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CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE AND CORPORATE CREDIBILITY EVIDENCE FROM LISTED MANUFACTURING FIRMS IN NIGERIA

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Abstract

This research article explored the effect of corporate social responsibility (CSR) disclosure on corporate credibility of Nigerian listed manufacturing companies. The sample size consisted of 34 firms in the consumer and industrial goods sector of which 20 firms were taken based on the availability of data. The annual reports of sampled firms between 2014 and 2023 were taken as secondary data and used in ex post facto research design. The content-based disclosure index was used to measure CSR disclosure and corporate credibility and the data analyzed through panel regression analysis with a fixed-effects model. The findings indicate that CSR disclosure positively and significantly impacts corporate credibility thus showing that companies that present transparent, consistent and verifiable CSR information are credible to the stakeholders. The study is empirical in nature, as it offers empirical evidence that credible CSR disclosure helps to improve corporate legitimacy and stakeholder trust, which is a significant gap in the literature, which also tends to discuss the levels of CSR reporting, as opposed to its credibility. As far as the results show, manufacturing companies in Nigeria should improve the standards of disclosures and authenticity of their CSR, including third-party confirmation, to increase corporate credibility and stakeholder trust.

Introduction

Corporate Social Responsibility (CSR) has become a global issue because companies are being more and more requested to do not only maximize profits, but also address environmental, social, and governance (ESG) aspects that increase the number of stakeholders (KPMG, 2022; Shakil *et al.*, 2025). CSR is considered in both developed and emerging economies as a tool of increasing corporate responsibility, reducing reputational risks, increasing trust in stakeholders and promoting sustainable development agendas (Margolis *et al.*, 2009). The increased regulatory attention, globalization and increased investor and consumer sensitivity have increased the pressure on clear and believable CSR practices, and CSR reporting has become a useful instrument to indicate ethical conduct and sustainable value creation (Olawale *et al.*, 2025).

In this regard CSR is incorporated in the global reporting principles and standards such as the Global Reporting Initiative (GRI), the United Nations Global Compact (UNGC), and the Sustainable Development Goals (SDGs), which strengthens its role in promoting responsible corporate practices in the global context (KPMG, 2022). In developing nations like Nigeria, companies are embracing CSR practices to build corporate legitimacy, respond to stakeholder

demands, and help with socio-economic development despite institutional failures (Amodu, 2020; Mohammed *et al.*, 2022). Several corporations in industries such as banking and extractive are looking to CSR as a way of meeting urgent societal expectations in the context of community development, education, healthcare, and philanthropy (Ezechukwu & Uzuagu, 2022; Shakil *et al.*, 2025).

Nevertheless, the weaknesses of CSR practices in Nigeria are highly problematic such as a weak regulatory environment and lack of standardisation on CSR reporting, scarce resources and a propensity towards symbolic or philanthropic CSR as opposed to strategic implementation of sustainability as part and parcel of core business operations (Hahn & Lulfs, 2014; Shakil *et al.*, 2025). In addition, the lack of engagement with the stakeholders, insufficient transparency, and credibility of CSR disclosures (often associated with greenwashing and impression management) suppress the possible results of CSR on the long-term development and building trust (Cho *et al.*, 2012; Zaman *et al.*, 2024).

A major problem linked to CSR is the spread of CSR reporting which turns out not to have any credibility as companies make a lot of disclosure which is not supported by any meaningful social or environmental performance. This is often termed as greenwashing and is prevalent when the organizations present only positive data while hiding the negative effects to create a responsible image, but instances of the practice have been recorded in both developed and emerging markets (Hahn & Lulfs, 2014; Zaman *et al.*, 2024). These symbolic CSR reports are usually driven by legitimacy issues, since businesses are interested in social acceptance and regulatory acceptability, and not meaningful sustainability outcomes (Suchman, 1995; Cho & Patten, 2007).

This issue is aggravated by the lack of effective governance systems, weak assurance measures and the lack of stakeholder scrutiny more so in emerging economies and this results in stakeholder scepticism, trust deterioration and questions about the true value of CSR reporting (Ernst *et al.*, 2025; Olawale *et al.*, 2025). The general purpose of this study is to find out the effects of CSR disclosure on the corporate credibility of the listed manufacturing firms in Nigeria with particular emphasis on whether the effect of CSR disclosures is actual accountability or a mere show of symbolic activities due to concerns of legitimacy.

