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Corporate Ownership Structure and Social Responsibility Cost of Listed Manufacturing Firms in Nigeria

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Abstract The study investigated the effect of corporate ownership structure on the social responsibility cost of listed manufacturing firms in Nigeria. The specific objectives were to examine the effect of ownership concentration, board ownership, foreign ownership and institutional ownership on philanthropic responsibility cost of listed manufacturing firms in Nigeria. The research design employed in this study is *ex-post facto*. The study's target population encompassed the entirety of twenty-one consumer goods manufacturing firms that hold listings in Nigeria. The selection of sixteen companies forming the study's sample size was accomplished through the application of purposive sampling technique. Secondary data sourced from the firms' annual reports were used for the study. The period of coverage is a ten-year accounting period spanning from 2013 to 2022. The hypotheses were tested with the aid of ordinary least square regression which revealed that: Ownership concentration has a positive and significant effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.0000); Board ownership has a non-significant and positive effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.3959); Foreign ownership has a significant and positive effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.0001); Institutional ownership has a significant and negative effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.0001). The study recommended amongst others that manufacturing firms should establish clear frameworks and channels for involving concentrated owners in decision-making related to philanthropy. This may include creating dedicated committees or platforms where key owners actively contribute to shaping CSR strategies, ensuring alignment with their values and the broader corporate objectives.

Keywords Corporate Social Responsibility (CSR), Costs, Ownership, Firms

1. Introduction

In recent times, corporate social responsibility (CSR) has gained significant attention as businesses worldwide acknowledge their responsibility to society beyond profit generation. CSR encompasses a range of activities and initiatives undertaken by companies to contribute positively to the social, economic, and environmental well-being of the communities they operate in [1]. The manufacturing sector, being a vital component of any economy, plays a substantial role in this context. The ownership structure of a corporation, on the other hand, refers to the distribution of ownership and control among various stakeholders, including shareholders, managers, and institutional investors [2, 3]. There is growing interest in understanding how the ownership structure of manufacturing firms affects their commitment to and expenditures on CSR activities, particularly in emerging economies like Nigeria [4].

Corporate ownership structures can vary widely, and they influence the decision-making process within firms. Ownership structure can impact a company's priorities, risk-taking behavior, and long-term sustainability goals [5]. The concentration of ownership can also impact how responsive a firm is to stakeholder concerns towards CSR initiatives in firms which encompass a broad spectrum of activities, including community development, environmental sustainability, employee welfare, and ethical business practices. These activities often come at a cost, which can vary based on the firm's commitment and the scope of its CSR initiatives [6]. Manufacturing firms have the potential to significantly impact the communities they operate in, either positively through job creation and community development, or negatively through environmental degradation and resource depletion [7].

The relationship between corporate ownership structure and Social Responsibility Costs (SRC) is a complex and multifaceted one that goes beyond mere financial considerations. This connection delves into the very heart of a company's values, priorities, and its role within the broader societal framework [8]. The ownership structure of a corporation, whether it's characterized by concentrated ownership among a few individuals, foreign entities, the board of directors, or institutional shareholders, can wield a profound influence on the company's approach to Corporate Social Responsibility (CSR) and the subsequent Social responsibility costs it incurs [9].

Ownership concentration, a scenario in which a substantial portion of a company's shares is held by a limited number of stakeholders, can significantly impact CSR initiatives [10]. In cases where a single individual or a close-knit group holds controlling ownership stakes, their personal values and beliefs often play a pivotal role in shaping the company's direction [3]. If these owners have a strong commitment to social responsibility, the company is more likely to allocate resources towards CSR projects. Conversely, if profit maximization is their sole motive, the allocation of resources to social initiatives might take a back seat [11]. This underscores how ownership concentration can be a double-edged sword, either propelling a company towards or away from proactive SRC management.

Foreign ownership adds an extra layer of complexity. Multinational corporations with diversified ownership from various countries face the challenge of navigating diverse cultural norms, regulations, and social expectations. The ownership structure, in this case, can act as a bridge or a barrier to implementing CSR initiatives that are well-received across borders [12]. Alignment between foreign shareholders and local stakeholders becomes crucial, and a conscious effort to strike a balance between global and local concerns shapes the magnitude of SRC that a company might incur.

Institutional shareholders, such as pension funds, mutual funds, and other large investment entities, hold significant sway over a company's decision-making processes. While they might not have the same level of control as individual owners, their combined influence can be substantial. The rise of ethical investing and the integration of environmental, social, and governance (ESG) factors into investment decisions have prompted institutional shareholders to actively advocate for greater CSR commitments [4]. This means that companies with a dispersed ownership structure dominated by institutional investors might face increased pressure to allocate resources towards socially responsible endeavors, potentially driving up their SRC.

The degree of ownership dispersion across a broad base of shareholders can also impact the ease of reaching consensus on costly CSR initiatives. A widely dispersed ownership structure might lead to divergent viewpoints on the allocation of resources, potentially resulting in delays or compromises in implementing impactful SRC programs [13]. Conversely, a more aligned ownership structure with a shared commitment to CSR can facilitate quicker decision-making and the allocation of necessary resources to address societal and environmental challenges.

The interplay between ownership structure and CSR goals goes beyond just financial considerations. It encompasses a company's long-term vision, its relationship with stakeholders, and its perception in the public eye. An ownership structure that is in harmony with CSR goals can enhance a company's reputation, foster positive relationships with local communities, and create a sense of shared purpose among employees [14]. Manufacturing companies that are guided by a profound sense of responsibility towards society and the environment are driven by both ethical considerations and the recognition of their role in the greater social fabric [15]. In this scenario, ownership concentration, foreign ownership, institutional shareholders, and board ownership would all harmoniously converge to support and prioritize SR initiatives [16]. These ownership structures would ideally act as a conduit for the seamless allocation of resources towards socially responsible endeavours, resulting in a reduced environmental footprint, positive societal impact, and enhanced stakeholder relationships [4].

Firms often operate within a reality where ownership structures are shaped not solely by social responsibility motives, but by a diverse range of interests, including profit maximization and shareholder value enhancement [17]. As a consequence, social responsibility costs (SRC) can be expressively impacted especially when ownership structures prioritize profit over social responsibility, thereby making companies to allocate inadequate resources towards SR initiatives [18]. The fallouts from this anomaly are many including missed opportunities for positive societal impact, increase in environmental degradation, negative community perceptions, and potential legal and reputational risks [13]. Furthermore, the lack of alignment between ownership structures and social responsibility goals can perpetuate a cycle of short-term thinking. Companies driven solely by profit motives might neglect the long-term benefits of investing in social responsibility initiatives, missing out on the potential for enhanced brand reputation, customer loyalty, and sustainable growth.

