IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 23, Issue 11. Ser. II (November. 2021), PP 01-10
www.iosrjournals.org

Environmental Investments and Financial Performance of Listed Consumer Services Sector Firms in Nigeria

Lyndon M. Etale and Princess O. Adah-Marcus
Department of Accounting, Faculty of Management Sciences, Niger Delta University, Wilberforce Island, Bayelsa State, Nigeria

Abstract
There has been a long-standing debate on the significance of environmental investments and their effect on firm performance. In line with this, the primary objective of this research is to ascertain the relationship between environmental investments and financial performance in Nigerian consumer services sector firms. The study obtained data from the annual financial statements of the consumer firms listed on the Nigerian stock Exchange fact-book 2016-2020. Descriptive analysis was used to explain the variables applied and panel regression analysis was used to find out if there exists a relationship between employee benefits, staff training cost, donations (proxies for environmental investments) and financial performance (represented by return on assets). The results from the study reveal that donation and staff training cost both have negative and significant relationship with financial performance. Also, the study revealed that employee benefits have positive and significant relationship with financial performance. The study found that the profitability of environmentally conscious companies in Nigeria is higher than that of non-environmentally conscious companies. The study recommended the need to promote, harmonized and sustain overall development, and the government need to enact appropriate legislation to regulate environmental friendly best practices among firms.

Keywords: *Donations, Employee Benefits, Environmental investments, Performance, Return on assets, Staff training,*

Date of Submission: 28-10-2021 Date of Acceptance: 12-11-2021

I. Introduction

The idea of globalization reveals another miracle called environmental investment. In order to achieve reasonable progress and increase their personal satisfaction, corporate entities perform operations with such behavior to ensure environmental safety without giving up profit (Rondinelhi and Vastag, 1996; and Berkowitz, Klin, Harbin) Terry and Rudelius, 2000). In terms of applicable standards, it is reasonable that maintainable business practices are relatively new (Uwuigbe and Egbide 2012). In the past years, Nigeria has undergone tremendous currency and social changes. Environmental issues have made headlines due to the negative impact of on the stability of the ecosystem. Therefore, raising awareness about social responsibility, especially environmental issues, is now a challenge facing the business world (Solabomi and Uwuigbe, 2013).

Hashimu and Ango (2012) believe that the operation of the association has direct or reverse effects on stakeholders. Therefore, Igwe (2011) clarified that communication between the organization and its environment represents some social and monetary difficulties, and if it is handled illegally, it can adversely affect the proper functioning of the interaction between the organization and its environment. environment. So far, company faces constantly evolving public requests and even sustainable management requirements. has also appeared in many non-legislative associations and social companies that focus on management, especially environmental insurance Uwuigbe (2012).

Recently, due to the increase in the financial results of the corporate environmental impact, environmental accounting has been expanding its consideration of the globally (Appah 2011). Therefore, companies seem to be concerned that ignores ecological issues and increases expenses. The designated global development stems from the development of awareness of the ecological impact of human exercise that has accelerated enormously in the last decades.

In recent decades, research on whether corporate social responsibility can increase company performance is booming, but confirmation is not obvious (McWilliams and Siegel (2000, 2001), and Kitzmueller and Shimshack (2012). Bebbington, (2015) stipulates that the company's social obligations should be treated as investments, not as costs or Expenses demonstrates the connection between the company and its stakeholders. Gradually, the environment becomes an increasingly terrifying monetary, social and political issue. Furthermore, although from one perspective believes that environmental regulations that require environmental compliance will promote better economic performance due to increased competition, different researchers believe that control will make the company unrecoverable (Russo and Fouts 1997) and Subsequently, the company was largely unsuccessful.

Statement of the Problem

Baridam (1995) believes that the social awareness of the association will promote mutual satisfaction between the organization and its immediate environment through interaction. However, Justin and Wadike (2013) pointed out that the formulation of the goals of the organization and the business strategy must involve the immediate environment in which it operates, to consciously resolve social, monetary and political policies and environmental. issues. Many companies in developing countries, such as Nigeria, advance in a way that suggests that they can achieve their corporate objective, regardless of the possibility of trampling on environmental and social responsibilities. It is the factor that prompted this study to find companies with sustainability factors and how this could affect the performance of the company.

Most organizations focus on protecting the brand and reputation, not the people or communities in which the company operates. Therefore, this research will focus on the global workforce and local communities related to organizational environmental investing. Generally, only large multinational organizations have the capacity to allocate resources to employees and communities. Human social responsibility means that associations of all sizes serve as individual conveners, a gain leadership of the human social contract between employees and their individual rights. There are hundreds of scientific attempts to find a universally valid answer to this complex problem, dating back to years before age 40. They often encounter the harmful effects of complex interactions, inappropriate estimation models, or insufficient data leading to uncertain results Elsayed and Paton (2005).