The study is relevant to the body of research on CSR since it will change the focus of the literature on the volume of CSR disclosure to the credibility of CSR disclosure in the context of an emerging economy, a gap noted in the recent reviews (Shakil *et al.*, 2025; Mohammed *et al.*, 2022). The paper is anchored on the legitimacy theory and stakeholder theory; it empirically evaluates whether CSR reports lead to corporate credibility or are seen as greenwashing in Nigeria (Suchman, 1995; Freeman, 1984). The study has a methodological contribution to the credibility of CSR measurement that can be used in manufacturing companies, in addition to the existing disclosure indicators (Michelon *et al.*, 2015). It empirically complements the limited African evidence about the CSR credibility with firm-level evidence in Nigeria (Olawale *et al.*, 2025), and its results provide some useful information to regulators and practitioners on how to enhance the CSR reporting standards and/or increase the credibility in the future.

Statement of the Problem

Despite the fact that there has been an upward trend in the disclosure of CSR in recent years in the Nigerian manufacturing companies, the validity of such disclosure has been the subject of great debate. There is evidence that a good number of companies practice CSR as an instrument of symbolic legitimacy but not as the expression of true ethical and sustainable business conduct, which is often marked by inflated sustainability statements, selective reporting, and scarce third-party oversight (Ezechukwu & Uzuagu, 2022; Mohammed *et al.*, 2022). Poor enforcement and weak regulatory frameworks also worsen the issue of transparency, reliability, and accountability in the CSR reporting (Amodu, 2020). The available literature on CSR in the world and in Nigeria in particular has devoted much attention to the intensity of disclosures made by CSR on performance metrics like ROA, ROCE, ROI and Tobins, q, among others without paying much attention to whether the disclosures made are credible or substantive. There is therefore an evident empirical gap concerning the credibility of CSR disclosure and their contribution towards improving transparency, accountability and trust in stakeholders. This paper fills this gap by discussing CSR disclosure in the context of credibility with some evidence presented by listed manufacturing companies in Nigeria. This study addresses this gap by examining CSR disclosure through a credibility lens, providing evidence from listed manufacturing firms in Nigeria.

Literature Review

Corporate Social Responsibility Reporting

Corporate Social Responsibility (CSR) disclosure is the process whereby companies communicate to the stakeholders about their social, environmental and ethical practices to their stakeholders via annual reports, sustainability reports and other corporate reports (Gray *et al.*, 1995; Deegan, 2002). CSR disclosure is also aimed to improve the transparency, accountability and trust of stakeholders in the corporate by disclosing how organisations handle their impacts on society and the environment. CSR disclosure around the globe has transformed voluntary narrative reporting into more coordinated and formalized methods based on global frameworks that include the Global Reporting Initiative (GRI), the United Nations Global Compact (UNGC), and the Sustainable Development Goals (SDGs) (KPMG, 2022; Michelon *et al.*, 2015).

CSR disclosure is a strategic tool commonly adopted by firms to convey connotations of responsible behavior, reputational risk management, and legitimacy in competitive and highly scrutinized firms (Suchman, 1995; Cho *et al.*, 2012). In such emerging markets as Nigeria, the amount of CSR disclosure is growing but mostly voluntary and of low quality (Amodu, 2020; Mohammed *et al.*, 2022). Numerous companies prioritize the descriptive and philanthropic reporting, scanty quantitative statistics, ineffective assurance systems, and insufficient involvement of stakeholders posing questions regarding the reliability and credibility of the reported information (Ezechukwu & Uzuagu, 2022; Hahn & Lulfs, 2014). Weak regulatory compliance and lack of compulsory assurance provisions also help popularize selective reporting and impression management where CSR disclosure is more of a legitimacy symbol than a report of actual sustainability performance (Cho & Patten, 2007; Deegan, 2014). Consequently, the CSR

disclosure effectiveness in facilitating authentic accountability and long-term investor trust has been a matter of acute concern in the scholarly literature and policy discussions.

CSR Credibility

Credibility is the measure of the stakeholders perceiving the CSR activities, and reporting of the firm as authentic, trustworthy and consistent to the firm values and activities. It is an indicator of the trust of the stakeholders that CSR claim by a firm is not empty words but a commitment by a firm. The CSR Credibility was based on three major pillars of transparency, constituency and engagement of the stakeholder. Information asymmetry, failure to apply reporting standards and inadequate third-party assurance procedures undermine the veracity of the CSR disclosure in Nigeria (Idowu & Okoye, 2020).