While prior researches such as Olowookere, Shittu and Olorede [3], Tran [13], Ebaid [19], Alkayed and Omar [11], Dakhli [1], Alia and Mardawi [2], Baba and Baba [4], Egbunike and Efionayi [16], have explored the link between ownership structure and CSR, studies specific to the Nigerian context, especially within the manufacturing sector, are limited. Secondly, the few existing studies rarely included board ownership, ownership concentration, foreign director ownership and institutional ownership in a single model to explain social responsibility cost of manufacturing firms in Nigeria. Understanding the relationship between these proxies of ownership structure and CSR cost in manufacturing firms listed on the Nigerian Exchange can offer valuable perceptions into how ownership of firm influences the allocation of resources to socially responsible initiatives. In view of addressing this gap in literature, this study elects to examine the effect of corporate ownership structure on the social responsibility cost of listed manufacturing firms in Nigeria.

1.1. Research Questions

1. What is the effect of ownership concentration on philanthropic responsibility cost of listed manufacturing firms in Nigeria?
2. To what degree does board ownership affect the philanthropic responsibility cost of listed manufacturing firms in Nigeria?
3. What is the effect of foreign ownership on philanthropic responsibility cost of listed manufacturing firms in Nigeria?
4. To what extent does institutional ownership affect the philanthropic responsibility cost of listed manufacturing firms in Nigeria?

1.2. Research Objective and Hypotheses

This study investigates the effect of corporate ownership structure on the social responsibility cost of listed manufacturing firms in Nigeria. The research questions led to the formulation of the following research hypotheses:

H_1 Ownership concentration significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

H_2 Board ownership significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

H_3 Foreign ownership significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

H_4 Institutional ownership significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

2. Review of Related Literature

2.1. Corporate Ownership Structure

Corporate ownership structure refers to the proportion of shares and control held by individuals or entities in a company [18]. It provides a framework for understanding the nature of ownership and the distribution of control within an organization. This structure can vary significantly from one company to another and is a critical factor that influences how decisions are made, how resources are allocated, and the overall direction in which the company operates. Key factors that shape corporate ownership structure include whether the company is publicly traded on stock exchanges, privately owned by individuals or a group of investors, organized as a partnership, or falls under other distinct ownership arrangements [3].

In the case of publicly traded companies, ownership is dispersed among a wide array of shareholders who purchase shares of the company's stock. These shareholders can include institutional investors, such as mutual funds and pension funds, as well as individual investors. Ownership, in this context, is typically proportional to the number of shares held, and shareholders exercise their influence through voting at annual meetings and by electing the board of directors [10]. Publicly traded companies often face stringent regulatory requirements and are subject to the scrutiny of financial markets, making transparency and accountability paramount in their ownership structure.

In contrast, privately owned companies are held by a smaller group of individuals or entities, and ownership is often more concentrated. In many cases, closely held businesses are family-owned or have a limited number of shareholders who may be actively involved in the day-to-day operations of the company. This ownership structure often provides greater control to the owners but may result in less transparency compared to publicly traded companies [15]. Partnerships represent another facet of ownership structure where business ownership is shared between two or more individuals or entities. Partnerships can take various forms, including general partnerships, limited partnerships, and limited liability partnerships. In these cases, ownership and decision-making are shared among the partners, and the nature of this structure can vary depending on the terms of the partnership agreement.

These ownership structures have a profound influence on how corporate decisions are made, including those related to social responsibility and corporate social responsibility (CSR) initiatives. The distribution of ownership, concentration of control, and the interests of various stakeholders play a crucial role in determining a company's approach to CSR and philanthropic activities, as they affect resource allocation, strategic planning, and overall corporate culture [5]. Understanding these ownership structures is pivotal for analyzing how different companies engage in social responsibility practices and how these practices are influenced by the ownership environment in which they operate.

2.2. Ownership Concentration

Ownership concentration refers to the extent to which a relatively small number of shareholders hold a significant portion of a company's shares [10]. Ownership concentration is a pivotal aspect of corporate governance and a key determinant of the internal dynamics and decision-making processes within a company. It describes the extent to which ownership of a business is concentrated among a select few individuals or entities. In cases of high ownership concentration, a relatively small group of shareholders collectively possesses a substantial portion of the company's shares [16]. This scenario often contrasts with low ownership concentration, where ownership is dispersed among a larger number of shareholders, making no single entity or group significantly dominant in terms of ownership. The level of ownership concentration has profound implications for how a company is managed, its corporate governance practices, and the way it engages in various business activities, including social responsibility and corporate social responsibility (CSR) endeavors.

High ownership concentration can create a power dynamic in which a few major shareholders wield substantial influence over corporate decisions and strategy. This concentration of control often grants these shareholders the ability to sway board appointments, strategic direction, and resource allocation [10]. Such concentrated ownership structures can be found in family-owned businesses, where a single family or a few members hold a majority of shares, or in closely held companies where a small group of investors retains a significant ownership stake. While high ownership concentration can lead to efficient decision-making and streamlined operations, it can also raise concerns about governance, particularly when the interests of the dominant shareholders diverge from those of other stakeholders, such as employees or minority shareholders [2].

On the other hand, low ownership concentration, or widespread ownership, is often seen in publicly traded companies. In these cases, ownership is diffused among a diverse array of shareholders, ranging from institutional investors to individual investors. The separation of ownership from control is a hallmark of such organizations, as no single shareholder holds a dominant stake [16]. This diversity of ownership can lead to greater transparency, as publicly traded companies are typically subject to strict reporting and regulatory requirements. However, it can also create challenges in decision-making and governance, as a larger and more diverse set of interests must be considered, making it potentially more complex to reach a consensus on corporate matters, including those related to CSR and social responsibility costs.

Understanding ownership concentration is integral to comprehending how corporate governance and social responsibility practices are shaped within an organization. The balance between concentrated and dispersed ownership affects not only the control and decision-making processes but also the alignment of interests between shareholders and the broader stakeholder community [17]. High ownership concentration may enable more focused CSR efforts, closely aligned with the preferences of the major shareholders, whereas low ownership concentration may necessitate broader stakeholder engagement and transparency in CSR initiatives. Therefore, ownership concentration plays a critical role in determining the dynamics of corporate governance and social responsibility practices.

2.3. Board Ownership

Board Ownership pertains to the extent to which members of the company's board of directors hold shares in the company. It is a crucial aspect of corporate governance and organizational structure that relates to the ownership stakes held by the members of a company's board of directors [8]. The board of directors plays a pivotal role in overseeing the management of the company, making strategic decisions, and ensuring that the interests of shareholders and stakeholders are effectively represented [2]. Board ownership, as a concept, underscores the importance of aligning the interests of directors with those of the company and its shareholders, as well as evaluating how their ownership stakes may influence their decision-making and governance responsibilities [9].

When members of a company's board of directors hold significant ownership stakes in the company, it can create a unique dynamic in corporate governance. This is often referred to as "inside ownership" because it means that directors are not only responsible for governing the company but also have a direct financial interest in the company's performance and share price. Such ownership can align the interests of directors with those of shareholders, as they stand to benefit from the company's success and may incur financial losses if the company underperforms [14].

Board ownership can take various forms, ranging from nominal ownership, where directors hold only a small number of shares, to substantial ownership, where directors are major shareholders with significant influence [8]. In some cases, directors may acquire their ownership stakes through stock options, stock grants, or share purchases. The level of board ownership often depends on corporate policies, governance guidelines, and the preferences of the company's leadership.

