastal et al., 2023). According to Blasco and King (2017), a recent KPMG report shows 79 per cent of 4,900 firms worldwide are engaged in corporate social responsibility practices. Such engagement is not unrelated to recent financial and managerial scandals—Enron, WorldCom, Parmalat, Tyco, Petrobras, and Satyam in India (Agrawal and Cooper, 2017; Bhasin and Utara, 2016)—and Nigeria's Cadbury Plc scandal, as well as to mounting concern over climatic change that is attracting global attention. Nigeria's aspirations toward industrialization and its position as a major global economy player are consistent with the United Nations Agenda, 2030, which projects that "Africa is projected to host about 20 % of the world's population by 2050". This demographic shift is expected to elevate consumer expenditure to 2.2 trillion US Dollars by 2030 (United Nations Agenda, 2030). Nigeria also aspires to be in the club of the greatest economies in the world as suggested in the African Union Agenda 2063. According to the 2020 projection by the United States of America Department of Agriculture, Nigeria will join the one trillion dollars' club of GDP contribution in the yesteryear 2030. These estimations show the immense non-oil potential that is inherent in Nigeria.

➢ *Statement of the Problem*

The factory industry is one of the best ways to tell how healthy a country's economy is. Industrialization and population growth have increased human activities with disastrous impacts on the environment, which has become a global issue. Thus, the manufacturing industry has a detrimental influence on sustainability in general and the environment (Wang et al., 2018; Xu & Lin, 2017). Industrial companies produce a significant amount of trash, causing environmental pollution and hugely depleting natural resources (Shahzad et al., 2019). Manufacturing companies face various issues including restricted resources, human health, more environmental consumer awareness, stakeholder expectations and social responsibility (Li et al., 2018). For instance, the issue would be to find long-term economic edge and sustainability without hurting society or the environment and to keep up production volume. Also, the catastrophic repercussions of company failure, whose gigantic cost implication is indicated by job loss, a reduction in gross domestic product, a decline in the overall level of life, and a general decline in the quality of living. Corporate organizations' inability to perform corporate social responsibility (CSR) have significant challenges when they encounter strong opposition from the community, resulting in increased operational expenses. These expenses include lost productivity, expenditures associated with replacing damaged property, theft, disruption of operations, acts of vandalism, targeted attacks on individuals, kidnappings, hostage situations, and demands for payment (Awa et al, 2024). This is believed that poor corporate governance compliance is not only but also a significant factor in the demise of many companies across many African economic sectors including Nigeria (Ofoegbu et al., 2018).

II. LITERATURE REVIEW

A. *Corporate governance*

Corporate governance is essential in organizations for providing oversight, minimizing scandals, boosting the organization's access to external equity, judicious use of resources and promoting improved relationships with stakeholders (Claessens and Yurtoglu, 2013).

Corporate governance constitutes a foundational element within the contemporary business environment, exerting a profound influence on the performance and long-term sustainability of enterprises across the globe (Guluma, 2021). Its meaningfulness has been stressed due to many recent cases of corporate scandals, financial crises that have immensely battered corporate world in recent decades. Such crises underscore the imperative for robust governance practices to uphold accountability, transparency, and overall organizational welfare (Affes & Jarboui, 2023; Farooq et al., 2022). Theoretically, it is unclear whether corporate governance methods affect a company's performance in general. If organizations have corporate governance tools to reduce agency conflict, the organizational performance will be improved and guaranteed from the agency's perspective. Corporate governance is necessary for best practices in order to run businesses properly and carefully and get the best results for everyone involved. Nigerian manufacturing companies are loosely and largely governed hence, insights are needed to address how CG relates with stakeholders in promoting of corporate social responsibility initiative and enterprise outcomes. Although theoretical consensus remains elusive regarding the general performance effects of governance practices, there is a growing body of empirical evidence suggesting that institutions that mitigate agency conflict are more likely to achieve superior organizational performance and a prerequisite for business survival. (Bhatt and Bhatt, 2017; Usman and Yakubu, 2019; Rehman and Hashim, 2021). According to the research that has been done, corporate governance is what makes modern businesses work well. Responding to this, practitioners and academic scholars have embarked into systematic studies into how corporate governance influences the entire organization performance.

A. *Corporate Social Responsibility*

The definition of CSR proposed by Carroll remains the most widely recognized in scholarly research, even though debates and uncertainties surrounding the concept persist (Barauskaite & Streimikiene, 2021; Han et al., 2019). This means Corporate Social Responsibility (CSR) is increasingly prioritized by corporate organizations since it has the potential to improve the competitiveness of an organization (Maqbool & Zameer, 2018). Though organizations strive to optimize their earnings, it is also important for them to make intentional contributions to the overall welfare of society, as outlined by Corporate Social Responsibility (Barauskaite & Streimikiene, 2020). As an example, the way managers talk about corporate social responsibility (CSR) decisions in the US is changing because of how they affect the market. Thus, current research sees CSR not as a cost but as an investment

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

that supports a sustainable environment and promotes robust financial health (Coehlo et al., 2023). Also, businesses see CSR as a set of long-lasting actions that involve lots of different people, so it's important to know how it affects the general performance of the company. The Covid-19 crisis compelled corporations to launch extensive philanthropic CSR initiatives (Manuel & Herron, 2020). Consequently, such undertakings need to be assessed thoroughly to evaluate the reaction of investors to such an action as to make attractive investment models (Sahut & Pasquini-Descomps, 2015). Different viewpoints on corporate social responsibility (CSR) highlight the notion that the understanding and execution of CSR initiatives are significantly shaped by specific context-dependent phenomenon worldwide (Jamali and Karam, 2018; Mohy-ud-Din & Raza, 2023). Hence, context-specific research can provide insightful information for corporate survival (Aguinis & Glavas, 2019). Therefore, it is vital to investigate the contextual reliance of CSR practices, particularly concerning corporate practices in developing climes (Sethi et al., 2018). Research evidence from Nigeria may help corporate managers, intellectuals, foreign organisations and policymakers to advance CSR practices in the country since CSR practices are contextually specific.

B. Corporate Performance

Corporate performance has been characterized based on whether they are objective or subjective (Bedford, 2015). In a review, Chenhall (2003) asserts that many studies show a substantial correlation between objective and subjective performance metrics, but Venkatraman & Ramanujam (1987) maintain that objective or subjective approach of measuring organizational performance does not provide any significant difference as both give valid and reliable measurement. The corporate performance variable is the focal point of both theoretical and empirical research in the field of organisation studies. A subjective instrument is employed to evaluate corporate performance in this investigation. The scale measurement is derived from a reflective measurement model in the literature. The utilisation of solely financial performance metrics is subject to numerous constraints. First, financial indicators of an organization's success are susceptible to the variance technique and may be deceptive due to the influence of industry-related factors. Second, because financial measures are susceptible to manipulation, they do not accurately reflect the performance of the organisation. Thirdly, financial measures can only affect past performance and might lead to confusion when used to predict future organisational performance. Fourthly, it appears that financial measures of business performance are stable and do not replicate new goals, as they are unable to recognize the current challenges linked to enterprise performance. Lastly, the disparity between the formulation of plans and their implementation is substantial due to the emphasis on short-term financial metrics and the absence of tactical consideration in financial measurements of corporate performance. From the forgoing perspective, this current study aligns with measurement of organizational performance along several dimensions. This current study will utilize financial and non-financial perception to measure organizational performance.

C. Agency Theory AT

The agency theory perspective posits that good corporate governance is defined within the limited fiduciary duty of managers, who are obligated to maximize shareholder wealth. Jensen and Meckling (1976) argue that managers are "opportunists" who may pursue their own interests. In this view, the board of directors' function is to restrict managerial activities in a manner that is consistent with the shareholders' objectives. Agency theory views the fiduciary duty's boundaries as a means of suppressing corporation social and ecological activities.

D. Stakeholder Theory

Freeman’s (1984) stakeholder theory posits that corporate success and long-term viability depend on the simultaneous creation of shared value for shareholders and stakeholders. Freeman’s (1994) stakeholder theory posits that sustained performance demands an emphasis on stakeholder satisfaction. According to the stakeholder theory, if a business wants to improve both its financial and non-financial success, it should also take into account what its stakeholders, such as customers, workers, suppliers, and the community as a whole, want. Empirical findings indicate that stakeholder satisfaction with a firm’s corporate social responsibility (CSR) initiatives is a prerequisite for subsequent gains in corporate performance; this relationship is supported by recent studies by Flynn and Walker (2020; Shurrab et al. 2019; Wagner 2018). This paper examines how corporate governance (CG) frameworks are deployed to implement best practices in environmental stewardship, social responsibility, and governance (Arif et al. 2021). In this regard, the idea behind promoting corporate involvement in social and ecological duties consists of the act to gratify stakeholder favor by balancing the economic, social and ecological sides. Also, stakeholder theory insight holds that a CG is a crucial factor promoting firms on the path of social and environmental responsibility. When the enterprises act sincerely in reacting to the concerns of the stakeholders, stakeholders also react with a positive behavior, which consequently promotes corporate performance in various ways. In addition, the theory contends that “managers may need to consider different values simultaneously in decision-making, acknowledging both financial and non-financial indicators (van der Linden & Freeman, 2017).

➢ *The Link between Corporate Governance and Corporate Performance*

According to worldwide perspective and study, CG is one of the most significant institutional elements for determining a company's strengths and roles (Crifo, Escrig-Olmedo, & Mottis, 2019). CG refers to the systems of rules, legislation, and initiatives that provide the necessary support for an enterprise, ensure accountability, and enhance performance. CG is used to evaluate the performance of companies (Dony, Joseph, & James, 2019). A number of studies have attempted to elucidate the ways in which CG can lead to better financial performance and mitigate risk (Shahwan & Habib 2020). Through CG, stakeholders have more access to the data required to enhance its performance.