Although environmental investments are well received by society, they are not very attractive to companies, especially in Nigeria, which still lag far behind in understanding and applying environmental accounting. The rationale is that this type of investment requires a large amount of initial capital investment, and when the price of production is uncertain, most of these types are considered irreversible investments. A considerable number of companies have not yet been indifferent to their environmental and social responsibilities, while companies that voluntarily participate have not paid attention to the global workforce and local communities. On this basis, the study examined the relationship between Nigeria's environmental investment and corporate financial performance.

Objectives of the Study

The objective of this study is to provide empirical evidence on the relationship between environmental investments and firms performance in Nigeria. Specifically, the objectives of this study are to:

1. Examine the extent of donation on the financial performance of listed companies on the NSE
2. Investigate the effect of Staff Cost and financial performance on financial performance on listed companies on the NSE
3. Determine the extent of Employee Benefits influence on financial performance of listed companies on the NSE

Research Questions

In view of the above research problems, the relevant research questions are:

1. What relationship exists between donation and financial performance of consumer services sector in Nigeria?
2. What degree of relationship exists between Staff Cost and financial performance on consumer services sector in Nigeria?
3. What relationship exists between employee benefits and financial performance of consumer services sector in Nigeria?

Research Hypotheses

In order to achieve the objectives of this research, the following hypotheses will be tested.

H_{01}: Donations does not have a significant impact on the financial performance of consumer service sector in Nigeria.

$H_{02:}$ Employee Benefit does not have a significant impact on the financial performance of consumer service sector in Nigeria.

H_{03}: Staff training cost does not have a significant impact on the t financial performance of consumer service sector in Nigeria.

II. Literature Review

Conceptual Framework
Environmental Investment

"Environmental Protection Investment" includes the social awareness contribution of "regular companies", natural resource companies, manufacturers, and even financial companies and retailers to exhibit environmental protection. Third, profit motives interact with policy issues because multiple companies conclude that viable environmental citizens are useful for business processes (Jaeger, 2002). The environmental investment of local communities is an important financial aspect of community forest management (CFM) and governance. In Nepal, it is considered to be a cost paid for the creation of local communities' property rights, support for forest management, and opportunities to increase income, employment, and wood fuel as an energy source (Bista, 2013).

The process of formalizing environmental accounting began in France in the 1990s (Gray and Shadbegian 2003). At the European level, economic and environmental accounting agreements were also made during this decade. Owolabi (2010) With respect to environmental costs, inferred that costs and benefits should be appropriately allocated depletion or degradation of assets makes a clear distinction between generating income and consuming capital resources. Miles and Covin (2000) believe that most of the organizational content in uses one of two mutually exclusive environmental investment perspectives, a strategic scale or model. Compliance recommends that companies must basically comply with all applicable laws and regulations, with a view to improving profitability for shareholders. The strategic approach to environmental investment suggests that organizations try to use environmental strategies to expand shareholder returns to create a sustainable competitive advantage.

According to Uwaegbulam (2004) key parties have been at odds for years, with ominous warnings as climate disasters worsen. Ban (2007) stated in his statement at the release of the Fourth Assessment Synthesis Report of the Intergovernmental Panel on Climate Change (IPCC) that "slowing and correcting these hazards posed by climate change are the defining task of our age." According to Yakhon and Dorweiler (2004), the impact of business on the environment can be found in a variety of ways, including air, water, subsurface pollution, drinking water, land and habitat for endangered and threatened species, oceans, atmosphere, land, mass, and so on. A wide range of pollutants, including poisonous, hazardous, and 'warming' pollutants, are linked to business operations. They stated that from this range of environmental consequences, various disciplines are required for effect analysis, as well as integration into organizational choices and accounting reporting.

Mastrandrea and Schneider (2008) believe there are costs, but industrialization paved the way for pollutants from factories and increased land use, and had a negative impact on the natural environment. However, the use of machinery and science in agriculture has contributed to increased land use and thus led to the widespread loss of habitats for plants and animals. As a developing country, Nigeria has invested in an abundance of oil, natural gas, coal, limestone, vegetation and other resources, but the problem of environmental degradation has not been eliminated. The country tried to use these resources to improve its economic development and the well-being of its citizens, and eventually found pollutants, including carbon dioxide, warming, and other greenhouse gas emissions.

However, from the perspective of corporate executives and policy experts, the distinction is crucial. The prescription that typically emerges from "pays to be green" literature is that directors should speculate in order to reduce their company's environmental effect (Hart and Ahuja 1996). Aupperle, Carol and Hatfiel (1985) clarify neoclassical thinking by claiming that enterprises that invest in pollution management face costs that outweigh the financial gains. As a result, corporate environmental investments may result in lower earnings or a competitive disadvantage, resulting in lower profit expectations among investors.

Financial Performance

However, in terms of definition and assessment, performance is a tough concept to grasp. It has been defined as the end outcome of activity, and the proper measure chosen to assess corporate performance is said to depend on the type of company to be assessed and the goals to be attained via that evaluation (Nkomani, 2013). According to Ofori, Nyuur,and Darko (2014), performance measurement systems are information systems used to analyze both individual and organizational performance. Until recently, businesses focused on using financial performance measurements as the foundation for performance assessment and evaluation. Market, accounting, and mixed factors can all be utilized to assess corporate performance in the context of CSR (Poddi and Vergalli, 2009).