High levels of board ownership are sometimes seen as a positive attribute of corporate governance because they suggest that directors have a vested interest in the long-term success of the company. This can lead to more vigilant oversight, as well as a greater commitment to implementing effective corporate social responsibility (CSR) initiatives. Directors with significant ownership may be more inclined to prioritize sustainable and ethical business practices, given the potential impact on their personal financial investments [14].

However, it's essential to balance the benefits of board ownership with potential concerns, such as conflicts of interest. Directors with large ownership stakes may face conflicts between their duty to the company, its shareholders, and their own financial interests. This underscores the importance of transparent governance practices, disclosure of board ownership, and mechanisms to mitigate conflicts [2].

Board ownership plays a crucial role in shaping corporate governance and, by extension, the company's approach to corporate social responsibility and ethical business practices. It can foster alignment between directors and shareholders, ultimately contributing to the long-term success and sustainability of the company [20]. Nonetheless, it necessitates robust governance mechanisms to address potential conflicts of interest and ensure that the interests of all stakeholders are adequately represented and protected.

2.4. Foreign Ownership

Foreign ownership refers to the degree to which shares of a company are owned by foreign entities or individuals [6]. In a globalized economy, companies often seek investment from overseas sources to raise capital, expand their operations, and access international markets [14]. This practice can result in varying levels of foreign ownership, and understanding its implications is crucial in evaluating the dynamics of a company's governance, operations, and strategic decision-making.

Foreign ownership can manifest in several ways. It may involve foreign individuals or entities, such as foreign corporations, governments, or investment funds, acquiring shares or equity stakes in a company. The extent of foreign ownership can range from minor, with a relatively small percentage of shares held by foreign parties, to substantial, where a significant portion of the company is owned by entities based outside the country in which the company is incorporated [5].

The impact of foreign ownership on a company's operations and decision-making can be multifaceted. First and foremost, it can infuse capital into the company, enabling it to invest in growth opportunities, research and development, and other strategic initiatives. Companies with high foreign ownership may have access to global markets, technologies, and expertise that can enhance their competitiveness and expansion prospects [11].

On the other hand, foreign ownership can raise governance and strategic considerations. The ownership structure may influence the board of directors and corporate leadership. Companies with foreign investors might face pressure to align their strategies with the expectations of these investors, which can lead to a focus on profitability, international market penetration, and compliance with global standards [6]. Moreover, the presence of foreign owners can lead to increased scrutiny of corporate practices, including corporate social responsibility (CSR) and ethical standards, to meet international norms.

Another important aspect of foreign ownership is the potential impact on a company's approach to CSR and ethical business practices. Foreign owners, particularly institutional investors and multinational corporations, often emphasize environmental, social, and governance (ESG) factors. Consequently, companies with substantial foreign ownership may be more inclined to adopt robust CSR initiatives, ethical conduct, and sustainable business practices to meet the expectations of their foreign stakeholders [14]. This may include commitments to social and environmental responsibility, philanthropic activities, and adherence to global sustainability standards.

It is a multidimensional aspect of corporate ownership with both advantages and challenges. While it can provide access to capital and international opportunities, it can also influence corporate governance, strategic decision-making, and CSR practices [4]. Companies with foreign ownership should carefully balance the interests of their foreign and domestic stakeholders and strive for ethical and sustainable business practices to meet the diverse expectations and standards associated with a global ownership structure.

2.5. Institutional Ownership

Institutional ownership denotes the ownership of a company's shares by large investment institutions, including but not limited to pension funds, mutual funds, and endowments [16]. These institutions manage and invest substantial pools of capital on behalf of numerous individual investors or beneficiaries [18]. The extent of institutional ownership in a company can significantly influence corporate governance, strategic decision-making, and the company's approach to various aspects of its operations, including corporate social responsibility (CSR).

Institutional investors like pension funds and mutual funds often hold diversified portfolios that include shares of various companies across different sectors and industries. Their substantial ownership stakes in these companies make them influential shareholders with the ability to exert pressure on corporate leadership, particularly in areas such as executive compensation, board composition, and business strategies [1]. Their primary fiduciary responsibility is to deliver returns for the beneficiaries or investors they represent, which places a strong emphasis on the financial performance and long-term sustainability of the companies in which they invest.

Institutional investors frequently prioritize factors associated with environmental, social, and governance (ESG) in their investment decision-making. They may encourage companies to adopt responsible and sustainable business practices, adhere to ethical standards, and report transparently on their ESG performance. Consequently, the presence of significant institutional ownership can lead to greater emphasis on CSR initiatives, philanthropic efforts, and ethical conduct within the companies they invest in. These investors often engage in dialogues with corporate management to influence their approach to sustainability, urging them to consider the interests of a broader set of stakeholders, including the environment and society at large [8].

The influence of institutional ownership can have both positive and challenging aspects. On the one hand, their focus on responsible investment practices can incentivize companies to improve their CSR activities, aligning them with global standards and best practices. On the other hand, institutional investors may exert pressure to deliver short-term financial results, which could potentially conflict with long-term sustainability objectives [9]. Striking the right balance between financial performance and ethical business practices is a crucial challenge for companies with significant institutional ownership.

Thus, institutional ownership signifies the ownership of a company's shares by large investment institutions like pension funds, mutual funds, and endowments. The presence of institutional ownership can be influential in shaping corporate governance, strategies, and social responsibility practices [16]. It underscores the importance of balancing financial performance with ethical and sustainable business practices to meet the expectations of these significant shareholders, who often emphasize ESG criteria in their investment decision-making. Consequently, the influence of institutional ownership is a vital factor in the evolving setting of corporate responsibility and ethical business conduct.

2.6. Social Responsibility Cost

Social Responsibility Cost refers to the expenses incurred by a company in fulfilling its social development initiatives and obligations [21]. These initiatives are often associated with corporate social responsibility (CSR) efforts and philanthropic activities designed to benefit society, the environment, and various stakeholders beyond shareholders. Understanding social responsibility costs is integral to comprehending how companies allocate their financial resources and commitments to make a positive impact on the world around them [7].

Companies undertake various social development initiatives that involve expenditures aimed at contributing to the betterment of society. These initiatives may include funding community development projects, supporting charitable organizations, sponsoring educational programs, investing in environmental sustainability projects, and promoting ethical business practices. The costs associated with these initiatives encompass both direct expenses, such as financial contributions, and indirect costs, which include employee volunteer hours, resources used for environmental conservation, and expenses related to maintaining ethical business practices.

Social responsibility costs have gained increasing prominence as organizations recognize their role in addressing societal and environmental challenges [7]. Companies have started to integrate CSR activities into their strategic plans, aligning them with their core values and business objectives. These costs reflect the financial commitments companies make to fulfill their ethical and societal responsibilities and align their operations with sustainable and socially responsible practices.