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

This makes their decision-making easier. Naciti (2019) also demonstrated that board diversity and the separation of the roles of chief executive officer (CEO) and chairman are positively associated with organizational sustainability. Assankutty et al. (2019) acknowledged varying outcomes from previous inquiries, noting that the association between CG and FP is, at times, inconsistently documented. Arora & Sharma (2016) and Black et al. (2006) reported that the CG mechanism has a beneficial influence on FP. Board composition board achieves its goals for effectiveness and efficiency of CG, which involve deliberate planning and monitoring, an appropriately constituted board of directors is essential (Al-Matari et al., 2012; Alabdullah, 2018). The good effect of board size comes from the fact that boards with more diverse members are more likely to do well. The skills, information, and experience of the people on larger boards of directors are useful. Larger boards can have a broader perspective on the current economy and more quickly recognise business prospects, which contributes to a better strategic decision advisory service (Pearce & Zahara, 1991). Shittu et al. (2018) examine the impact of audit committee on enterprise performance and discovers that the audit committee has a significant favourable effect on firm performance. Poor corporate governance has been linked to low organizational performance and stakeholder discontent (Baydoun et al., 2013). Example, Nasr and Ntim, (2018) aver that CG is essential in promoting foreign direct investment. These results indicate that corporations based in underdeveloped nations would do better if they adopted sound corporate governance policies. Director qualification according to Hilmer (1998), board composition is important, so are the qualifications and skills of each board member. He also says that being an involved member of a board requires a lot of information, experience, good judgement, and honesty. Because board members come from different places, have had different experiences, and have different traits, the board can act properly as a whole. So, corporate governance in this study looked at how people felt about the board's makeup, size, skills of directors, and the audit committee's role in helping Nigerian manufacturing companies improve their financial performance. A strong link has been found between corporate governance (CG) and corporate financial performance (CFP) in the past through shareholder study (Goergen, 1998; Singh & Rastogi, 2023-63). The current research shows that different aspects of corporate governance have strong, good links with the performance of the company, irrespective of the type of corporate governance being considered. So, the point of this study paper is to look at how useful people think the board makeup, board size, director qualifications, and audit committee practices are for improving the financial performance of Nigerian manufacturing companies. Based on the foregoing, it is hypothesized thus that:

- *H1a: The Financial Success of Nigerian Manufacturing Companies will be Linked to Good Corporate Governance.*

➢ *The Link between Corporate Governance and Non-Financial Performance*

The agency theory posits that the board composition of firms should enhance their reliability and mitigate conflicts (Jensen and Meckling, 1976; Bahoo, Ahmed, Shoukat & Ahmad, 2019). analyzing the linkage of the corporate governance and entity performance is ambiguous regarding the nexus of board size but, in any case, throws light on the relationships behind these findings. While several studies stipulate minimum board sizes of two (Kajola, 2008; Ning, Davidson, & Wang 2015), others recommend approximately 7–10 (Jensen, 1993; Lipton and Lorsch, 1992). Dalton et al. (1999) nonetheless contend that a healthy and positive association exists between board size and firm performance. All these findings hint to the fact that the boards of manageable sizes are able to work towards positive corporate image and improved employee satisfaction. Equally, investors demonstrate a marked preference for firms possessing a higher proportion of independent directors versus internal directors (Uzun, Szewczyk, & Varma 2004). According to Afzali and Kettunen (2019), directors with superior managerial, technical, and interpersonal skills can facilitate improved stakeholder relations and employee morale, thereby amplifying firm morale standing. This kind of mindset can boost not only corporate image but also staff trust and hence surging productivity. Dalton et al. (1999) posits a significant, positive association between the size of a corporate board and organisational performance. The associated decrease in the possibility of conflict enhances the general apprehension of corporate responsibility which enables the corporations to attract institutional interest, qualified labour and societal endorsement. Regulatory actions with regard to the composition of an audit committee also represent another major step on this front. The audit committee membership and quantity regulation are a positive and appropriate step in the correct direction that can enhance productivity of the enterprise. Such regulatory regulation of audit committee, which has conventionally been issued into effect under the governance system of things, qualifies as a healthy intrusion in this regard. Collectively, the factual findings substantiate the following applicable hypothesis: in those cases where the agency costs of managers are limited especially when the board is appropriately structured, firms enjoy a more favourable reputation, three results are observed: employee satisfaction has improved, investor credibility is maximized, ability to attract the requisite talent is greater, community support is enhanced and other extra cache benefits are experienced. According to Adedeji et al.; Zhou et al., 2018; Susanti et al., (2019) there is a positive and significant correlations. From the foregoing, studies indicate that non-financial factors exhibit essential functions in the production and operations endeavours, particularly in enhancing the performance of the firms. Thus, we hypothesised that:

- *H1b: CG is Linked to the Non-Financial Success of Nigerian Manufacturing Companies in a Good Way.*

➢ *Corporate Governance Positively Affects CSR Practices*

Corporate governance forms a pattern of guiding the operations of an enterprise. In it, the board of directors is told what to do and how it should oversee the top management and inculcate realisation of corporate value. To this end, directors

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

may align the interests of managers and shareholders through mechanisms such as equity ownership, stock-option schemes, and remuneration linked to performance indicators (Hermalin & Weisbach, 1991). However, recent instances of corporate failure have led to question marks being put on the ability of boards to perform as a checkpoint. While the evidence is mixed, Fama and Jensen (1983) contend that boards are better motivated to perform their core duties because of reputational threats and competitive forces. Hermalin and Weisbach (1991) further indicate that the scope and efficacy of board monitoring is contingent upon composition, yet empirical investigations are required to ascertain whether performance improvements can be achieved by systematically altering board membership. governing body of a firm and serves as shareholders' principal representative, supervising executive staff, rendering strategic guidance, and establishing the organisation's long-term direction (Adewuyi & Olowookere, 2013).

- *H2: CG Positively Influences CSR Practices of Manufacturing Companies in Nigeria.*

➢ *The Link between CSR Practices and Corporate Performance*

In accordance with stakeholder theory, certain stakeholders are significant and primary with the power to influence business strategies (Freeman 1984). The theory purports to encourage business sustainability and create wealth (Crane & Glozer, 2016). The concept, diverse stakeholders' rights, interests, and needs are investigated to direct the organization's generally conscious behaviour (Gadenne *et al.,* 2012). Asiaei et al., (2021) posits that the relationship between business executives and other stakeholders is crucial in the attainment of success and value-add to both the organizations and their stakeholder (Mu et al. (2024) posit that stakeholder theory offers a novel framework for enterprises to evaluate their organisational obligations. Numerous scholars have favoured a stakeholder perspective when examining CSR and have delineated various categories of stakeholders (Mu et al., 2024). Firms derive both financial and non-financial advantages by discharging their economic, social, legal, and environmental responsibilities in line with stakeholder expectations (Farooq et al., 2017). It is thus of essence that companies are aware of their stakeholders and familiar with the needs of such stakeholders in such a way that all stakeholders are accommodated. In the CSR literature, there is a lot of literature and it addresses different issues. This strand has been scrutinised across various sectors since the 1970s and has produced mixed results, lacking definitive agreement regarding the influence of CSRP on FP (Giannopoulos et al., 2024). Using this context in this discussion, it can be indicated that CSRP and FP relationship is a grey area. thereby creating opportunities for further theoretical and empirical investigations of this association (Esposito et al., 2024). So, this relationship is debatable. Research concerning the connection between CSRP and FP has increased. The major reason that leads to this increment is heightened awareness of the necessity of protecting the environment from the harmful impacts of corporate activities (Rahi et al., 2024). This implies that the enigma of a socially responsible organisation has not been completely sorted out and this raises the need to have additional channels that can illuminate on the issue. the association of CSRP with FP. Comprehending the influence of CSRP on FP is of paramount significance for decision makers, policymakers, stakeholders, and investors (Giannopoulos et al., 2024). Some authors have identified a robust positive relationship between CSRP and FP (Arian et al., 2023; Lin, 2024; Li & Xu, 2024). It implies that not only do CSR activities of companies help to improve their ethical reputation but also help them to be more economically viable. Some authors have found a negative relationship between CSRP and FP (Madugba & Okafor, 2016; Sameer, 2021). This perspective of results was emphasised by Friedman (1970), who noted that organisational managers often allocate company resources to non-profit social initiatives, potentially to the detriment of shareholders. This view is also supported by Jensen and Meckling (1976), who discuss the 'agency cost problem', asserting that the costs associated with CSR may exceed the advantages it provides to the organisation. Conversely, several research emphasise the possible adverse consequences of an excessive emphasis on family planning. The authors contend that a narrow focus on immediate financial profits may result in the disregard of other crucial elements of Corporate Social Responsibility and Performance (CSRP), such as long-term strategic choices, innovation, employee contentment, and customer allegiance (Ramzan et al., 2021; Su et al., 2020; Waddock and Graves, 1997). In addition, several research adopts a neutral position, indicating that the correlation between FP and CSRP is intricate and contingent on the specific circumstances (Barauskaite and Streimikiene, 2021; Gupta and Das, 2022). Our analysis proposes that CSR practices have a notable influence on overall corporate performance. Thus, we propose the following hypothesis:

- *H3a: CSR Practices (Environment, Employee and Consumer, Community) will Have a Good Effect on the Profits of Nigerian Production Companies.*

- *H3b: CSR Practices (Environment, Employee and Consumer, Community) will be Positively Related to Organizational Performance.*

➢ *CSR Practices Mediate the Link between CG and Corporate Performance.*

Intervening variables improve empirical precision by mediating or moderating causal linkages, thereby reducing measurement error and bias attributable to omitted variables (MacKinnon et al. 2012; Yang et al. 2017). Prior empirical work indicates that management control systems (MCS) exert little direct influence on organizational performance. Contemporary theoretical models argue, however, that corporate social responsibility (CSR) practices drive performance, and that differing MCS configurations. Building on this perspective, the present model posits CSR activities as mediating factors linking MCS elements to aggregate performance. Supporting this claim, Arjaliès and Mundy (2013) demonstrate that MCS, by fostering novelty, facilitating communication, and enabling the identification of threats and opportunities, helps managers to navigate the risks and prospects associated with CSR.