CSR and Firm Outcomes

The recent studies have empirically revisited the concept of Corporate Social responsibility (CSR), and the results administered are that disclosure of CSR can have various impacts on the firm, such as financial performance, firm value, or stakeholder views. As an example, the recent findings in the Nigerian industrial goods companies reveal that CSR disclosure bears a strong relationship with the Q of Tobin and the returns on assets, implying that investors and markets may consider the transparent CSR reporting as a factor predicting future performance likelihood (Olawale *et al.*, 2025). Also, experimental studies report that CSR assurance, a high level of CSR reputation, have a significant positive impact on the perception of credibility and investor judgments meaning that the way CSR is reported can impact the stakeholders through their understanding of corporate value and legitimacy (Ernest *et al.*, 2024). The results are consistent with the general evidence that believable CSR communication has the potential to reinforce trust and competitive positioning, and is not just a promotional product.

However, other researchers point to problems that are still present in the correlation of CSR and performance. A current cross-national accounting study concludes that a company that is highly rated CSR reporting can still be problematic in its behaviours which indicates that CSR reporting as such does not necessarily lead to substantive changes in ethics and operations. Furthermore, according to the studies on the motives of CSR and authenticity, perceived authenticity has a positive impact on corporate credibility and legitimacy, and there is a growing role of CSR credibility (and not a quantity of reporting) in the formation of firm outcomes (Akturan, 2025). Collectively, these recent researches help underline that although CSR disclosure can lead to desirable outcomes in firms, its effect depends on the credibility, authenticity and assurance of the reporting, but not the volume of disclosure.

Theoretical Framework

Stakeholder Theory

The Theory of Stakeholders (Freeman, 1984), considers the fact that there are groups of company participants in an organisation otherwise referred to as interest groups (stakeholders) as he calls them, and within the stakeholders of an organisation there are usually: shareholders, workers, funders, suppliers, clients, administration and the society as a whole. In this respect, the firm may appear to be the effect of interdependence of all these groups over the time (diachronic

process). The criteria used in classification of stakeholders as indicated by different authors has been premised on their relevance within the organisation (Freeman, 1984; Mitchell *et al.*, 1997). However, the contingent vision must be applied in identifying and involving the various stakeholders in each organization (Rodriguez, 2006). In order to discharge ethically their respective duties, an enterprise should publish the suitable, punctual and understandable data on their corporate to stakeholders through corporate reports (Clayton *et al.*, 2015).

Most companies identify the legal as their duty to the employees, the customers, suppliers, managers and the government. The latter should not be omitted in business dynamics in terms of CSR (Popkova *et al.*, 2021) and, hopefully, it is institutionalized in all businesses. Studies show that there are inconsistencies between companies, and not all companies create a plan on how to engage interested parties (Salvini *et al.*, 2018), small businesses contact interested parties more frequently than medium-sized ones (Ocampo Lopez *et al.*, 2016). The social responsibility of the company lies in the engagement of the interested parties in the achievement of the corporate sustainability (Tworzydło *et al.*, 2021). Culture and structure, organization values, management style, the empowerment and teamwork should be considered as a whole when adopting a CSR strategy, especially when the emphasis is on developing a new behavior (Revuelta-Taboada *et al.*, 2021).

The trend of corporate social responsibility (CSR) has become a requirement to be implemented in business. CSR is a notion that has many hues and is being presented to the state of art that considers the social activity of the private sector as a supplementary intervention to the state activity (Correa, 2007). Corporations understand how much they will make the society a better place and they are aware of their duty towards the environment, their employees and other parties. Consequently, where companies have a strategic dialogue between the different stakeholders concerned with the organizational mission, they have broad prospects of having fewer gaps in the achievement of their organizational mission and value perceptions (Miles *et al.*, 2006). However, it involves a serious risk of worsening the stakeholder activities of CSR in the long term and consequently, sustainability (Strand *et al.*, 2015). Lastly, the value of the company would positively depend on the sustainability of management practices such as CSR, whether a rational correlation has been formed between the company and its stakeholders (Ifada *et al.*, 2021).

Empirical Review

In their study of systemic review of CSR in the developed market in Asia, Africa, Latin America and Eastern Europe, Shakil *et al* (2025) performed their research. The study has categorized the CSR initiatives into broad themes, and these include environmental sustainability, community development, employee welfare, and ethical governance. The review observes that the dynamics of emerging markets like political upheavals, corruption, social inequalities, have seen the firms developing adaptive and hybrid models of CSR which integrate global expectations as well as realities on the ground. The findings suggest that the CSR in the emerging markets is a dynamic and changing phenomenon which is influenced by the global and local imperatives. The research was based on developed country and the outcome of the research cannot be extended to emerging economies.