The concept of social responsibility costs encompasses a wide array of activities. These activities may vary in scope and scale, depending on the company's size, industry, and specific CSR goals [22]. For instance, a technology company might invest in initiatives related to digital inclusion and education, while a manufacturing firm might focus on reducing its environmental footprint and implementing responsible supply chain practices [9]. These activities require a financial commitment that is categorized as social responsibility costs.

Effectively managing and reporting social responsibility costs is essential for organizations committed to transparency and accountability. Stakeholders, including investors, customers, employees, and regulatory bodies, increasingly demand clear and comprehensive disclosure of CSR expenditures. Such reporting not only demonstrates a company's commitment to social responsibility but also helps build trust and credibility in the eyes of various stakeholders [15].

Thus, social responsibility cost is a financial concept that embodies the expenses associated with a company's efforts to fulfill its social development initiatives and CSR obligations [21]. These costs represent a commitment to promoting ethical business practices, environmental sustainability, community development, and other societal and philanthropic activities. Recognizing the significance of these costs is central to understanding how businesses balance their financial interests with their obligations to society, the environment, and a broader spectrum of stakeholders, ultimately contributing to a more socially responsible and sustainable business setting.

2.7. Philanthropic Responsibility Cost

Philanthropic Responsibility Cost refers to the specific expenses incurred by a company in support of philanthropic activities which is characterized by voluntary contributions and financial support provided by the company to charitable organizations, non-profit entities, and community programs [23]. Such contributions are typically driven by a desire to make a positive impact on society, improve the well-being of communities, and address various social issues. Understanding philanthropic responsibility costs is essential in assessing how a company allocates resources to enhance the communities in which it operates and demonstrate its commitment to corporate social responsibility (CSR).

Companies engage in philanthropic activities for a multitude of reasons. First and foremost, these activities align with a company's commitment to being a good corporate citizen and making a positive difference in the world [7]. Philanthropy can also enhance a company's reputation, brand image, and stakeholder relationships, including those with customers, employees, investors, and local communities. By supporting charitable causes, companies can build trust and goodwill among stakeholders, which can positively impact their business in the long run.

Philanthropic responsibility costs include various forms of financial support, such as cash donations, grants, in-kind contributions, and sponsorships [23]. These contributions can benefit a wide range of causes, including education, healthcare, poverty alleviation, environmental conservation, disaster relief, and cultural preservation. In many cases, companies establish formal philanthropic foundations or programs to streamline their giving efforts and ensure that their contributions align with their core values and strategic objectives [24].

The impact of philanthropic responsibility costs extends beyond the immediate beneficiaries. By supporting charitable organizations and social causes, companies contribute to broader societal welfare. Philanthropic initiatives can lead to tangible improvements in the quality of life for individuals and communities, foster positive social change, and address pressing societal challenges. Moreover, these initiatives can inspire others within the business community to embrace CSR and philanthropy, thus creating a ripple effect of social responsibility and goodwill.

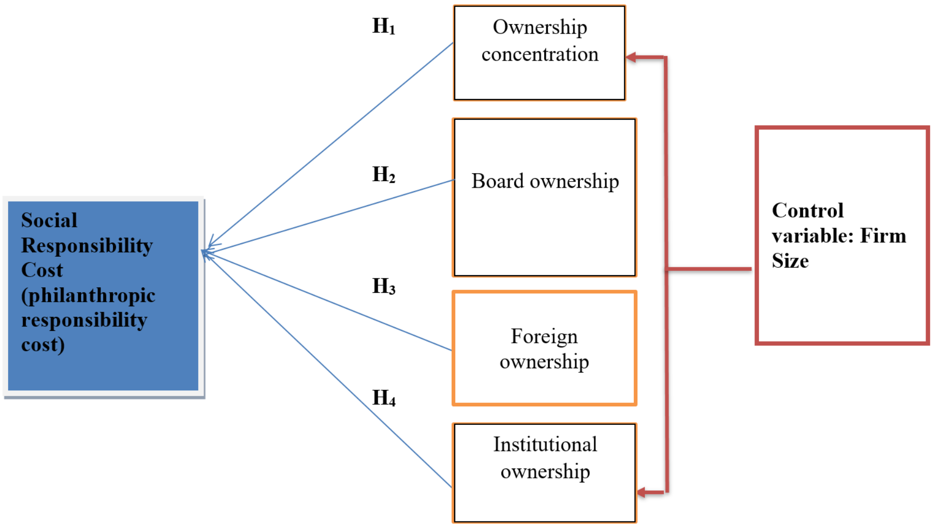
Effective management and reporting of philanthropic responsibility costs are key aspects of demonstrating a company's commitment to philanthropy [25]. Transparency in disclosing financial contributions and the outcomes achieved through philanthropic efforts is critical to building trust and credibility. Stakeholders are increasingly interested in understanding the extent of a company's philanthropic commitments and the impact these contributions have on society. Clear and comprehensive reporting of philanthropic responsibility costs helps showcase a company's dedication to social responsibility and highlights its genuine desire to make a meaningful difference in the world.

Thus, philanthropic responsibility cost is a subset of social responsibility cost, focusing on the expenses associated with philanthropic activities undertaken by a company. These activities reflect a company's commitment to enhancing society, supporting charitable causes, and improving the well-being of communities. Philanthropy contributes to building trust and goodwill among stakeholders while fostering positive social change and addressing pressing societal issues. Transparent reporting of philanthropic expenditures is vital in showcasing a company's dedication to philanthropy and its genuine commitment to social responsibility.

2.8. Theoretical and Research Framework

This study is anchored on the stakeholder theory. This theory propounded by R. Edward Freeman in 1984, is a powerful theoretical framework that underscores the significance of considering the interests and concerns of all stakeholders in business decision-making. It encourages a holistic approach to corporate governance, ethics, and CSR, emphasizing that a company's success and sustainability are inherently linked to its relationships with diverse stakeholders [26]. Stakeholder theory reflects the evolving expectations of the business community and society at large, as it recognizes that businesses have a broader role to play in promoting ethical and sustainable practices. This theory was adopted for the study because ownership structure may determine the company's priorities, strategies, and commitment to social responsibility [5], ultimately shaping its impact on society and the environment.

Based on the theoretical background and defined hypotheses, the research framework for this study is conceptualized and presented in Figure 1.


H1
H2
H3
H4
Social Responsibility Cost (philanthropic responsibility cost)
Ownership concentration
Board ownership
Foreign ownership
Institutional ownership
Control variable: Firm Size

Source: Authors' Conceptualization

Figure 1. Research Framework

2.9. Empirical Studies

Tijjani and Yahaya [10] examined the effect impact of institutional and managerial ownership on sustainability reporting quality in Nigeria. They analyzed data from 99 firms spanning 11 sectors listed on the Nigerian Exchange between 2012 and 2021. The findings, based on logistic regression, revealed that institutional ownership had a positive and significant influence on sustainability reporting quality. Conversely, the study also indicated that managerial ownership had a negative and significant effect on sustainability reporting quality.