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

A related line of inquiry reveals that corporate social responsibility (CSR) mediates the linkage between stock return volatility and perceived firm performance, a proposition bolstered by additional empirical contributions (Afzali & Kim, 2021; Worokinasih & Zaini, 2020). Synthesizing these results underscores a significant policy inference: CSR initiatives serve as mechanisms that harmonize stakeholder welfare with corporate productivity. To advance this perspective, we postulate that the concurrent deployment of belief, boundary, diagnostic, and interactive controls exert a salutary influence on CSR activities, in turn, these improve both financial and non-financial success. We also say that CSR practices work as a bridge between management control systems (MCS) and business performance (CP). So, we put forward the following hypotheses:

H4a. CSR practices mediate the relationship between MCS—constituted by belief, boundary, diagnostic, and interactive controls— and the amount of money that Nigerian production companies make.

H4b. CSR practices mediate the relationship between MCS—constituted by belief, boundary, diagnostic, and interactive controls— and the success of Nigerian manufacturing companies in areas other than money.

Figure 1, a picture of the idea framework that shows how corporations are run, their social duty (CSR), and how well they do financially. Check out Appendix 1.

III. METHODOLOGY

The point of this real-world study is to find out how business ethics and corporate social responsibility affect the success of businesses. It was for this reason that a well-formatted poll form was sent to Nigerian factories. The CG scale included a total of twenty-four items, adapted from scales developed by Basyith, (2016), Ameer and Othman (2012) Adedeji, et al., 2019). Board composition six items, board size six items, board of audit committee six items and Director's qualification six items. CSR was operationalised through a sixteen-item scale, with four items addressing CSR to environmental, six scrutinising employee relations, three evaluating community engagement, and three gauging consumer interactions borrowed from the instruments of Farooq et al. (2014) and Turker (2009). Two analytical dimensions were adopted for corporate performance: four items tapped into financial performance metrics, while nine items pertained to non-financial performance, which incorporated metrics developed by Henri (2006), Asiaei and Jusoh (2017), Mia and Clarke (1999), and Kallunki et al. (2011). We applied random sampling; to be specific, using questionnaire that was self-administered where questionnaire was distributed by email. The sampling frame originated from the Manufacturers Association of Nigeria Directory (2020), which contained the 3,000 large companies form the population of interest. A total of 1,050 questionnaires were therefore distributed, exceeding both the 350-respondent minimum recommended by Krejcie and Morgan (1970) and Nulty's (2008) suggestion for readily accessible populations. There were 311 questions turned in after the field work, and 280 were found to be full and useful. The only group that was attacked were manufacturing companies. Part A of the poll was used to get personal information, Part B to find out how people felt about CG, Part C to find out about CSR practices, and Part D to find out how people felt about company performance. We used a five-point Likert scale, with "strongly disagree" and "strongly agree" being the two extremes. We used structural equation modelling (SEM) and partial least squares (PLS) estimates to do an empirical study. Along with the scaling methods, SMART-PLS was used for the path analysis. In Table 1, you can see a summary of the interviewees' personal information. One of the people who gave information is a Chief Executive Officer or General Manager (CEO/GM), followed by a Chief Financial Officer (CFO) (10.36%), an Internal Auditor or Finance Manager (IA/FM) (48.21%), and a Controller or Operation Manager (CM/OM) (39.64%). Respondents were put into four groups based on their ownership: local businesses (69.28%), foreign-owned businesses (11.43%), foreign-local businesses (15.00%), and businesses that were listed on the Nigerian Stock Exchange (4.29%). The respondents is focused on ten major industrial sectors, namely, agriculture, food, beverage, and tobacco; chemicals; cement; Machinery and equipment; metals; pharmaceuticals; plastics; printing, and packaging; textiles; and wood and paper. The education level varied between 1.79 % of the respondents who have a PhD, 10.36 % with a Master degree, 60.35 % with university degree, 33.93 % with a professional level of education and 3.93 % having an education level other than the afore mentioned. All the hypotheses were tested by use of PLS-SEM.

➤ *Common Method Variance (CMV)*

The current analysis uses the One-Factor Test by Harman to access the factor of common method bias as it might affect the outcomes (Podsakoff et al., 2003).. A variance explained by a single component exceeding 50%—the "Harman 50 percent criterion" —indicates a serious problem of common method variance (CMV). The graph of the current study shows that the highest unrotated factor contributed to the overall variance of 21.311 %, which is lower than the 50 % mark and it implies that the CMV contamination is negligible (Podsakoff et al., 2003).

➤ *Data Analysis and Findings*

Smart-PLS 3.2.9 and SPSS v23 were used to examine the values that were gathered during this test. The method for analysis was made up of two steps: 1. For the measurement model, construct validity, reliability, convergent validity, and discriminant validity were found. 2. For the structural model, theories were tested in the real world. The year 2017 saw Hair, Hult, Ringle, and Sarstedt

➤ *Measurement Model Assessment*

To evaluate the internal consistency of the measures used, Cronbach's Alpha (CA) and composite reliability (CR) was employed, which ranged from (0.753 to 0.953), (0.843 to 0.956) respectively, thus surpassing the 0.70 cut off in all the cases (Hair et al., 2017). Finding the factor loadings (FL) and average variance extracted (AVE) of all the items was done

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

to check for convergent validity. As expected, convergent validity was proven because all the items loaded more than 0.6 (Hulland, 1996) and the AVE for all the categories was higher than 0.5 (Hair et al., 2017). Image 2 shows a measurement model with outer loads and AVE values from the PLS algorithm.

An additional test for figuring out the discriminant validity is the Heterotrait-Monotrait Ratio (HTMT). The HTMT method, which was created by Henseler et al. (2015), shows that there is discriminant validity between each pair of variables if the correlation measures are less than 0.90. As you can see in Table 2, the HTMT numbers are less than the target value of 0.90.

Table 2 Discriminant Validity- HTMT

Constructs	**B_A._Com**	**B._Com**	**B._Size**	**CSR_Com**	**CSR_Con**	**CSR_Emp**	**CSR_En**	**D._Qua**	**Fin._P**	**Non-F._P**
B_A._Com										
Board_Com	0.201									
Board_Size	0.218	0.198								
CSR_Com	0.087	0.226	0.262							
CSR_Con	0.044	0.319	0.109	0.097						
CSR_Emp	0.054	0.218	0.102	0.198	0.789					
CSR_En	0.163	0.282	0.242	0.617	0.246	0.357				
Directors_Qua	0.102	0.155	0.342	0.149	0.086	0.302	0.157			
Financial_P	0.124	0.276	0.251	0.589	0.106	0.285	0.515	0.176		
Non-Finan_P	0.154	0.293	0.092	0.202	0.553	0.481	0.322	0.234	0.519	

Criteria: HTMT (HTMT <1)

Note: A- Board of Audit Committee; B-Belief Control; C- Board Composition; D- Board Size; E- Boundary Control; F- Corporate Social Responsibility to Community; G- Corporate Social Responsibility to Consumer; H- Corporate Social Responsibility to Employee; I - Corporate Social Responsibility to Environment; J- Diagnostic Control; K- Directors Qualifications; L- Financial Performance; M- Interactive Control; N- Non-Financial Performance.

IV. RESULTS AND ASSESSMENT OF STRUCTURAL MODEL

The study showed that CG and FP were significantly and positively linked, as shown in Table 5 (⁄= 0.234, t-value = 4.144, p-value 0.000). This proves that there is a link between good company governance and good financial success. The t-value of 4.14 is greater than 1.96, and the value of 0.234 points in a good direction. This finding fits with what Adedeji et al. (2019); Zhou et al. (2018); Singh & Rastogi (2023) say.

CG and NFP was positively and significantly correlated as captured in Table 5 in (ß= 0.215, t-value =3.356 p-value 0.001). This proves that there is a link between good company governance and good financial success. The t-value is 3.3561, which is greater than 1.96, and the ű is 0.215, which points in a positive way. According to previous research, this result supported the idea that there is a positive link between corporate governance and non-financial performance (Ahmad and Zabri, 2016; Burke, Hoitash & Hoitash, 2019; Adedeji et al.; Zhou et al., 2018; Susanti, Andhani et al., 2019).

CG is positively related to CSR practices (community, environment, employee, and consumer). The result is positive statistically and it is significant as presented in Table 5 (ß = 0.272, t-value =4.208 p-values 0.000.). The t-value of 4.208 is greater than 1.96, and the value of 0.272 points in a good direction. The fact that this finding matches the one from H2 means that the beneficial connection between corporate governance and corporate social responsibility (CSR) practices is backed by the data. Corporate governance makes it easier for companies to support community service projects that help people directly, like health centers, community bridges, water that comes out of the taps, and helping with schoolwork and business training.