Market Capitalization is a market variable (MKTCAP). Return on Equity (ROE), Return on Assets (ROA), Return on Investment (ROI), and Return on Capital Employed are all accounting factors (ROCE). The Market Value Added is the mixed variable (MVA). Each of these variables provides a reliable indicator. Profitability ratios are the measures used to assess a company's total profit performance. According to Khan and

Jain (2004), profitability ratios are calculated based on either sales or investment. According to Bolek and Wolski, (2012) the ratios are intended to highlight a firm's profitability, managerial efficiency as measured by returns on capital used, and the intensity of capital utilization — the rate at which invested capital is turned over.

However, the study chooses ROA for use in this study, following the lead of Preston and O'Bannon (1997). This variable is called The Return on Asset (ROA) is a frequently used accounting-based measure of corporate governance in the literature, It evaluates the efficacy of capital utilized and offers a foundation for investors to calculate the earnings earned by the firm's investment in capital assets (Epps and Cereola 2008). The return on assets (ROA) is a metric that displays the number of earnings gained from invested capital. It represents the number of kobo earned on each naira worth of assets. It enables users, stakeholders, and monitoring agencies to evaluate how successfully a firm's corporate governance structure secures and motivates efficient management (Chagbadari, 2011). The ROA is the ratio of annual net income to average total assets of a business during a financial year.

Theoretical Framework

Theory of Firm Perspective

The ideal level of investment in social environmental responsibility for a corporation, according to the theory of firm perspective, may be evaluated in the same way as any other investment by examining demand and supply sides (McWilliam and Siegel; 2001). William and Siegel's fundamental point is that the relationship between environmental compliance and financial performance should be agnostic. They clarified their viewpoint by claiming that enterprises who do not incur environmental costs will be able to provide their products and services at lower rates, whereas firms that experience environmental costs will be able to offer their products and services at higher prices. Thus, according to this hypothesis, compliance with environmental standards should have no effect on financial performance.

The Social Contract Theory

Previous publications have widely recognised the Social Contract notion of CSR. According to Owolabi (2007), the Social Contract Concept is in charge of Corporate Social Reporting (CSR). According to Duke and Kanpang (2013), the social contract is essential to social development and reform. Deegan (2002) links the Social Contract expectation to Legitimacy Theory, stating that “a social contract exists between the organization and individuals affected by the organization's operations.”

Agency Theory

The agency theory derives from economic theory and dominates the corporate governance literature. According to Daily, Dalton, and Canella (2003), two variables influence the dominance of agency theory. First and foremost, the idea is conceptually simple, reducing the business to two participants: managers and stockholders. Second, it is widely understood that humans are self-interested. Delegation and concentration of control in the board of directors, as well as the use of compensation incentives, are supported by agency theory. The board of directors keeps an eye on agents through communication and reporting, review and auditing, and the execution of rules and policies. In short, disagreement stymies the agency connection between shareholders (principals) and managers (agents) under the prevalent paradigm. The principals' aim to maximize shareholder value and the self-interested agent's endeavor to expropriate cash are the primary causes of the agency dilemma. Contracts help to address this imbalance of interests. Contracts that cover all scenarios are impossible to get in a complex corporate environment.

Shleifer and Vishny (1997) illustrate the agency dilemma in the context of an entrepreneur or management raising capital from investors to either put to productive use or cash out his stake in the organization. They clarify that, whereas the financiers require the manager's specialized human capital to make returns on their money, the manager requires the financier's funds since he lacks the capital to invest or cash in his assets. But how can financiers be certain that once their funds are sunk, they would receive anything back from the manager? Because proactive environmental investments, in this agency's opinion, are not in the best interests of shareholder wealth maximization, environmental legislation can only compel managers to invest in initiatives with a negative net present value. Furthermore, environmental disclosure would not minimize the negative impact of environmental investing since, in this perspective, the environmental aim cannot be aligned with wealth maximization.

Stakeholders Theory

A stakeholder is traditionally defined as "any group or individual who can affect or is affected by the achievement of the organization's objectives" Fontaine, Harman and Schmid, (2006). The stakeholder concept's overarching idea is a re-definition of the organization. The notion, in general, is about what the organization should be and how it should be conceptualized. According to Friedman (2006) in Fontaine et al (2006), the organization should be viewed as a collection of stakeholders, with the goal of managing their interests, needs, and points of view. This stakeholder management is assumed to be performed by a firm's managers. On the one hand, managers must manage the company for the interests of interest groups to ensure their rights and participation in decision-making. On the other hand, managers must act as shareholders' agents to ensure the survival of companies to safeguard each group. Long-term benefits. The definition of stakeholders, the purpose and characteristics of the organization, and the role of managers are very unclear and questioned in the literature, and have changed over the years.