Olowookere, Shittu, and Olorede [3] investigated the influence of ownership structure on the voluntary disclosure of listed non-financial firms in Nigeria. They focused on a sample of 67 listed non-financial firms between 2011 and 2020, selected using purposive sampling. Utilizing the dynamic panel Generalized Method of Moment (GMM) technique, they found that block and institutional ownership positively influenced voluntary information disclosure by listed non-financial firms in Nigeria. However, the impact of managerial ownership, although positive, was not significantly associated with corporate voluntary disclosure.

Ahmad, Hayat, Almaqtari, Farhan, and Shahid [6] assessed the moderating influence of ownership structure on the relationship between corporate social responsibility (CSR) and earnings management among non-financial corporations listed on the Bombay Stock Exchange's 100 Index. Their panel data analysis, covering the period from 2015 to 2020, showed that CSR spending was linked with real earnings management in scenarios where there was a dominant domestic controlling shareholder and founder ownership. In contrast, this relationship was not significant in the context of institutional or foreign ownership. The study also highlighted that higher levels of foreign ownership weakened the relationship between CSR spending and earnings management activities.

Tran [13] studied the effect of ownership structure on CSR adoption in Vietnam. The study involved the distribution of 500 questionnaires, with a response rate of 67% and 335 valid feedback responses received. Questionnaire responses were assessed using a 5-point Likert scale. Through exploratory factor analysis (EFA) and regression analysis, the findings revealed that a diverse ownership structure had a positive influence on CSR practices.

Ikpor et al. [22] ascertained the factors influencing sustainability reporting in Nigeria, using data from various sources, including annual accounts, sustainability reports, and websites, for the top 50 large companies listed on the Nigeria Stock Exchange between 2015 and 2020. Employing a fixed-effects panel regression model, the study found that ownership structure had a negative effect on sustainability reporting.

Baba and Baba [4] examined the influence of ownership structure variables on social and environmental disclosure in Nigeria. The study employed the Global Reporting Initiative (GRI) disclosure framework to extract data from social and environmental reports of 80 companies listed on the Nigerian Stock Exchange from 2012 to 2017. Management ownership, foreign ownership, block ownership, and dispersed ownership were considered determinants of disclosure. Multiple regression analysis indicated that block ownership, foreign ownership, and dispersed ownership were positively related to social and environmental disclosure, while management ownership showed an insignificant relationship.

Adebayo, Oladeji, and Lamidi [14] examined the impact of ownership structure on CSR disclosure in Nigeria. The research focused on 77 non-financial firms listed on the Nigerian Stock Exchange. Data from the annual reports and accounts of these companies between 2017 and 2019 were analyzed using multiple regression. The findings revealed that management ownership had a significantly positive effect on CSR disclosure, while the positive effect of foreign ownership was not statistically significant.

Egbunike and Efionayi [16] conducted a study to investigate the connection between ownership structure and the disclosure of corporate social responsibility (CSR) among Nigerian banks listed on the Nigeria Exchange Group. They focused on three ownership structure attributes—managerial ownership, institutional ownership, and ownership concentration—along with the United Nations Global Compact Standard indicator for CSR. Data spanning a 10-year period (2009-2018) was collected from the annual reports and accounts of banks listed on the Nigerian Exchange Group. The researchers employed descriptive statistics (mean, median, maximum and minimum values, standard deviation, skewness, kurtosis, and Karl Pearson correlation) and inferential statistics (fixed and random effects regression) for analysis. Their findings indicated that ownership concentration had a positive and significant impact on CSR disclosure, whereas managerial and institutional ownerships displayed a negative relationship with CSR disclosure.

Jeroh [27] assessed the determinants of CSR disclosure among listed financial service firms in Nigeria. Secondary data was collected from financial reports of 29 listed Nigerian firms in the financial service sector over a 10-year period (2009-2018). The study applied structural equation modeling (SEM) for estimation and found that measures of ownership structure did not significantly influence firms' CSR disclosure.

Igbekoyi and Ogodor [28] investigated the impact of company characteristics on corporate social responsibility (CSR) compliance within listed money deposit banks in Nigeria. Their study utilized secondary data extracted from the annual reports of selected banks and fact books spanning the years 2012 to 2017. Using purposive sampling, they selected a sample of 10 Deposit Money Banks (DMBs) out of a total of 16 listed banks. The data underwent validity and reliability tests for the regression model before being analyzed using the Panel Least Square technique. The study's findings revealed that ownership structure had a negative, albeit statistically insignificant, effect on corporate social responsibility compliance.

2.10. The Literature Gap this Study Addresses

The reviewed empirical studies have explored the link between ownership structure and CSR in various dimensions. However, studies specific to the Nigerian context, especially within the manufacturing sector, are limited. Secondly, the few existing studies rarely included board ownership, ownership concentration, foreign director ownership and institutional ownership in a single model to explain social responsibility cost of manufacturing firms in Nigeria. Understanding the relationship between these proxies of ownership structure and CSR cost of manufacturing firms listed on the Nigerian Exchange offers valuable insights into how ownership of firms influences the allocation of resources to socially responsible initiatives.

3. Methodology

3.1. Research Design

The research design employed in this study is *ex-post facto*, which facilitates the examination of potential relationships between variables that have previously occurred together [29]. This design is fitting for this study as it enables a structured empirical investigation where the researcher lacks direct control over the variables, and participant groups are defined by conditions and events from prior periods.

3.2. Population of Study

The study's target population comprised the entirety of consumer goods manufacturing firms that hold listings in Nigeria Exchange Group. As at 31st December 2023, the consumer goods sector of the Nigerian Exchange Group has a total of 21 firms.

3.3. Sample Size and Sampling Technique

Purposive sampling technique was used to select the sample participants. The adoption of a purposive sampling technique allows the researcher to choose a sample that is most appropriate for the study and meet the required criteria. Hence, Sixteen (16) firms out of the 21 listed consumer goods manufacturing firms in Nigeria were selected. The firms were selected based on their availability of data spanning from year 2013 to 2022 and on the attainment of at least 10 consecutive years of listing on the Nigerian Exchange Group.

3.4. Methods of Data Collection

Secondary data were used in the study. Data relating to the social responsibility cost and the ownership structure were sourced from publications of the Nigerian Stock Exchange and the annual reports and accounts of the selected listed companies for ten years from 2013 to 2022. For the purpose of the study, data on ownership concentration, board ownership, foreign ownership, institutional ownership and philanthropic responsibility cost were sourced from the annual reports and accounts as have been audited by qualified external auditors thereby making the instrument valid and reliable.

3.5. Description of Variables

In order to enable the researchers test the relationship between the variables used in this study, the operational measurement of the variables is provided. See table 1 as below for the measurement of variables used in this study.