In the study of how CSR policies affect the bottom line of Nigerian manufacturing businesses. H3a: CSR practices (environment, employee, community and customer) are positively related financial performance as captured in Table 2 (ß= 0.364, t-value =5.354 p-value 0.000). The t-value =5.354 is higher than 1.96 and the ß= 0.364 is a positive direction This result is consistent with that of Comprehending the influence of CSRP on FP is of paramount significance for decision makers, policymakers, stakeholders, and investors (Giannopoulos et al., 2024). Some authors have identified a robust positive relationship between CSRP and FP (Arian et al., 2023; Lin, 2024; Li & Xu, 2024). Some authors have found a negative relationship between CSRP and FP

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

(Madugba & Okafor, 2016; Sameer, 2021). Empirical results reported in Table 2 indicate that CSR practices across the environment, employee, community, and customer dimensions are the coefficient ß = 0.389 and the corresponding t-value's significance (6.137; p-value 0.000).

There is a link between manufacturing companies in Nigeria's CSR policies and their non-financial success. Table 5 shows that CSR practices related to the environment, employees, the community, and customers are linked to better financial performance (:= 0.389, t-value =6.137, p-value 0.000). The t-value of 6.13 is greater than 1.96, and the value of 0.389 points in a good direction. This finding fits with what (Arian et al., 2023; Lin, 2024; Li & Xu, 2024) says. You can't say enough good things about corporate social responsibility (CSR) in manufacturing companies. CSR helps the companies reach their financial and non-financial goals, which makes customers and employees happy and boosts productivity. The result is also revealed. The sale volume, profitability, return on investment and cost reduction are achieved. This corroborates Arian et al. (2023), Lin (2024), and Li & Xu (2024). So, corporate social responsibility (CSR) in manufacturing companies can help them reach both financial and non-financial goals by meeting customer expectations, making employees happier, growing their market share and competitive edge, meeting strategic goals, and making their operations more productive. The link is also clear in the higher number of sales, as shown by the numbers, as well as in the higher profits, return on investment, and lower costs.

Table 3 Path Coefficient (Direct Effect) Result

Hypotheses	Beta/OS	LL	UL	T	P	Decision
H1a: Cor. Gov. -> Fin Performance	0.234	0.008	0.275	4.144	0.000	Supported
H1b: Cor. Gov. -> Non-Fin Performance	0.215	0.216	0.458	3.356	0.001	Supported
H2: Cor Gov -> CSR Practice	0.272	0.271	0.543	4.208	0.000	Supported
H3a: CSR -> financial Performance	0.364	0.245	0.543	5.354	0.000	Supported
H3b: CSR -> Non-Fin Performance	0.389	0.079	0.216	6.137	0.000	Supported
H4a: CG -> CSR -> Fin Performance	0.099	0.102	0.034	2.939	0.003	Supported
H4b: CG -> CSR -> Non-Fin Performance	0.106	0.109	0.031	3.467	0.001	Supported

OS: Original Sample; LL: Lower Limit; UL: Upper Limit; Significant; *p < 0.05

Table 4 Mediation Result Analysis

Hypotheses	OS/Beta	SM(M)	SD (STDEV	T-value	P-value	Decision	Mediation
H4a: CG -> CSR -> Fin Performance	0.099	0.102	0.034	2.939	0.003	Supported	Partial
H4b: CG -> CSR -> Non-Fin Performance	0.106	0.109	0.031	3.467	0.001	Supported	Partial

OS=Original Sample/LL=Lower Limit/Upper Limit/SM=Sample Mean/SD=Standard Deviation

The focus is on CSR practices as a variable that mediates the link between CG and the success of Nigerian manufacturing businesses. The fourth idea is that corporate social responsibility (CSR) practices help to balance the link between company governance and performance, both financial and non-financial performance. Table 4 shows that there is an indirect link between CG and financial success (=0.099, t-value =2.939, p-value = 0.003, SM = 0.102; SD = 0.034). This shows that CSR practices play a part in mediating the link between CG and financial success.

Is it true that CSR practices and non-financial success are linked? If so, there is an indirect link between CG and NFP (=0.106 and t-value =3.467, p-value = 0.001, SM = 0.109, SD = 0.031). This shows that CSR practices play a part in mediating the link between CG and non-financial outcomes. It is achieved that adding CSR practices to the link between CG and non-financial corporate success has a good effect. The mediation analysed in this case was partial mediation since both direct and indirect relationships achieved.

- *Assessment of the Structural Model*

Hair et al. (2017) proposed six criteria for assessing the Structural Model using PLS-SEM. It is important to deal with the hidden collinearity problems at the beginning of the structural model evaluation process. To figure out how important and useful the structural model link is, you should look at the level of variation given of the dependent variable (R2), the level of effect size (f2), and the predictive relevance (Q2). It's also important to look at the t-values of the path a coefficient using bootstrapping with 5,000 samples again. You can see the results of R-square, f-square, inner VIF, and Q-square for impact size, collinearity, and predicted relevance below in Table 5. The R2 value showed that organizational performance was substantial (0.335), which is higher than 0.26. On the other hand, CSR practice was not substantial (0.119), which is a value between 0.02 and 0.13 that falls in the R2 range. There is a medium-sized effect (f2) of corporate governance on CSR practices, with a value of 0.136, which is between 0.13 and 0.26. This is also true for the effect size (f2) of CSR practices on desire to use green goods, which is 0.238.

All the external variables had a collinearity value less than 5, and all the endogenous variables had a predictive relevance value higher than 0. This means that the endogenous variables were sufficiently predictive.

Table 5 Assessment of the Structural Model

R-Square	**Endogenous Variables**	**R Square**	**R Square Adjusted**	0.26: Substantial, 0.13: Moderate, 0.02: Weak (Hair et al., 2017)
	CSR Practice	0.119	0.116	
	Org. Performance	0.335	0.325	
Effect Size (F-Square)	**Exogenous Variables**			0.26: Substantial, 0.13: Medium effect, 0.02: Weak effect (Hair et al., 2017)
	CSR Practice		0.238	
	Corporate Governance	0.136	0.026	
Collinearity (Inner VIF)	**Exogenous Variables**			VIF <= 5.0 (Hair et al., 2017)
	CSR Practice		1.220	
	Corporate Governance	1.000	1.140	
Predictive Relevance (Q-Square)	**Endogenous Variables**	**CCR**	**CCC**	Value larger than o indicates Predictive Relevance (Hair et al., 2017)
	CSR Practice	0.036	0.256	
	Org. Performance	0.141	0.372	

CCC=Construct Cross-Validated Communality, CCR=Construct Cross-Validated Redundancy

V. DISCUSSION AND RECOMMENDATION

The results of our study show that CG and FP are strongly and positively linked, as shown in Table 5 (= 0.234, t-value = 4.144, p-value 0.000). This proves that there is a link between good company governance and good financial success. The t-value of 4.14 is greater than 1.96, and the value of 0.234 points in a good direction. This finding fits with what Adedeji et al. (2019); Zhou et al. (2018); Singh & Rastogi (2023) say. In this case, it means that sound CG can help FP. Similarly, there was a strong and positive link between CG and NFP, as shown in Table 5 (= 0.215, t-value =3.356, p-value 0.001). This proves that there is a link between good company governance and good financial success. The t-value is 3.3561, which is greater than 1.96, and the ű is 0.215, which points in a positive way. This result supported what had been found before, showing that there is a link between good corporate governance and non-financial success (Ahmad et al, 2016; Burke et al, 2019; Adedeji et al.; Zhou et al., 2018). Susanti et al., (2019) say that there are strong links that are beneficial. This means that good CG encourages NFP of Nigerian manufacturing businesses. CG is also linked to CSR policies that are good for the community, the earth, employees, and customers. If you look at Table 5, you can see that the finding is statistically significant (= 0.272, t-value =4.208, p-values 0.000). The t-value of 4.208 is greater than 1.96, and the value of 0.272 points in a good direction. There is evidence to back this conclusion, showing that CG and CSR policies are linked in a good way. In other words, CG supports corporate social responsibility (CSR) more by sponsoring community projects that directly help people, such as health centres, community bridges, water that comes out of the tap, and helping with education and building business skills. It's impossible to stress enough how important it is for manufacturing companies to have CSR policies. Companies can meet their financial and non-financial goals by focussing on corporate social responsibility (CSR). This helps them make customers and employees happy, gain market share and a competitive edge, boost output, and reach other strategic goals. The results also showed that the goals of sales volume, profit, return on investment, and cost savings were met. The study shows that the path factors that connect CSR practices to both financial and non-financial success are significant and positive. The coefficient for CSR practices and financial performance is 0.395, which is 39.5%, and the t-value is 5.617. The coefficient for CSR practices and non-financial performance is 0.411, which is 41%, and the t-value is 5.332. Barauskaite and Streimikiene (2021), Reisinger (2023), Chen et al. (2023), Franco et al. (2020), and Huang et al. (2020) have all found similar things. This is what table 4 shows: =0.099, t-value =2.939, p-value = 0.003, SM = 0.102. SD = 0.034 shows that CG and financial success are linked in a roundabout way. This shows that CSR practices play a part in mediating the link between CG and financial success. A mediation between CSR practices and non-financial success is seen with a t-value of 3.467, a p-value of 0.001, and an SM value of 0.109. The SD value is 0.031. This shows that there is an indirect link between CG and NFP. The mediation analyzed in this case was partial mediation since both direct and indirect relationships is achieved.

Manufacturing companies are thus positioned to enhance profitability, return on investment, cost control, and sales growth alongside metrics of customer and employee satisfaction, market share, and overall productivity. Since the direct paths remain significant, the study therefore recommends as follow:

- Managers should comprehend and evaluate CSR revenues and realign CSR with a strategic viewpoint. This approach assesses the economic value of the CSR initiative, example when cost–benefit analysis may be appropriate for assessment and decision-making support in this scenario.