Consider groups of people who have classifiable relationships with the company as a standard technique of differentiating the many types of stakeholders. According to Friedman (2006) in Fontaine et al (2006), there is a close association between definitions of what stakeholders are and identification of who the stakeholders are. Customers, employees, local communities, suppliers and distributors, and shareholders are the primary stakeholders. In regard to the research aims, this study employed the stakeholder theory since this study considers other stakeholders, not just shareholders, and according to this theory, satisfaction of diverse stakeholder groups is important for organizational financial performance (Donaldson, and Preston 1995).

Empirical Review

Management stakeholders benefit from environmental investment, which improves corporate performance (Artiach, Lee, Nelson and Walker 2010).

Collins (2009) investigated environmental responsibility and firm performance and discovered that responsible firms' sustainable practices are highly related to firm success. It was also shown that sustainable practices had an inverse relationship with fines and penalties. It was concluded that sustainability has an impact on business performance and that sustainability may be a useful instrument for resolving corporate conflicts, as indicated by the reduction of fines, penalties, and compensations.

Rikhardsson and Claus (2008) investigated the effect of environmental information on investment allocation decision. The findings imply that the publication of environmental information influences investment allocation decisions. This study means that corporations that are apathetic to their environmental responsibilities may eventually see a drop in their stock price if their investors are rational in assessing the firm's future value based on its current state of environmental responsibility.

However, causality is rarely (if ever) correctly accounted for in empirical applications, and scores/ratings rarely indicate real performance (Paul and Siegel, 2006). At the same time, firms may boost environmental investments to address regulatory demands and avoid extra "penalty" costs, explaining the positive relationship between productivity and environmental investments. Another explanation is the idea of "available funds" (Preston and O'Bannon, 1997).

McWilliams and Siegel (2001) discovered an interesting statistical discovery, demonstrating that research and development spending tends to undermine the immediate financial benefits of a company's environmental commitment.

Environmental investment or management studies and financial performance can be divided into two categories (environmental regulations and corporate social responsibility), but this study focuses on the human social responsibility component of corporate social responsibility.

Environmental Regulations and Firms Performance

According to Lanoie, Jérémy, Nick and Stefan (2011), regulatory-induced environmental innovation enhances corporate performance but not sufficiently to cover compliance costs. They conclude that the net effect is negative, implying that the good effect of innovation on corporate performance does not outweigh the negative effect of the regulation itself. These findings imply that environmental control is costly, but less so than if only the direct costs of the legislation were considered, without the possibility of innovation to reduce those costs.

Rexhauser and Rammer (2016) find that regulation-induced innovations which improve a firm's resource efficiency in terms of material or energy consumption have a positive impact on profitability, as measured by pre-tax profits over sales.

Corporate Social Responsibility and Firms Performance

Barde and Tela (2015) investigated the corporate social responsibility (CSR) and financial performance of listed businesses in the Nigerian construction industry. The research uses an ex-post facto and survey approach to collect data from annual reports as well as a questionnaire conducted on a five-point Likert scale. Multiple regression analysis and the chi-square test were used to analyze the data. The findings indicate that non-philanthropic activities have a greater impact on the financial success of enterprises in the Nigerian construction industry than philanthropic activities.

Togun and Nasieku (2015) investigated the influence of CSR on the performance of Nigerian listed manufacturing businesses. Simple random sampling and stratified sampling were used to choose a sample of 15 out of 74 enterprises from the manufacturing industry's five major sectors. According to the findings of the study, CSR activities have a moderately beneficial effect on the performance of manufacturing firms.

Owolabi, Adegbie and Ogan (2020) investigated the impact of investment in corporate social responsibility on performance of quoted manufacturing firms in Nigeria. The data covering a period of ten years from 2008 to 2017 were sourced from published annual financial reports of the firms selected. The validity and reliability of the data was based on the statutory audit of all the financial statement by qualified auditors and approved by the regulatory authorities. The study concluded that manufacturing firms in Nigeria do not view investment in CSR as a strategic tool to improve performance but employed to achieve other corporate objective(s)

Ahmed, Saheed and Olugbeng (2016) examined the impact of corporate social responsibility disclosure on the financial performance of Nigerian listed manufacturing firms using four corporate social responsibility disclosure measurements (human resources, environment, community, and product) on earnings per share. The study used a sample of ten manufacturing businesses chosen at random from seven subsectors of the Nigerian manufacturing industry. Secondary data was used in the study and was analyzed using multiple regression. The analysis discovers a statistically significant positive relationship between csr disclosure and earnings per share.

Ajayi and Opusunju (2016) investigated the impact of corporate governance on the Dangote group of firms' corporate social responsibility in Nigeria. Data was acquired from primary sources using multiple regression on E-views software. The findings revealed a positive and substantial link between the factors studied.