Table 1. Measurement of Variables

Variable	**Type**	**Measurement**
1.Ownership concentration	Independent	% of shares held by major shareholders to total number of shares
2. Board Ownership	Independent	% of shares held by managers to total number of shares
3. Foreign ownership	Independent	% of shares held by foreign directors to total number of shares
4. Institutional ownership	Independent	% of shares held by institutions to total number of shares
5.Philanthropic responsibility cost	Dependent	The natural log of naira cost of expenditure on corporate donation

Source: Researchers' Compilation

3.6. Model Specification

To test H_1, H_2, H_3 and H_4, the study estimated the following regression equations:

$$PRC_{it} = \alpha_0 + \beta_1 OWNC_{it} + \beta_2 BOWN_{it} + \beta_3 FOWN_{it} + \beta_4 IOWN_{it} + \mu_{it} \ldots\ldots\ldots\ldots \text{eqn 1}$$

The model above was controlled using firm size, given rise to an adjusted model in eq2.

$$PRC_{it} = \alpha_0 + \beta_1 OWNC_{it} + \beta_2 BOWN_{it} + \beta_3 FOWN_{it} + \beta_4 IOWN_{it} + \beta_5 FSZ_{it} + \mu_{it} \ldots\ldots\ldots \text{eqn 2}$$

Where,

PRC_{it} = Philanthropic responsibility cost for company i in period t

$OWNC_{it}$ = Ownership concentration for company i in period t

$BOWN_{it}$ = Board ownership for company i period t

$FOWN_{it}$ = Foreign Ownership for company i in period t

FSZ_{it} = Firm size for company i in period t

PRC_{it} = Philanthropic responsibility cost for company i in period t

α_0 = Constant (intercept)

β_{1-5} = Coefficient of the independent variables

μ = Error term

3.7. Method of Data Analysis

The collected data underwent both descriptive analysis and ordinary least squares (OLS) regression analysis. Descriptive analysis was employed to succinctly summarize the data, facilitating a comprehensive grasp of the variables. OLS multiple regression analysis on the other hand was applied to assess the impact of the independent variable ownership structure, on the dependent variable, social responsibility cost.

The decision rule entails rejecting the null hypothesis (Ho) and accepting the alternate hypothesis (Ha) when the P-value of the test falls below the α-value (level of significance) set at 5%; conversely, when the P-value is equal to or greater than the α-value, the null hypothesis is accepted.

4. Data Analysis and Results

4.1. Data Analysis

Descriptive analysis was employed to succinctly summarize the data, facilitating a comprehensive grasp of the variables. See Table 2 below for this descriptive analysis.

Table 2. Descriptive Analysis

	PRC	OWNC	BOWN	FOWN	IOWN	FSZ
Mean	3.376932	0.880727	0.007227	0.000395	0.118838	7.560910
Median	4.024112	0.665230	0.000332	0.000000	0.052947	7.744169
Maximum	8.263499	7.369909	0.055267	0.006035	0.874897	8.793314
Minimum	0.000000	0.120261	0.000000	0.000000	0.000000	4.758056
Std. Dev.	2.000606	1.157555	0.014130	0.001231	0.178973	0.916170
Skewness	-0.728474	4.542973	2.604227	3.431876	2.367857	-1.287910
Kurtosis	2.367132	22.74992	8.788826	14.08246	8.199385	4.609021
Jarque-Bera	16.82147	3150.758	404.2567	1132.880	329.7373	61.49197
Probability	0.000222	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	540.3091	140.9163	1.156276	0.063174	19.01410	1209.746
Sum Sq. Dev.	636.3855	213.0494	0.031744	0.000241	5.093004	133.4595
Observations	160	160	160	160	160	160

Source: Analysis Output using Eviews 11

From Table 2 above, the mean philanthropic responsibility cost is 3.38, with a minimum value of 0 and a maximum value of 8.26. The standard deviation of 2.00 indicates a moderate level of dispersion around the mean. The negative skewness of -0.73 suggests that the distribution is slightly left-skewed, meaning that there are more observations with higher philanthropic responsibility costs. The positive kurtosis of 2.37 indicates heavier tails and a more peaked distribution than a normal distribution. The low p-value of 0.0002 in the Jarque-Bera test indicates that the distribution significantly deviates from normality.

The mean ownership concentration is 0.88, with values ranging from 0.12 to 7.37. The standard deviation of 1.16 suggests a moderate level of variability around the mean. The skewness of 4.54 indicates a substantial rightward skewness, suggesting that there are a few firms with extremely high ownership concentration. The kurtosis of 22.75 indicates heavy tails and an extremely peaked distribution. The p-value of 0 in the Jarque-Bera test implies a departure from normality, confirming the non-normal distribution of ownership concentration.

The mean board ownership is 0.01, with a minimum value of 0 and a maximum of 0.06. The small standard deviation of 0.01 suggests low variability around the mean. The skewness of 2.60 indicates a right-skewed distribution, implying that there are more firms with higher board ownership. The kurtosis of 8.79 suggests heavy tails and a peaked distribution. The p-value of 0 in the Jarque-Bera test indicates a departure from normality, suggesting that the distribution of board ownership is not normal.

The mean foreign ownership is 0.0004, with values ranging from 0 to 0.006. The small standard deviation of 0.0012 indicates low variability around the mean. The highly positive skewness of 3.43 implies a right-skewed distribution, indicating that there are few firms with relatively high levels of foreign ownership. The kurtosis of 14.08 suggests heavy tails and an extremely peaked distribution. The p-value of 0 in the Jarque-Bera test indicates a significant departure from normality, confirming the non-normal distribution of foreign ownership.

The mean institutional ownership is 0.119, with values ranging from 0 to 0.875. The standard deviation of 0.179 suggests moderate variability around the mean. The positive skewness of 2.37 indicates a right-skewed distribution, suggesting a concentration of firms with higher institutional ownership. The kurtosis of 8.20 suggests heavy tails and a peaked distribution. The p-value of 0 in the Jarque-Bera test suggests a departure from normality, confirming the non-normal distribution of institutional ownership.

The mean firm size is 7.56, with values ranging from 4.76 to 8.79. The standard deviation of 0.92 indicates moderate variability around the mean. The negative skewness of -1.29 suggests a left-skewed distribution, indicating that there are more observations with larger firm sizes. The kurtosis of 4.61 suggests heavy tails and a moderately peaked distribution. The p-value of 0 in the Jarque-Bera test indicates a significant departure from normality, confirming the non-normal distribution of firm size.

4.2. Result

OLS multiple regression analysis was applied to assess the effect of the independent variable ownership structure, on the dependent variable, social responsibility cost. The proxies for ownership structure include ownership concentration (OWNC), board ownership (BOWN), foreign director ownership (FOWN) and institutional ownership (IOWN). On the other hand, social responsibility cost was measured by philanthropic responsibility cost (PRC) while firm size (FSZ) was used as the control variable. The model above was controlled using firm size, given rise to an adjusted model in eq3.

$$PRC_{it} = \alpha_0 + \beta_1 OWNC_{it} + \beta_2 BOWN_{it} + \beta_3 FOWN_{it} + \beta_4 IOWN_{it} + \beta_5 FSZ_{it} + \mu_{it} \ldots \qquad \text{eqn 3}$$

Table 3. OLS Regression Result

Dependent Variable: PRC
Method: Least Squares
Date: 6/7/24 Time: 22:26
Sample: 1 160
Included observations: 160