- Manger should study can how corporate social responsibility fosters inventiveness (CSR-driven innovation). Therefore, enterprises must ascertain the value of their Corporate Social Responsibility (CSR) initiatives.
- limitations: the current economic cycle, the changing regulatory frameworks, industry specificities, and external factors.
- Policymakers and officials should always keep an eye on the economic activities that hurt the environment and people's health, and they should push for steps to reduce them.

➢ *Contribution to theories and practice*

The current analysis exemplifies that the research paper is capable of contributing to the current scholarly debate because it clarifies the subtle interrelations among CG, CSR practices, and CP, thus promoting further investigations to test the contextual variables of industry-specific features and regional peculiarities. The paper elucidates the different stakeholder groupings by bringing the CSR within the stakeholder paradigm. By so doing, it leads to creating an awareness to the players as well as triggering more research to find out how various corporate governance systems can be used to promote CSR practices. stakeholder expectation determines corporate behaviour in both. The paper, thus, proposes a comprehensive framework that advises each party of a mutually beneficial relation; that is, researchers and policymakers, in developing an environment where corporate integrity is celebrated with real-life results of corporate influence; i.e., financial business value.

REFERENCES

[1]. Abbas, J. (2024). Does the nexus of corporate social responsibility and green dynamic capabilities drive firms toward green technological innovation? The moderating role of green transformational leadership. Technological Forecasting and Social Change, 208, 123698.

[2]. Abbas, J., 2020. Impact of total quality management on corporate green performance through the mediating role of corporate social responsibility. *Journal of Cleaner Production*. 242, 118458.

[3]. Adedeji, B. S., Uzir, M. U. H., Rahman, M. M., & Jerin, I. (2019). Corporate governance and non-financial performance of medium-sized firms in Nigeria: A CB-SEM approach, Indian Journal of Corporate Governance, 12(2), 156-168.

[4]. Adewuyi, A. O., & Olowookere, A. E. (2013). New corporate code and immediate performance change of the Nigerian firms. Corporate Governance: *The International Journal of Business in Society*, 13(2), 169-183.

[5]. Affes, W., & Jarboui, A. (2023). The impact of corporate governance on financial performance: a cross-sector study. International Journal of Disclosure and Governance, 20(4), 374–394.

[6]. Aftab, J., Abid, N., Sarwar, H., Amin, A., Abedini, M., & Veneziani, M. (2024). Does corporate social responsibility drive financial performance? Exploring the significance of green innovation, green dynamic capabilities, and perceived environmental volatility. Corporate Social Responsibility and Environmental Management, 31(3), 1634–1653.

[7]. Afzali, S. M., & Kettunen, J. (2019). Board Centrality and Firm Performance: Evidence from Private Firms. Available at SSRN: https://ssrn.com/abstract=3344238.

[8]. Aguinis, H., & Glavas, A. (2019). On corporate social responsibility, sensemaking, and the search for meaningfulness through work. *Journal of Management*, 45(3), 1057-1086.

[9]. Ahmad, N., Scholz, M., Ullah, Z., Arshad, M. Z., Sabir, R. I., & Khan, W. A. (2021). *The nexus of CSR and co-creation: A roadmap towards consumer loyalty. Sustainability 2021, 13, 523*.

[10]. Al-Matari, Y. A., Al-Swidi, A. K., Fadzil, F. H. B., Fadzil, H., & Al-Matari, E. M. (2012). Board of directors, audit committee characteristics and the performance of Saudi Arabia listed companies. International Review of Management and Marketing, 2(4), 241-251.

[11]. Asiaei, K., Bontis, N., Barani, O., Moghaddam, M., & Sidhu, J. (2021). The role of sustainability control systems in translating CSR into performance in Iran. *Management Decision.*

[12]. Assankutty, A., Fatima, F., & Kuntluru, S. (2019). Does corporate governance disclosure practice impact firm performance in India? *SUMEDHA Journal of Management*, *8*(4), 1-14.

[13]. Awa, H. O., Etim, W., & Ogbonda, E. (2024). Stakeholders, stakeholder theory and Corporate Social Responsibility (CSR). *International Journal of Corporate Social Responsibility*, 9(1), 11.

[14]. Baird, K., Su, S. and Munir, R. (2019), "Levers of control, management innovation and organisational performance", *Pacific Accounting Review*, Vol. 31 No. 3, pp. 358-375.

[15]. Bahoo, S., Ahmed, F., Shoukat, A., & Ahmad, M. (2019). Impact of corporate governance on American corporates' financial performance: The mediating role of derivatives, Journal of Independent Studies & Research: Management & Social Sciences & Economics, 17(1), 125-148.

[16]. Barauskaite, G. and Streimikiene, D. (2021), "Corporate social responsibility and financial performance of companies: the puzzle of concepts, definitions and assessment methods", *Corporate Social Responsibility and Environmental Management*, Vol. 28 No. 1, pp. 278-287.

[17]. Bedford, D. S. (2015). Management control systems across different modes of innovation: Implications for firm performance. *Management Accounting Research*, *28*, 12-30.

[18]. Bhatt, P. R., & Bhatt, R. R. (2017). Corporate governance and firm performance in Malaysia. Corporate Governance: *The International Journal of Business in Society*.

[19]. Blasco, J. L., & King, A. (2017). The road ahead: The KPMG survey of corporate responsibility reporting 2017. Zurich: *KPMG International*. Retrieved

November 20, 2018.
[20]. Braune, E., Charosky, P., & Hikkerova, L. (2019). Corporate social responsibility, financial performance and risk in times of economic instability. Journal of Management and Governance, 23(4), 1007– 1021.
[21]. Brogi, M., & Lagasio, V. (2018). Environmental, social, and governance and company profitability: Are financial intermediaries different? Corporate Social Responsibility and Environmental Management, 26, 576–587.
[22]. Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39-48.
[23]. Cheng, H., & Ding, H. (2021). Dynamic game of corporate social responsibility in a supply chain with competition. *Journal of Cleaner Production*, *317*, 128398.
[24]. Chenhall R.H. (2003), Management control systems design within its organizational context: findings from contingency-based research and directions for the future, *Accounting Organization Society*, 28, 2-3, pp. 127-168.
[25]. Cho, S. J., Chung, C. Y., & Young, J. (2019). Study on the relationship between CSR and financial performance. *Sustainability*, 11(2), 343.
[26]. Claessens, S., & Yurtoglu, B. B. (2013). Corporate governance in emerging markets: A survey. Emerging Markets Review, 15, 1-33.
[27]. Coehlo, R., Jayantilal, S., & Ferreira, J. J. (2023). The impact of social responsibility on corporate financial performance: A systematic literature review. Corporate Social Responsibility and Environmental Management, 30, 1–26.
[28]. Cohen, J. (1988) Statistical Power Analysis for the Behavioural Science (2nd ed.). Hillsdale. NJ: Lawrance Erlbaum Associates.
[29]. Crane, A., & Glozer, S. (2016). Researching corporate social responsibility communication: Themes, opportunities and challenges. *Journal of Management Studies*, 53(7), 1223–1252
[30]. Crifo, P., Escrig-Olmedo, E., & Mottis, N. (2019). Corporate governance as a key driver of corporate sustainability in France: The role of board members and investor relations, Journal of Business Ethics, 159(4), 1127-1146.
[31]. Desender, K., & Epure, M. (2021). The pressure behind corporate social performance: Ownership and institutional configurations. *Global Strategy Journal*, 11(2), 210–244'.
[32]. Dwekat, A., Seguí-Mas, E., Zaid, M. A., & Tormo-Carbó, G. (2022). Corporate governance and corporate social responsibility: mapping the most critical drivers in the board academic literature. *Meditari Accountancy Research*, 30(6), 1705-1739.
[33]. Epure, M. (2022). Corporate social responsibility as a signaling technology. *Review of Managerial Science*, 16(3), 907–930.
[34]. Fabamise, O. (2019). Assessing efforts to revive Nigeria's textile industry. Retrieved from https://leadership.ng/2019/01/08/assessing-efforts-to-revive-nigerias-textile-industry/.
[35]. Fallah Shayan, N., Mohabbati-Kalejahi, N., Alavi, S., & Zahed, M. A. (2022). Sustainable development goals (SDGs) as a framework for corporate social responsibility (CSR). *Sustainability*, *14*(3), 1222.
[36]. Farooq, M., Noor, A., & Ali, S. (2022). Corporate governance and firm performance: Empirical evidence from Pakistan. Corporate Governance: The International Journal of Business in Society, 22(1), 42–66.
[37]. Farooq, O., Rupp, D. E., & Farooq, M. (2017). The multiple pathways through which internal and external corporate social responsibility influence organizational identification and multifocus outcomes: The moderating role of cultural and social orientations. *Academy of Management Journal*, 60(3), 954–985.
[38]. Fernandes, F. D. S., Sermpinis, G., Stasinakis, C., & Zhao, Y. (2023). Corporate social responsibility and firm survival: Evidence from Chinese listed firms. *British Journal of Management*, *35*(2), 1014-1039.
[39]. Fernandes, S. M., Bornia, A. C., & Nakamura, L. R. (2018). The influence of boards of directors on environmental disclosure. *Management Decision.*
[40]. Freeman, R.E. (1984), Strategic Management: A Stakeholder Approach, Pittman, Boston, MA.
[41]. Gadenne, D., Mia, L., Sands, J., Winata, L., & Hooi, G. (2012). The influence of sustainability performance management practices on organisational sustainability performance. *Journal of Accounting & Organizational Change*, *8*(2), 210-235.
[42]. Gharbi, M., & Jarboui, A. (2024). The impact of corporate social responsibility on firm financial performance: does corporate governance matter? *International Journal of Law and Management*, *66*(6), 681-693.
[43]. Giannopoulos, G., Pilcher, N., & Salmon, I. (2024). What is the relationship between corporate social responsibility and financial performance in the UK banking sector? *Journal of Risk and Financial Management*, 17(5), 187.
[44]. Gong, Y., Yan, C., & Ho, K. (2021). The effect of managerial ability on corporate social responsibility and firm value in the energy industry. Corporate Social Responsibility and Environmental Management, 28(2), 581–594.
[45]. Guluma, T. F. (2021). The impact of corporate governance measures on firm performance: The influences of managerial overconfidence. *Future Business Journal*, 7(1), 1–18.
[46]. Gupta, M., Kumar, V., & Singh, M. (2014). Creating satisfied employees through workplace spirituality: A study of the private insurance sector in Punjab (India). Journal of Business Ethics, 122(1), 79-88.
[47]. Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., & Thiele, K. O. (2017). Mirror, mirror on the wall: a comparative evaluation of composite-based structural equation modeling methods. *Journal of the Academy*

of Marketing Science, *45*(5), 616-632.