Wan and Adamu (2016) investigated the link between CSR activities and financial performance of Malaysian public listed firms from 2009 to 2013. Purposive sampling was used to choose the top 100 Malaysian-listed firms from the Malaysian stock exchange (Bursa Malaysia). They chose the environment, community, workplace, and market place as independent factors (components of CSR) and ROE and EPS as dependent variables (indicators of financial performance). Using the Pearson correlation test, they discovered that four autonomous components had a positive relationship with two dependent variables, namely CSR and financial performance.

III. Methodology

Research Design

The longitudinal design was considered suitable for this study because data on the variables were based within a selected period of time. Also, Data already exist as no attempt is made to control or manipulate relevant independent variables apparently because these variables are not easily manipulated.

The population for the study consists of thirteen (13) consumer services firms listed on the Nigerian Stock Exchange (NSE, 2021).

The researcher adopted the purposive random sampling to select seven (7) consumer services firms for the period of five years (2016-2020). The sample firms are Afromedia, Daar Communications, DN tyre & rubber, Learn Africa, Tantalizer, Transcorp and Univeristy press. The criteria for companies to be selected as part of the sample population, the firm was listed and active on the Nigerian Stock Exchange; access to the financial statements. This research engages secondary data. The sources of data include annual reports and accounts of consumer service companies under study and other sources which include textbooks, journals and the internet.

Model Specification

The study adopted a model applied by other researchers such as Okere (2018). The study employed different environmental investments (Internal & External environmental investments) and financial performance model is as follows

This model is as follows

$ROA = \beta0 + \beta1STC + \beta2EMB + \beta3DON + \mu t$…………. (1)

Where ROA= Returns on assets

STC= Natural logarithm of Staff Training Cost

EMB= Natural logarithm of Employees Benefits

DON= Natural logarithm of Donations

µt is the error term capturing other explanatory variables not explicitly captured in the model.

Control Variable

FIRA= Firm Age

Measurement of Variables
The variables that will be used for this study are:
1. Financial Performance which depict Return on assets (ROA): which can be calculated as
Net Profit after tax∗100
Total Assets
Kosmidou (2008) and Okere (2017) used ROA as dependent variable. This exhibits the actual effectiveness associated with administration in order to make use of the overall asset for getting the return from them. This show the actual earnings produced from each rupee of asset. It is best way of measuring profitability.
2. Environmental Investments Variables
a. Internal environmental investments: these are costs that directly impact on the income statement of the company and are related to stakeholders within an organization. Based on this study, only individual specific costs are considered and the variables here are employee benefits (EMB) and staff training costs (STC).
b. External environmental investments: these are costs that are related to external stakeholders (community, public) of an organization which companies embark on for commercial gains. Based on this study, only individual specific costs are considered and the variables here are donations (DON), other community benefits (CMB) such as training costs of individuals in the society, scholarship.

IV. Analysis And Discussion Of Findings

Table 4.1: Descriptive Statistics

	ROA	DON	EMB	FIRA	STC
Mean	23.05908	10.07110	8.967399	33.28571	9.968555
Median	13.75170	10.02632	9.630825	35.00000	10.02220
Maximum	179.9173	11.41908	11.47744	46.00000	10.47785
Minimum	8.575600	9.210340	0.000000	14.00000	9.287857
Std. Dev.	28.97402	0.575373	2.828292	8.988789	0.302610
Skewness	4.741316	0.669710	-2.792439	-0.758295	-0.711086
Kurtosis	26.06963	3.197468	9.219519	2.634251	2.957422
Jarque-Bera	907.2704	2.673180	101.8985	3.549318	2.952233
Probability	0.000000	0.262740	0.000000	0.169541	0.228523
Sum	807.0678	352.4884	313.8590	1165.000	348.8994
Sum Sq. Dev.	28542.78	11.25584	271.9740	2747.143	3.113466
Observations	35	35	35	35	35

Source: *Researcher Computation from E-view 10 output (2021)*

Table 4.1 shows the mean and standard deviation of 35 observations of dependent variable (financial performance), independent variables (donations, employee benefits and staff training cost) and control variables (firm age). The results obtained from the descriptive statistics give the average ROA for the whole sample to be 23.05908, with maximum and minimum of 179.9 and -8.575, with the standard deviation was 28.97 respectively.

While Staff Training Cost (STC) has a mean of 9.968, a maximum and minimum of 10.5 and 9.288 respectively and a standard deviation of 0.30. Also, Employee Benefit (EMB) has a mean of 8.967, a maximum and minimum of 11.477 and 0.000 respectively and a standard deviation of 2.828. The Donation (DON) has a mean of 10.071, a maximum and minimum of 11.42 and 9.21 respectively and a standard deviation of 0.575.

From the analytical output, the standard deviation values of (STC & DON) are close to zero meaning the mean values are reliable and there is very little volatility in the sample. Employee Benefit (EMB) has the highest standard deviation which depicts the lowest contribution to the model, while a return on asset has the highest standard deviation which indicates its insignificant contribution to the research model.