Variable	Coefficient	Std. Error	t-Statistic	Prob.
OWNC	0.960446	0.215659	4.453541	0.0000
BOWN	6.855132	8.052579	0.851296	0.3959
FOWN	608.3703	155.6412	3.908800	0.0001
IOWN	-6.515106	1.589082	-4.099918	0.0001
FSZ	1.413895	0.121960	11.59306	0.0000
C	-7.674797	0.918180	-8.358705	0.0000

R-squared	0.552945	Mean dependent var	3.376932
Adjusted R-squared	0.538430	S.D. dependent var	2.000606
S.E. of regression	1.359190	Akaike info criterion	3.488434
Sum squared resid	284.4992	Schwarz criterion	3.603753
Log likelihood	-273.0747	Hannan-Quinn criter.	3.535261
F-statistic	38.09536	Durbin-Watson stat	0.916537
Prob(F-statistic)	0.000000		

Source: Analysis Output using Eviews 11

From Table 3 above, the R-squared value of 0.5529 indicates that approximately 55.29% of the variability in the philanthropic responsibility cost of listed manufacturing firms in Nigeria is explained by the independent variables (ownership concentration, board ownership, foreign ownership, institutional ownership, and firm size). In other words, the model accounts for over half of the variation in philanthropic responsibility costs, suggesting a moderate to substantial explanatory power. The R-squared provides a measure of how well the chosen variables collectively explain the variation observed in the dependent variable.

The F-statistic of 38.0954 tests the overall significance of the regression model. With a p-value of 0.0000 (essentially zero), the F-statistic is highly significant. This indicates that at least one of the independent variables in the model has a statistically significant impact on the dependent variable (philanthropic responsibility cost). In practical terms, it suggests that the regression model as a whole is providing valuable information and is not the result of random chance. The F-statistic is particularly useful for assessing the overall fitness of the model when multiple independent variables are considered simultaneously. This is because of the probability associated with the F-statistic (0.0000) which is less than 0.05. This low probability associated with the F-statistic strengthens the confidence in the overall statistical significance of the regression model.

The control variable Firm Size (FSZ), reflected in the coefficient of 1.4139, exhibits a statistically significant positive impact on philanthropic responsibility costs. This implies that larger manufacturing firms in Nigeria tend to incur higher social responsibility expenditures. The low p-value of 0.0000 emphasizes the robustness of this relationship, suggesting that firm size is a significant determinant in shaping the extent of philanthropic activities undertaken by listed manufacturing firms in Nigeria.

4.3. Test of Hypotheses

4.3.1. Hypothesis One

H_1: Ownership concentration significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

The coefficient of 0.9604 for ownership concentration suggests a positive effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria. This implies that as ownership concentration increases, there is a corresponding rise in philanthropic responsibility costs. The p-value of 0.0000 which is less than 0.05 underscores the statistical significance of this relationship, providing strong evidence to accept the alternate hypothesis. Therefore, Ownership concentration has a positive and significant effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.0000).

4.3.2. Test of Hypothesis Two

H_2: Board ownership significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

Board ownership, with a coefficient of 6.8551, suggests a positive effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria. This implies that as board ownership increases, there is a corresponding rise in philanthropic responsibility costs. However, this effect does not appear to be statistically significant on philanthropic responsibility costs, as indicated by the relatively high p-value of 0.3959. Since this *p*-value is greater than 0.05, variations in board ownership are not a decisive factor in influencing the extent of social responsibility expenditures among listed manufacturing firms in Nigeria. Therefore, the null hypothesis was accepted that Board ownership has a non-significant and positive effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.3959).

4.3.3. Test of Hypothesis Three

H_3: Foreign ownership significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

The coefficient of 608.3703 for foreign ownership points to a positive association between foreign ownership and philanthropic responsibility cost among the examined manufacturing firms in Nigeria. The considerable impact suggests that companies with higher levels of foreign ownership are more inclined to allocate resources towards philanthropic activities. The low p-value of 0.0001 which is less than 0.05 reinforces the robustness of this relationship, highlighting the importance of foreign ownership as a significant factor influencing social responsibility expenditures in the Nigerian manufacturing sector. Thus, the alternate hypothesis was accepted that foreign ownership has a significant and positive effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.0001).

4.3.4. Test of Hypothesis Four

H_4: Institutional ownership significantly affects the philanthropic responsibility cost of listed manufacturing firms in Nigeria.

Institutional ownership, represented by a coefficient of -6.5151, demonstrates a statistically significant negative impact on philanthropic responsibility cost. The negative coefficient suggests that higher levels of institutional ownership are associated with a decrease in philanthropic responsibility costs among listed manufacturing firms in Nigeria. The low p-value of 0.0001 which is less than 0.05 underscores the significance of this relationship, indicating that institutional investors play a role in influencing companies to allocate fewer resources towards philanthropic initiatives. Thus, the alternate hypothesis was accepted that Institutional ownership has a significant and negative effect on the philanthropic responsibility cost of listed manufacturing firms in Nigeria (p-value of 0.0001).

4.4. Discussion of Findings

The study found that ownership concentration positively affects philanthropic responsibility cost. The positive effect of ownership concentration on philanthropic responsibility costs aligns with the expectation that concentrated ownership tends to lead to a more centralized decision-making process. In firms where ownership is concentrated, key decision-makers, often large shareholders, may have a more direct influence on resource allocation, including philanthropic expenditures. This finding suggests that as ownership concentration increases, there is a corresponding increase in the likelihood that firms allocate more resources toward philanthropic activities, potentially driven by the preferences and values of the concentrated ownership. This finding aligns with the studies by Egbunike and Efionayi [16]; Olowookere, Shittu, and Olorede [3]; Al Maeeni, Ellili, and Nobanee [30]; and Baba and Baba [4].

It was found that board ownership positively (although insignificantly) affects philanthropic responsibility cost. The positive effect of board ownership on philanthropic responsibility costs is somewhat unexpected, as one might intuitively assume that board ownership, representing internal control, could lead to a more conservative approach in social responsibility spending. However, this result could be explained by boards with higher ownership having a more active role in shaping the corporate culture, values, and strategic decisions of the firm. Such boards may prioritize philanthropy as part of their corporate strategy, leading to increased social responsibility spending. This negates the findings by Tijjani and Yahaya [10] and Egbunike and Efionayi [16]; but agrees with those of Alia and Mardawi [2] and Baba and Baba [4].

Furthermore, the study found that foreign ownership has a positive effect on philanthropic responsibility cost. The positive effect of foreign ownership on philanthropic responsibility costs suggests that firms with higher levels of foreign ownership are more likely to engage in philanthropic activities. This could be attributed to several factors, such as international norms and expectations for corporate social responsibility, where foreign-owned firms might be influenced by global standards that emphasize social and ethical considerations. Additionally, foreign owners may view philanthropy as a means to enhance their corporate image and reputation in the local context, contributing to the observed positive effect. Similar findings were realised by Setiawan, Widawati, and Rizky [12]; Alkayed and Omar [11] and Baba and Baba [4].