[48]. Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modelling. *Journal of the Academy of Marketing Science*, 43(1), 115-135.

[49]. Hilmer, F. G. (1998). Strictly boardroom. Melbourne, Australia: Information Australia

[50]. Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal*, *20*(2), 195-204.

[51]. Ikram, M., Zhou, P., Shah, S.A.A., Liu, G.Q., 2019. Do environmental management systems help improve corporate sustainable development? Evidence from manufacturing companies in Pakistan. *Journal of Cleaner Production*. 226, 628-641.

[52]. Jamali, D. and Karam, C. (2018), "Corporate social responsibility in developing countries as an emerging field of study", *International Journal of Management Reviews*, 20, 32-61.

[53]. Javaid, M., Haleem, A., Vaish, A., Vaishya, R., & Iyengar, K. P. (2020). Robotics applications in COVID-19: A review. *Journal of Industrial Integration and Management*.

[54]. Javed, M., Rashid, M.A., Hussain, G. and Ali, H.Y. (2020), "The effects of corporate social responsibility on corporate reputation and firm financial performance: moderating role of responsible leadership", *Corporate Social Responsibility and Environmental Management*, Vol. 27 No. 3, pp. 1395-1409.

[55]. Javeed, S. A., Latief, R., Jiang, T., San Ong, T., & Tang, Y. (2021). How environmental regulations and corporate social responsibility affect the firm innovation with the moderating role of Chief executive officer (CEO) power and ownership concentration? *Journal of Cleaner Production*, 308, 127212.

[56]. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305-360

[57]. Kajola, S. O. (2008). Corporate governance and firm performance: The case of Nigerian listed firms. European Journal of Economics, Finance and Administrative Sciences, 14(14), 16-28.

[58]. Kallunki, J. P., Laitinen, E. K., & Silvola, H. (2011). Impact of enterprise resource planning systems on management control systems and firm performance. *International Journal of Accounting Information Systems*, 12(1), 20-39.

[59]. Kemper, A., & Martin, R. L. (2010). After the fall: The global financial crisis as a test of corporate social responsibility theories. *European Management Review*, 7(4), 229-239.

[60]. Kline, T. (2005). Psychological testing: A practical approach to design and evaluation. Sage

[61]. Li, J., & Xu, X. (2024). The relationship between corporate social responsibility and financial performance. Highlights in Business, Economics and Management, 35(1), 116–122.

[62]. Lin, W. L., Ho, J. A., Ng, S. I., & Lee, C. (2020). Does corporate social responsibility lead to improved firm performance? The hidden role of financial slack. *Social Responsibility Journal*, *16*(7), 957-982.

[63]. Madanaguli, A., Srivastava, S., Ferraris, A., & Dhir, A. (2022). Corporate social responsibility and sustainability in the tourism sector: A systematic literature review and future outlook. *Sustainable Development*, 30(3), 447-461.

[64]. Manuel, T., & Herron, T. L. (2020). An ethical perspective of business CSR and the COVID-19 pandemic. Society and Business Review, 15(3), 235–253

[65]. Marsudi, A. S., & Soetanto, G. P. (2020, September). The effect of good corporate governance [GCG] on disclosure of corporate social responsibility [CSR] and its implications on firm value. In *International Conference on Management, Accounting, and Economy (ICMAE 2020)* (pp. 95-98). Atlantis Press.

[66]. Maqbool, S., & Zameer, M. N. (2018). Corporate social responsibility and financial performance: An empirical analysis of Indian banks. *Future Business Journal*, 4(1), 84-93.

[67]. McWilliams, A., & Siegel, D. (2000). Corporate social responsibility and financial performance: Correlation or misspecification? *Strategic Management Journal*, 21(5), 603–609.

[68]. Mia, L., & Clarke, B. (1999). Market competition, management accounting systems and business unit performance. *Management Accounting Research*, 10(2), 137-158.

[69]. Mihret, D.G., James, K. and Mula, J.M. (2010), "Antecedents and organizational performance implications of internal audit effectiveness: some propositions and research agenda", *Pacific Accounting Review*, Vol. 22 No. 3, pp. 224-252

[70]. Mohy-ud-Din, K., & Raza, S. (2023). Role of board indexes on corporate social responsibility (CSR) and shareholders' wealth author links open overlay panel. *Journal of Cleaner Production*, 400, 136521.

[71]. Mu, H.-L., Xu, J., & Chen, S. (2024). The impact of corporate social responsibility types on happiness management: A stakeholder theory perspective. *Management Decision*, 62(2), 591–613.

[72]. Naciti, V. (2019), "Corporate governance and board of directors: The effect of a board composition on firm sustainability performance", *Journal of Cleaner Production*, Vol. 237,117727.

[73]. Nasr, Mahmoud A., and Collins G. Ntim. 2018. Corporate governance mechanisms and accounting conservatism: Evidence from Egypt. Corporate Governance: *The International Journal of Business in Society* 18: 386–407

[74]. Nguyen, P. A., Kecskés, A., & Mansi, S. (2020). Does corporate social responsibility create shareholder value? The importance of long-term investors. *Journal of Banking & Finance*, 112, 105217.

[75]. Nguyen, V. H., Agbola, F. W., & Choi, B. (2022). Does corporate social responsibility enhance financial performance? Evidence from

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

Australia. *Australian Accounting Review*, *32*(1), 5-18.

[76]. Nordberg, D. and Booth, R. (2019), "Evaluating the effectiveness of corporate boards", Corporate Governance: *The International Journal of Business in Society*, Vol. 19 No. 2, pp. 372-387.

[77]. Nulty, D. D. (2008). The adequacy of response rates to online and paper surveys: what can be done? *Assessment & evaluation in higher education*, *33*(3), 301-314.

[78]. Ofoegbu, G. N., Odoemelam, N., & Okafor, R. G. (2018). Corporate board characteristics and environmental disclosure quantity: Evidence from South Africa (integrated reporting) and Nigeria (traditional reporting). *Cogent Business & Management*, 5(1), 1551510.

[79]. Okafor, A., Adeleye, B. N., & Adusei, M. (2021). Corporate social responsibility and financial performance: Evidence from US tech firms. *Journal of cleaner production*, *292*, 126078.

[80]. Okorie, O., Subramoniam, R., Charnley, F., Patsavellas, J., Widdifield, D., & Salonitis, K. (2020). Manufacturing in the time of COVID-19: An assessment of barriers and enablers. IEEE Engineering Management Review, 48(3), 167–175.

[81]. Opoku Marfo, E. (2024). Mechanisms and initiatives of corporate social responsibility behaviours in Ghana: a co-integration approach. *Cogent Business & Management*, *11*(1), 2312580.

[82]. Orij, R. P., Rehman, S., Khan, H., & Khan, F. (2021). Is CSR the new competitive environment for CEOs? The association between CEO turnover, corporate social responsibility and board gender diversity: Asian evidence. *Corporate Social Responsibility and environmental management*, *28*(2), 731-747.

[83]. Oware, K. M., & Mallikarjunappa, T. (2022). CSR expenditure, mandatory CSR reporting and financial performance of listed firms in India: an institutional theory perspective. *Meditari Accountancy Research*, *30*(1), 1-21.

[84]. Pantamee, A. A., & Ya'u, A. (2018). Effect of board size and board composition on firm performance in Nigerian petroleum marketing industry. Journal of Advanced Research in Social and Behavioural Sciences 10(2), 131-143.

[85]. Parsa, S., Dai, N., Belal, A., Li, T., & Tang, G. (2021). Corporate social responsibility reporting in China: Political, social and corporate influences. *Accounting and Business Research*, 51(1), 36–64.

[86]. Paul, S. K., & Chowdhury, P. (2020a). A production recovery plan in manufacturing supply chains for a high-demand item during COVID-19. *International Journal of Physical Distribution & Logistics Management.*, 51(2), 104–125.

[87]. Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879-903.

[88]. Pudjiastuti, W., & Mardiyah, A., Aida. (2007). The influence of board structure on company performance. Paper presented at the Simposium Nasional Akuntansi X, Makassar, Indonesia.

[89]. Rahi, A. F., Johansson, J., Blomkvist, M., & Hartwig, F. (2024). Corporate sustainability and financial performance: A hybrid literature review. *Corporate Social Responsibility and Environmental Management*, 31(2), 801–815.

[90]. Rodrigues da Costa, L., & Maria Correia Loureiro, S. (2019). The importance of employees' engagement on organizational success. *Journal of Promotion Management*, 25(3), 328-336.