Table 2: Regression Result for Panel Data

Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/01/21 Time: 18:32
Sample: 2016 2020
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	268.4498	168.8203	1.590152	0.1223
DON	-13.51411	7.995275	-1.690262	0.0113
EMB	0.649754	1.699925	-0.382225	0.0050
FIRA	-1.453769	0.566664	-2.565488	0.0155
STC	-5.524624	17.19113	-0.321365	0.0502

R-squared	0.272363	Mean dependent var	23.05908
Adjusted R-squared	0.175345	S.D. dependent var	28.97402
S.E. of regression	26.31145	Akaike info criterion	9.509449
Sum squared resid	20768.78	Schwarz criterion	9.731642
Log likelihood	-161.4154	Hannan-Quinn criter.	9.586150
F-statistic	2.807341	Durbin-Watson stat	2.453494
Prob(F-statistic)	0.043157		

Source: E-view Output (2021)

The result in the table above shows the estimation of the relationship between environmental investments and financial performance of consumer services sector in Nigeria The environmental investment depict the natural logarithm of (Donations, Employee Benefits And Staff Training Costs) and financial performance depict (returns on asset). The result reveal the R-squared = 0.27 (27%) and adjusted R-squared is 0.17 (18%); this shows that 18% of the total variation in the dependent variable (ROA) is explained by the independent variables (Donations, Employee Benefits and Staff Training Cost). The F statistics is 0.043157 which is significant at 5% explaining that the null hypothesis should be rejected. Furthermore, an F-test result as depicted in the result shows fairness and non-biasness of the model. The Durbin Watson stood at 2.453494 which shows a low presence of low auto-serial correlation. It shows the statistical reliability of model. In light of above, the model reveals that there is a significant relationship between environmental investments and financial performance of consumer services in Nigeria.

Test of Hypotheses

The hypotheses formulated in the introduction were tested below:

H_{01}: Donations does not have a significant impact on the financial performance of consumer service sector in Nigeria.

The result in Table 2 above show that donation (DON) has a p-value of 0.0113, which is statistically significant at 5%. The null hypothesis should be rejected, meaning that donation have a significant influence on financial performance.

H_{02}: Employee Benefit does not have a significant impact on the financial performance of consumer service sector in Nigeria.

The results showed that Employee Benefit (EMB) has a p-value of 0.0050, which is statistically significant at 5%. The null hypothesis was rejected, which depict that the employee benefit have significant influence on financial performance.

H_{03}: Staff training cost does not have a significant impact on the t financial performance of consumer service sector in Nigeria.

It revealed that Staff training cost (STC) has a p-value of 0.0502, which is statistically significant at 5%. The null hypothesis can, therefore, be rejected. The Staff training cost have significant effect on financial performance.

Discussion of Findings

Three independent variables were taken into account; donation (DON), Employee Benefit (EMB), Staff training cost (STC) and the dependent variable return on asset (ROA). Furthermore the study revealed that donation had a negative relationship and statistically significant with financial performance. The result corroborates the findings of Togun and Nasieku (2015). Employee benefit has positive and statistically significant relationship with financial performance. The result is consistent with the findings of Ahmed et al (2016); Togun and Nasieku (2015). Staff training cost had a negative relationship and statistically significance financial performance. The findings corroborates with the findings of Ajayi and Opusunju (2016)

V. Conclusion, Implication And Recommendation

The study investigated the environmental investment and financial performance of consumer services sector in Nigeria. The study obtained data from the annual financial statements of the consumer firms listed at the Nigerian stock Exchange fact-book 2016-2020. The results from the study reveal that donation and staff training cost both have negative and significant relationship with financial performance. Also, the study revealed that employee benefits have positive and significant relationship with financial performance. The study found that the profitability of environmentally conscious companies in Nigeria is higher than that of non-environmentally conscious companies. The practical importance of the empirical results provided in this study is that Nigerian companies should consciously invest in their environment, enhances the realization of recognized environmental sustainability goals, but also corresponds to the motives profit of the company.

The research will help the government to formulate policies and provide beneficial solutions for the government, companies and the public based on the organization's compliance with the government's environmental policies. The study recommended the need to promote harmonized and sustainable development, and the government need to enact environmental regulation.

References

[1]. Ahmed, M. N, Saheed Z. O & Olugbenga K () Corporate Social Responsibility Disclosure and Financial Performance of Listed Manufacturing Firms in Nigeria. ISSN (Paper)2222-1697, 7(4) 2016

[2]. Appah, E. (2011). A Study of Social Accounting Disclosure in the Annual Reports of Nigerian Companies. Asian Journal of Business Management, 3 (3), 145 - 151.

[3]. Ajayi, M. I & Opusunju, M. I (2016). Impact of corporate governance of corporate social responsibility of Dangote group of companies in Nigeria. ISSN: 2349-5677, 2 (10), March 2016

[4]. Artiach, T., Lee, D., Nelson, D. and Walker, J. (2010) The Determinants of Corporate Sustainability Performance. Accounting and Finance, 50, 31-51.