Finally, the result showed that institutional ownership has a negative effect on philanthropic responsibility cost. The negative effect of institutional ownership on philanthropic responsibility costs implies that firms with higher levels of institutional ownership tend to allocate fewer resources to philanthropy. Institutional investors, often driven by financial performance considerations, may prioritize profit maximization over philanthropic initiatives. Additionally, institutional investors may exert pressure on firms to adopt a more cost-efficient approach, potentially leading to a reduction in discretionary spending on philanthropy. This result agrees with the findings by Egbunike and Efionayi [16] but does not agree with those of Tijjani and Yahaya [10]; Olowookere, Shittu, and Olorede [3].

Table 4 below provides the comparison of results of previous studies.

Table 4. Comparison of the Results of Previous Studies

S/N	Author(S) and Year	Objective	Sample; Time Scope	Statistical Tools	Major Findings
1.	Tijjani and Yahaya (2023)	To ascertain the effect of institutional and managerial ownership on sustainability reporting quality in Nigeria	99 firms; 2012 – 2021	Logistic regression	Institutional ownership had a positive and significant influence on sustainability reporting quality; managerial ownership had a negative and significant effect on sustainability reporting quality.
2.	Olowookere, Shittu, and Olorede (2023)	To investigate the influence of ownership structure on the voluntary disclosure of listed non-financial firms in Nigeria	67 listed non-financial firms; 2011 and 2020	Dynamic panel Generalized Method of Moment	Block and institutional ownership positively influenced voluntary information; the impact of managerial ownership, although positive, was not significantly associated with corporate voluntary disclosure
3.	Al Maeeni, Ellili, and Nobanee (2022)	To examine the effect of corporate governance on the extent and trend of corporate social responsibility (CSR) disclosure by UAE-listed banks	2009 to 2019	Panel data regression	Ownership structure was significantly and positively associated with CSR disclosures
4.	Alkayed and Omar (2022)	To determine the impact of government ownership on the extent and quality of corporate social responsibility disclosure (CSRD) in Jordan	118 Jordanian companies; 2010 and 2015	Regression analysis	Significant correlations between foreign board members, government ownership, and the extent of CSRD
5.	Baba and Baba (2021)	To explore the influence of ownership structure variables on social and environmental disclosure in Nigeria	80 companies; 2012 to 2017;	Multiple regression analysis	Block ownership, foreign ownership, and dispersed ownership were positively related to social and environmental disclosure, while management ownership showed an insignificant relationship
6.	Egbunike and Efionayi (2021)	To investigate the nexus between Ownership structure and the disclosure of corporate social responsibility (CSR) among Nigerian banks	2009-2018	Fixed and random effects regression	Ownership concentration had a positive and significant impact on CSR disclosure, whereas managerial and institutional ownerships displayed a negative relationship with CSR disclosure
7.	Alia and Mardawi (2021)	To ascertain the influence of ownership structure on Corporate Social Responsibility Disclosure (CSRD) in companies listed on the Palestine Exchange	44 companies; 2013 to 2017	Generalized Least Squares analysis	Board ownership had a non-significant positive impact on CSR, while ownership concentration had a significant negative effect
8.	Setiawan, Widawati, and Rizky (2021)	To examine the effect of ownership structure on the disclosure of corporate social responsibility in agricultural firms in Indonesia	2017 – 2019	Multiple linear regression analysis	Foreign ownership had a significant positive effect and could enhance the disclosure of corporate social responsibility in agricultural industry firms

Source: Authors' Compiled Studies

5. Conclusions, Recommendations and Suggestions for Further Studies

5.1. Conclusions

Manufacturing firms guided by a profound commitment to societal and environmental responsibility are motivated by ethical principles and a realization of their integral role in the broader social context. In such a context, ownership structures such as ownership concentration, foreign ownership, institutional shareholders, and board ownership are anticipated to synergistically align in support of and prioritization for Social Responsibility initiatives. These ownership structures are envisaged to serve as effective channels for the seamless allocation of resources toward socially responsible endeavors, ultimately resulting in a diminished environmental footprint, positive societal impact, and strengthened relationships with stakeholders.

According to the findings of this study, when ownership is concentrated, the controlling owners will be more willing to allocate resources for philanthropic activities. They may view corporate social responsibility (CSR) initiatives, including philanthropy, as a means of enhancing the company's reputation or aligning with their personal values. Also, the positive effect of board ownership on social responsibility suggests that when board members have a significant stake in the firm, they may be more inclined to support philanthropic initiatives. This could be due to a sense of commitment to the company's long-term success and a belief that social responsibility positively influences corporate image and stakeholder relationships.

Furthermore, foreign ownership having a positive effect on philanthropic responsibility costs is because foreign investors are motivated to engage in corporate social responsibility to enhance their reputation in the global market and align with international norms. Additionally, they might recognize the importance of CSR in fostering positive relationships with local communities, which is crucial for the sustainable operation of the firm in a foreign market. The negative effect of institutional investors on social responsibility suggests that when institutional ownership is high, there may be less emphasis on philanthropy because institutional investors may prefer companies to focus on core business activities to ensure financial performance and shareholder value.

5.2. Recommendations

In line with the findings of the study, the following recommendations were made:

1. Manufacturing firms should establish clear frameworks and channels for involving concentrated owners in decision-making related to philanthropy. This may include creating dedicated committees or platforms where key owners actively contribute to shaping CSR strategies, ensuring alignment with their values and the broader corporate objectives.
2. Managers of manufacturing firms should foster a strong culture of corporate social responsibility within the board and ensure alignment of board values with social responsibility goals in order to amplify the positive effect of board ownership on philanthropic responsibility costs.
3. Manufacturing firms in Nigeria should align philanthropic activities with international expectations and demonstrate commitment to social responsibility.
4. Manufacturing firms should establish a dialogue with institutional investors to communicate the long-term benefits of responsible corporate behavior and demonstrating the positive impact of philanthropy on brand reputation may help mitigate the potential conflict between institutional ownership priorities and philanthropic responsibility costs.

5.3. Suggestions for Further In-depth Studies

By addressing the following areas for further research, scholars can contribute to a more comprehensive perception of the nexus between ownership structure and social responsibility costs, thereby enhancing the applicability and generalizability of findings. Future research could adopt a survey approach to this study and in addition broaden the scope of ownership structure indicators considered in the study. Including additional measures such as family ownership may add to existing knowledge of how different ownership structures influence social responsibility costs.

To enhance the generalizability of findings, future studies could explore multiple indicators of social responsibility costs beyond philanthropic responsibility. Including measures related to environmental responsibility, ethical practices, or community engagement would contribute to a more holistic evaluation of corporate social responsibility. This approach would capture the multifaceted nature of social responsibility, providing a richer analysis of how ownership structure influences various dimensions of corporate responsibility.

To assess the applicability of findings across industries, future studies could conduct cross-industry comparisons. Investigating ownership structure and its impact on social responsibility costs in sectors beyond manufacturing would contribute to a broader understanding of the relationship. This approach could reveal industry-specific nuances and highlight whether the observed patterns hold consistently or differ across diverse sectors within the Nigerian business landscape.

Declaration of Conflict of Interest

We, the authors of this manuscript hereby declare that this study is free from any conflict of interest.

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