[91]. Saeed, A., Gull, A. A., Rind, A. A., Mubarik, M. S., & Shahbaz, M. (2022). Do socially responsible firms demand high-quality audits? International evidence. International Journal of Finance and Economics, 27(2), 2235–2255.

[92]. Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saaeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, 68(2), 341–350.

[93]. Sahut, J. M., & Pasquini-Descomps, H. (2015). ESG impact on a firm's market performance. International Management, 19(2), 40–63.

[94]. Sekhon, A. K., & Kathuria, L. M. (2019). Analyzing the corporate social responsibility disclosures of selected companies in India. *Corporate Communications: An International Journal*, *24*(4), 686-701.

[95]. Sethi, S. P., Martell, T. F., & Demir, M. (2017). An evaluation of the quality of corporate social responsibility reports by some of the world's largest financial institutions. *Journal of Business Ethics*, 140(4), 787-805.

[96]. Shahzad, M., Ying, Q., Ur Rehman, S., Zafar, A., Ding, X., Abbas, J., 2019. Impact of knowledge absorptive capacity on corporate sustainability with mediating role of CSR: analysis from the Asian context. *Journal of Environment Planning and Management*. 1-27.

[97]. Sharma, E. (2019). A review of corporate social responsibility in developed and developing nations. *Corporate Social Responsibility and Environmental Management*, 26(4), 712-720.

[98]. Shittu, I., Ahmad, A. C., & Ishak, Z. (2018). Audit committee independence, abnormal directors' compensation, corporate governance disclosure and price to earnings multiple of Nigerian firms. *Journal for Global Business Advancement*, 11(2), 156-172.

[99]. Singh, K., Abraham, R., Yadav, J., Agrawal, A. K., & Kolar, P. (2023). Linking CSR and organizational performance: the intervening role of sustainability risk management and organizational reputation. *Social Responsibility Journal*, 19(10), 1830-1851.

[100]. Su, S., Baird, K., & Schoch, H. (2015). The moderating effect of organizational life cycle stages on the association between the interactive and diagnostic approaches to using controls with organizational performance. *Management Accounting Research*, 26, 40–53.

[101]. Svensson, G., Ferro, C., Høgevold, N., Padin, C., Carlos Sosa Varela, J., Sarstedt, M., (2018). Framing the triple bottom line approach: direct and mediation effects between economic, social and environmental elements. *Journal of Cleaner Production*. 197, 972-991
[102]. Turker, D. (2009). Measuring corporate social responsibility: A scale development study. *Journal of Business Ethics*, *85*(4), 411-427.
[103]. Usman, O., & Yakubu, U. A. (2019). An investigation of the post-privatization firms' financial performance in Nigeria: the role of corporate governance practices. Corporate Governance: *The International Journal of Business in Society*, Vol.19, No.3, pp. 404-418.
[104]. Uwuigbe, U., Peter, D. S., & Oyeniyi, A. (2013). The effects of corporate governance mechanisms on earnings management of listed firms in Nigeria. Accounting
[105]. Uzun, H., Szewczyk, S.H., Varma, R., (2004). Board composition and corporate fraud. Financial Analysts Journal, 60(3), 33 – 43.
[106]. van der Linden, B., & Freeman, R. E. (2017). Profit and other values: Thick evaluation in decision making. Business Ethics Quarterly, 27(3), 353–379.
[107]. Van der Stede, W. A., Young, S. M., & Chen, C. X. (2005). Assessing the quality of evidence in empirical management accounting research: The case of survey studies. *Accounting, Organizations and Society*, 30(7-8), 655-684.
[108]. Venkatraman, N., & Ramanujam, V. (1987). Measurement of business economic performance: An examination of method convergence. *Journal of Management*, *13*(1), 109-122.
[109]. Waddock, S. A., & Graves, S. B. (1997a). Quality of management and quality of stakeholder relations. Business and Society, 36(3), 250-279.
[110]. Wang, Q., Dou, J. and Jai, S. (2016) 'A meta-analytic review of CSR and CFP: The moderating effect of contextual factors', *Business & Society*, 55 (8), pp. 1083-1121
[111]. Wang, Y., Lu, T., & Qiao, Y. (2021). The effect of air pollution on corporate social responsibility performance in high energy-consumption industry: Evidence from Chinese listed companies. *Journal of Cleaner Production*, *280*, 124345.
[112]. Wang, Z., Jia, H., Xu, T., Xu, C., (2018). Manufacturing industrial structure and pollutant emission: an empirical study of China. *Journal of Cleaner Production*. 197, 462-471.
[113]. Wetzels, M., Odekerken-Schröder, G., & Van Oppen, C. (2009). Using PLS path modeling for assessing hierarchical construct models: Guidelines and empirical illustration. *MIS quarterly*, 177-195.
[114]. Xu, R., Lin, B., 2017. Why are there large regional differences in CO2 emissions? Evidence from China's manufacturing industry. *Journal of Cleaner Production*. 140, 1330-1343.
[115]. Zhao, X., Wu, C., Chen, C. C., & Zhou, Z. (2022). The influence of corporate social responsibility on incumbent employees: A meta-analytic investigation of the mediating and moderating mechanisms. *Journal of Management*, *48*(1), 114-146.
[116]. Zhou, H., Owusu-Ansah, S. and Maggina, A. (2018), "Board of directors, audit committee, and firm performance: evidence from Greece", *Journal of International Accounting, Auditing and Taxation*, Vol. 31, pp. 20-36.