[5]. Aupperle, K., Carrol, A. & Hatfield, J. (1985). An empirical examination of the relationship between corporate social responsibility and profitability. Academy of Management Journal, 28, 446-463

[6]. Barde, I. M., and Tela, G. (2015). Corporate Social Responsibility and Financial Performance in the Nigerian Construction Industry. International Conference on Humanities, Literature and Management (ICHLM'15), January 9–10, 2015 Dubai (UAE).

[7]. Baridam, M.B. (1995). Business: A management approach. Port Harcourt: Paragraphics.

[8]. Bebbington, B. (2015). Corporate Environmental Accounting and Reporting Practices in India. India Accounting Review, December 25-46

[9]. Berkowitz, E. N., Kerin, W.E., Hartley, S.W & Redulius, W.E (2000). Marketing (6th ed.), New York: Irwin McGraw-Hill.

[10]. Bista, Raghu, (2013) "Environmental Investment in Community Forest Management (CFM): Its effects on Social Protection of the poor households of Mid Hill Nepal," MPRA Paper 100280, University Library of Munich, Germany, revised 13 Jan 2013.

[11]. Bolek, M., & Wolski, R. (2012). Profitability or liquidity: Influencing the market value-The case of Poland. *International Journal of Economics and Finance*, 4(9), 182.

[12]. Chagbadari, M. F. (2011). Corporate and firm performance, International Conference on Sociality and Economic Development, 10(1), 484-489.

[13]. Collins C, N (2009) Environmental Responsibility and Firm Performance: Evidence from Nigeria, World Academy of Science, Engineering and Technology *International Journal of Economics and Management Engineering*, 2(10)

[14]. Daily, C.M., Dalton, D.R. and Cannella, A.A. (2003) Corporate Governance: Decades of Dialogue and Data. Academy of Management Review, 28, 371-382.

[15]. Deegan, C. (2002). Introduction the legitimising effect of social and environmental disclosures-A theoretical foundation. Accounting, Auditing & Accountability Journal, 15, 282-311.

[16]. Donaldson T, Preston L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. Academy of Management Review 20(1), 65-91.

[17]. Duke II, J. & Kanpang, K. (2013). Implications of corporate social responsibility for the performance of Nigerian firms. Advances in Management & Applied Economics, 3(5), 2013, 73-87

[18]. Elsayed, K. & Paton, D. (2005). The impact of environmental performance on firm performance: static and dynamic panel data evidence. Structural Change and Economic Dynamics 16(3), 395-412.

[19]. Emmanuel M A, Seth A, Samuel A, Derrick O, Prince P & Rita A (2017) Environmental sanitation unleashed: Effectiveness and challenges of the National Sanitation Day as a community sanitation participatory approach in Aboabo, Ghana, Cogent Environmental Science, 3:1, 1405888, DOI: 10.1080/23311843.2017.1405888

[20]. Epps, R. & Cereola, S.J. (2008). Do institutional shareholder services (ISS) corporate governance ratings reflect a company's operating performance? Critical Perspectives on Accounting, 19, 1135-1148.

[21]. Fontraine, C., Harman, A., & Schmid, S. (2006). The Stakeholder Theory, Retrieved From http://www.edalys.fr/documents/stakeholders%20theory.pdf on 22nd February, 2018.

[22]. Gray, W. and Shadbegian, R. (2003). Plant vintage, technology, and environmental regulation. Journal of Environmental Economics and Management 46, 384- 402.

[23]. Hart, S. & Ahuja, G. (1996). Does It Pay to be Green? Business Strategy and the Environment, 5.

[24]. Hashimu, B. and Ango, N.A. (2012).Multinational companies' corporate social responsibility performance in Lagos State, Nigeria. A quantitative analysis. European Journal of Globalization and Development Research, 5(1): 247-266.

[25]. https://www.ipcc.ch/site/assets/uploads/2018/03/ar4_wg2_full_report.pdf

[26]. Igwe, K. N. (2011). Reading culture and Nigeria's quest for sustainable development. Library Philosophy and Practice, 482(2), 1-12

[27]. Jaeger Lars (2002), Managing Risk in Alternative Investment Strategies, FT Prentice Hall ISBN 0-273-656988

[28]. Justin M. O G & Wadike, G, (2013) "Social Responsibility Performance of Educational Institutions of Higher Learning in Nigeria," *International Journal of Asian Social Science*, Asian Economic and Social Society, vol. 3(3), pages 552-562, March.

[29]. Kitzmueller, M. & Shimshack, J. (2012). Economic perspectives on corporate social responsibility. Journal of Economic Literature 50(1), 51-84

[30]. Lanoie P, Jérémy L, Nick J, & Stefan A (2011). Environmental Policy, Innovation and Performance: New Insights on the Porter Hypothesis. *Journal of Economics & Management Strategy*, 20(3), 803-842

[31]. Mastrandrea, M. and Schneider, S. H. (2008). "Global Warming." Microsoft® Encarta® 2009 [DVD] Microsoft Corporation. All rights reserved

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

[33]. McWilliams, A. & Siegel D. (2001). Corporate social responsibility: a theory of the firm perspective. Academy of Management Review 26(1), 117–127.