APPENDAGES

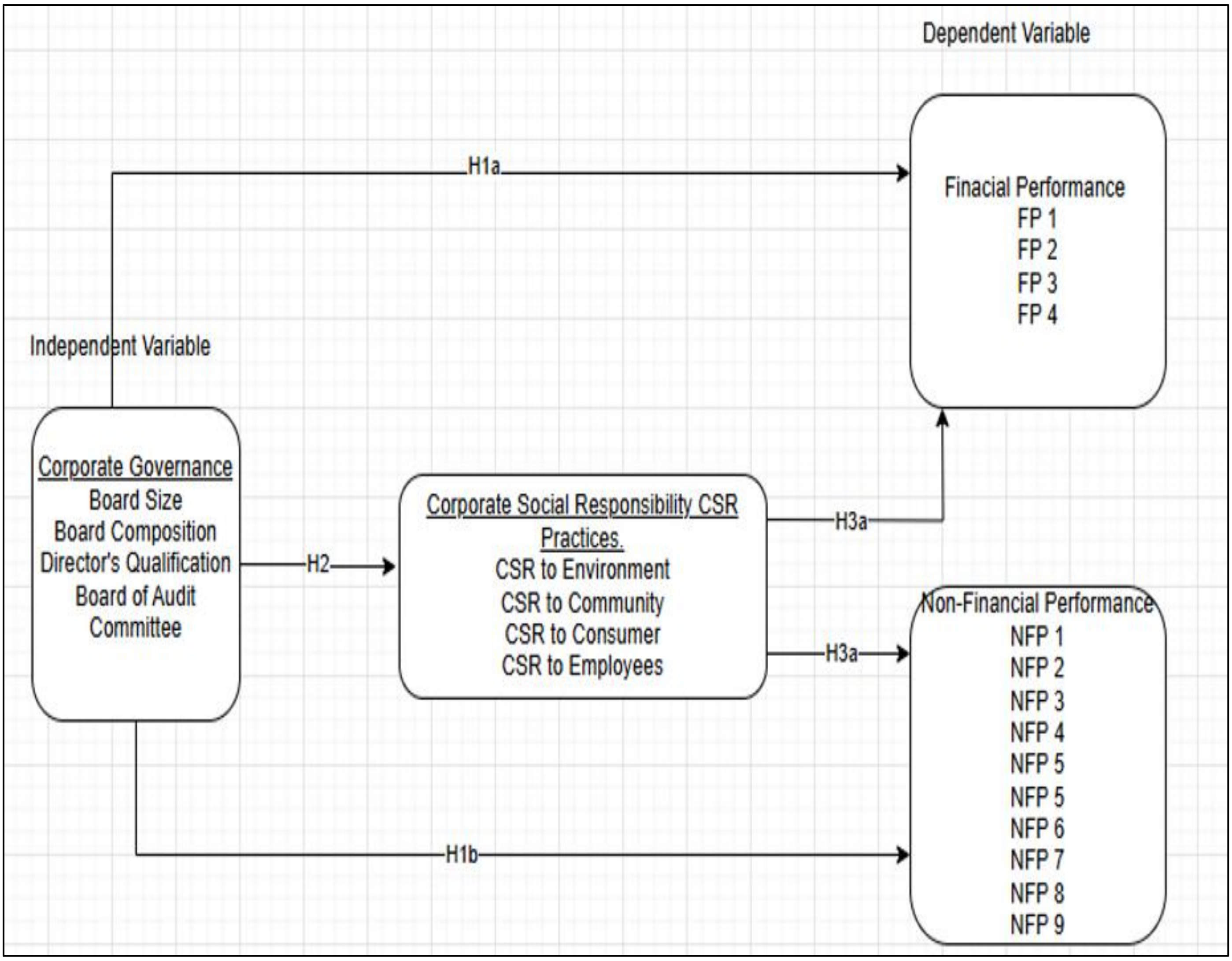

Fig 1 Conceptual framework

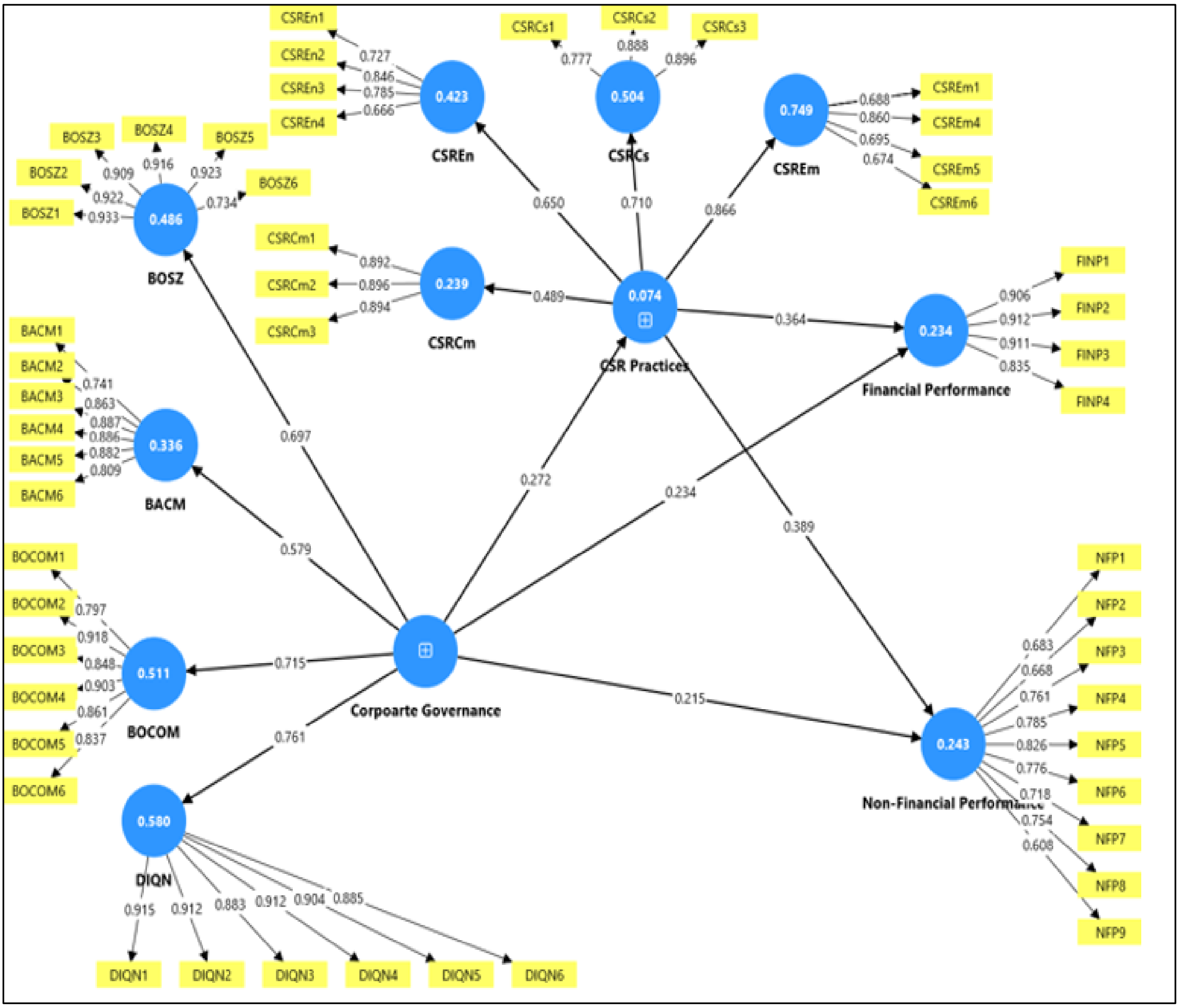

Fig 2 Structural model results with β-value

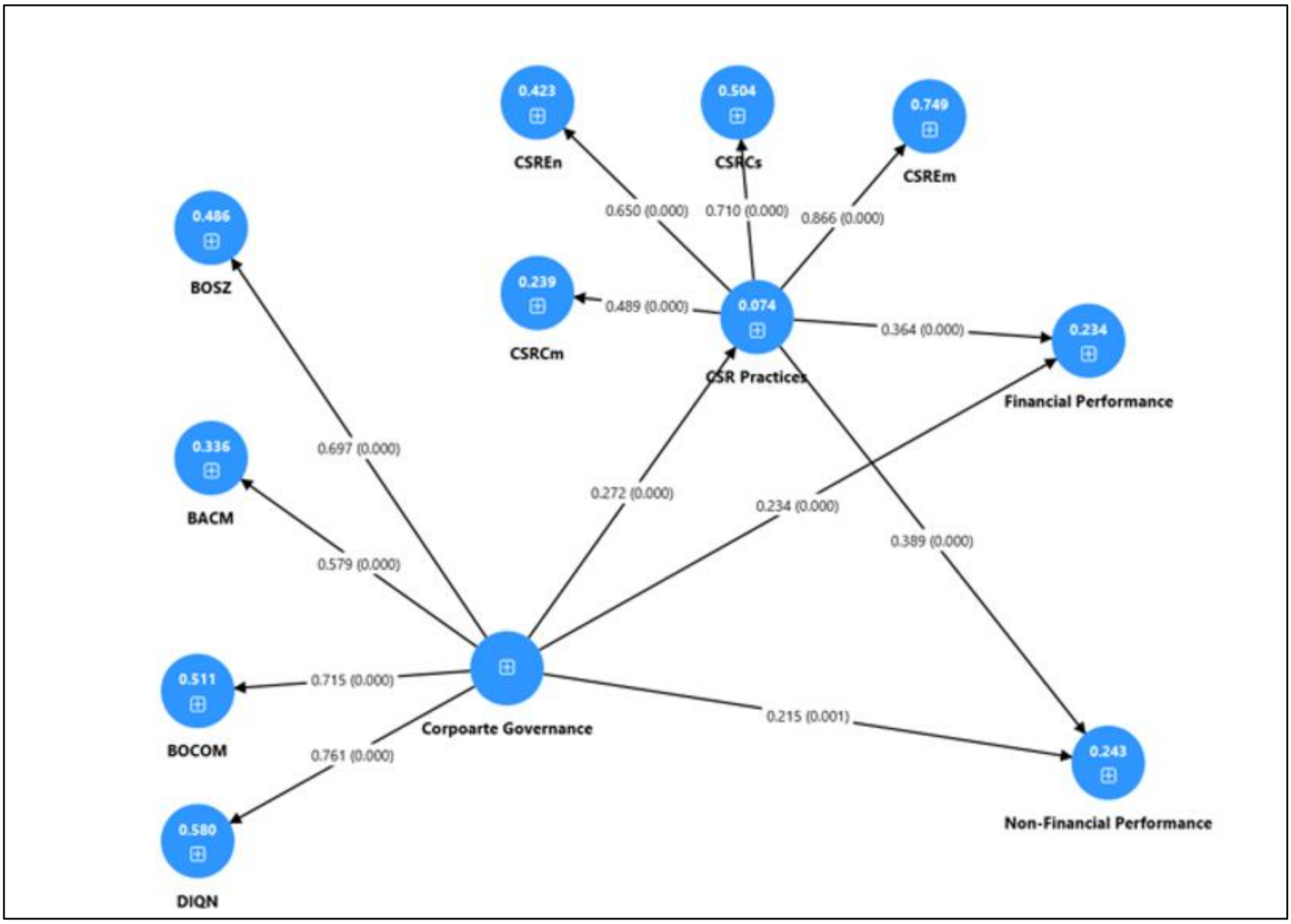

Fig 3 Structural Model with Inner Model T-Values

All the mentioned results are presented in Table1.

Table 1 Constructs Validity and Reliability

Constructs	Items	F.L.	CA	CR	AVE
B_Audit_Com	BACM1	0.739	0.915	0.934	0.703
	BACM2	0.841			
	BACM3	0.890			
	BACM4	0.848			
	BACM5	0.861			
	BACM6	0.842			
Board_Com	BOCOM1	0.795	0.925	0.941	0.728
	BOCOM2	0.905			
	BOCOM3	0.873			
	BOCOM4	0.888			
	BOCOM5	0.819			
	BOCOM6	0.834			
Board_Size	BOSZ1	0.932	0.945	0.956	0.786
	BOSZ2	0.910			
	BOSZ3	0.902			
	BOSZ4	0.901			
	BOSZ5	0.890			
	BOSZ6	0.775			
CSR_Com	CSRCm1	0.894	0.875	0.923	0.799
	CSRCm2	0.895			
	CSRCm3	0.894			

ISSN No: 2456-2165 https://doi.org/10.38124/ijisrt/25jul1909

CSR_Con	CSRCs1	0.792	0.814	0.890	0.731
	CSRCs2	0.880			
	CSRCs3	0.888			
CSR_Emp	CSREm1	0.692	0.858	0.895	0.591
	CSREm2	0.779			
	CSREm3	0.886			
	CSREm4	0.858			
	CSREm5	0.696			
	CSREm6	0.674			
CSR_En	CSREn1	0.735	0.753	0.843	0.576
	CSREn2	0.847			
	CSREn3	0.779			
	CSREn4	0.661			
Directors_Qua	DIQN1	0.937	0.953	0.962	0.810
	DIQN2	0.906			
	DIQN3	0.884			
	DIQN4	0.871			
	DIQN5	0.896			
	DIQN6	0.906			
Financial_P	FINP1	0.911	0.913	0.939	0.795
	FINP2	0.914			
	FINP3	0.909			
	FINP4	0.829			
Non-Finan_P	NFP1	0.644	0.877	0.902	0.507
	NFP2	0.637			
	NFP3	0.767			
	NFP4	0.786			
	NFP5	0.805			
	NFP6	0.746			
	NFP7	0.712			
	NFP8	0.727			
	NFP9	0.548			

Notes: Cr: Composite Reliability; Ave: Average Variance Extracted; Ca: Cronbach’s Alpha