[34]. McWilliams, A. (2014). Economics of corporate social responsibility. Edward Elgar Publishing Ltd.

[35]. Miles, M. P. & Covin, J. G. (2000). Environmental marketing: A source of reputational, competitive and financial advantage. *Journal of Business Ethics*, 23(3), 299- 311.

[36]. Nkomani, S. (2013). Corporate social responsibility and financial performance: The Johannesburg Stock Exchange Top 100. Unpublished dissertation, University of Pretoria. Retrieved from repository.up.ac.za/handle/2263/26367. Retrieved on 17/05/2016

[37]. Ofori, D. F., Nyuur, R. B. & S-Darko, M. D. (2014). Corporate social responsibility and financial performance: fact or fiction? A look at Ghanaian banks. Acta Commercii, 14(1), 1-11.

[38]. Owolabi, A. (2010). Corporate social responsibility disclosures of Nigerian companies from 2006 to 2010. Retrieved from http://www.utas.edu.au, 20.10.2012

[39]. Owolabi, S. A, Adegbie, F.F & Ogan, T. P (2020) investment in corporate social responsibility and performance of quoted manufacturing firms in Nigeria. *African Journal of Accounting and Financial Research* ISSN: 2682-6690 3(1), pp. 12-24

[40]. Rikhardsson, P & Claus H, 2008. "The effect of environmental information on investment allocation decisions – an experimental study," Business Strategy and the Environment, Wiley Blackwell, vol. 17(6), pages 382-397.

[41]. Paul, C. & Siegel, D. (2006). Special issue on corporate social responsibility and economic performance. Journal of Productivity Analysis 26(3), 207–87.

[42]. Poddi, L. & Vergalli, S. (2009). Does corporate social responsibility affect the performance of firms? Institutions and Markets Series, Fondazione Eni Enrico Mattei Working Paper 52.

[43]. Preston, L. & O'Bannon, D. (1997). The corporate social-financial performance relationship: a typology and analysis. Business and Society 36(4), 419-429.

[44]. Rexhauser, S., & Rammer, C. (2014). Environmental Innovations and Firm Profitability: Unmasking the Porter Hypothesis. Environmental and Resource Economics, 57, 145-167

[45]. Rondinelli, D.A. & Vestag, G. (1996). International standards and corporate policies: An integrated framework, California Management Review, 106-22.

[46]. Russo, M. V. & Fouts, P. A. (1997). A resource based perspective on corporate environmental performance and profitability. Academy of Management Journal, 40(3), 534-559

[47]. Shleifer, A & Vishny, R. W (1997). A Survey of Corporate Government. The Journal of Finance, 5 (2), 1-40

[48]. Solabomi, O. A. & Uwuigbe, U. (2013). Effects of corporate governance on corporate social and environmental disclosure among listed firms in Nigeria. *European Journal of Business and Social Sciences*, 2(5), 76-92

[49]. Togun, O. R. & Nasieku, T. (2015). The effect of CSR on performance of manufacturing firms in Nigeria. *International Journal of current advanced research*. 4(8), 228-233

[50]. Uwalomwa Uwuigbe, Eluyela Damilola Felix, Olubukola Ranti Uwuigbe, Obarakpo Teddy and Falola Irene (2018). Corporate governance and quality of financial statements: a study of listed Nigerian banks. Banks and Bank Systems, 13 (3), 12-23.

[51]. Uwaegbulum, C. (2004). World is meeting goals of safe drinking water but failing behind sanitation, says UN. The Guardian Newspaper, p. 50.

[52]. Uwuigbe, U. (2012). Environmental accounting: A tool for promoting environmental management in the Niger Delta; *Manager Journal*, 15. (Faculty of Business and Administration, University of Bucharest

[53]. Uwuigbe, U. (2012). Web-based corporate environmental reporting in Nigeria: A study of listed companies. Internal Auditing & Risk Management, 3(27), 57-77.

[54]. Uwuigbe, U. & Egbide, B. (2012). Corporate social responsibility disclosures in Nigeria: a study of listed financial and non-financial firms. *Journal of management and sustainability*, 2(1).

[55]. Wan, Y. F. W & Adamu, S. M (2016). The Relationship Between Corporate Social Responsibility and Firm Performance: Evidence from Malaysia. International Business Management 10(4):345-351

[56]. Wisdom.O (2018) Environmental Investments And Financial Performance Of Listed Manufacturing Companies In Nigeria.

[57]. Yakhou, M. & Dorweiler, V. (2004). Environmental Accounting: An Essential Component of Business Strategy. USA: John Wiley and Sons Ltd

Lyndon M. Etale, et. al. "Environmental Investments and Financial Performance of Listed Consumer Services Sector Firms in Nigeria." *IOSR Journal of Business and Management (IOSR-JBM)*, 23(11), 2021, pp. 01-10.