The authors Nimani *et al* (2022) reviewed the nature of the corporate social responsibility to businesses: the emerging market research. The main data of the paper was gathered as a survey of the managers of 40 Kosovo companies. To exhibit that the conception of CSR practice is of high essence to all the attributes of functioning of firms. Linear regression was used to perform the analysis. The research findings indicated that the practice of CSR leads to better financial performance in the long term, market share, competitive advantage, company reputability, working climate in the company, its productivity, and motivation of the employees, and assists in retention of high-quality employees. The researchers concentrated on the impact of CSR on financial performance, the research failed to take into consideration the credibility of CSR report.

The research that was carried out by Khuang *et al* (2021) examined the meanings of stakeholders and corporate Social Responsibility (CSR) programme as valuable strategies of sustainable development in enabling corporate reputation; as presented in Vietnam. It collected data using questionnaires on 869 leaders and managers in the industries of state, domestic and foreign direct investment (FDI). The research data analyses were conducted with the assistance of partial least square-structural equation modelling (PLS-SEM) model with the findings of both measurement and structural models (proving the causal relation between the variables and proving the research hypotheses). These results suggested that the extent of the influence of the stakeholder is not only extremely significant in the nature of CSR but also positively affects the corporate image. In addition, the corporate reputation to a significant extent is dictated by the legal, ethical, environmental and philanthropic responsibility performance that is not economically responsible. The article by Bonuedi *et al* (2020) examined the problem of corporate social responsibility reporting and stakeholder management within the emergent market using the prism of CSR executives in the developing country. The qualitative methodological approach used in the study was an interview of the CSR executives of the companies making the Ghana Club through a period of 3 years, between the year 2010 and 2012. Available information through annual report and websites of the firms was also examined. Findings reveal that the channels that are popular in CSR reporting are the annual reports. However, there are also instances that certain global corporations have released annual reports as well as individual CSR reports because it is mandatory. The study determined that negative perception and scepticism of the stakeholders rectify the utilization of CSR reports. This research took into consideration the channel by which the CSR report is being relayed to the stakeholders yet nothing was stated regarding the credibility of the report.

The question that Asogwa *et al* (2020) reflected on was whether increase in corporate social responsibility activities adds or kills the value of firms in Nigeria. The sample of 56 listed firms in 2009-2018 of data about the Nigerian Stock Exchange was analyzed with the assistance of fixed effect regression analytic tool. The data used were the environmental, social and economic responsibility activities on the premise of Global Reporting Initiative (GRI) disclosure policies and Korean Economic Justice Institutes (KEJI) social responsibility efficient interpolation rating equation in the measure of social responsibility of firms. The study found that the companies that have linked with intensive social responsibility give positive but irrelevant effects on share value

of firms. The research was based on the effects of CSR on firm value rather than credibility of CSR.

Gap in Literature

Although the recent empirical studies are increasingly becoming large, the studies on CSR disclosure still have methodological gaps. Largely, the research still utilizes general disclosure indices or composite CSR ratings, and does not include scales of credibility, quality of assurances, or holders' perceptions that have been identified to affect the interpretation of CSR information by investors and other stakeholders. In addition, a good part of the existing studies is either of developed market or cross-sectional in nature, which restricts knowledge on how CSR credibility changes with time, especially in developing economies with unique institutional context, like Nigeria. Conventionally, the evidence on the specific case of manufacturing firms in Nigeria, an essential part of environmental implications and economic development, is scarce, even when it is advocated to greater sectoral analyses of CSR implications.

Empirical studies are also inclined to focus on monetary or commercial results as opposed to credibility results as such, and there is little assimilation of modern indicators like third-party certification impacts on CSR sincerity and credibility. Such gaps point to the necessity of the studies being more credibility-oriented in their measurement frameworks and context-specific evidence goals which are the aim of the current study.

Methodology

The study design was expo-facto. The population that is used in the study is all manufacturing firms operating in consumer and industrial goods sector where 20 firms were chosen, they are the firms that had complete data between the years 2014 and 2023. The secondary data to be applied in the study was the annual reports of the chosen firms. The year 2014 was selected as the base year since it was the year in which, Manufacturing began to prepare their financial statement in accordance to IFRS. Descriptive and inferential statistics were employed to analyse the data in the study.

Model Specifications

In this section, the description of the model is made in accordance with the objective that was declared in the previous chapter. Specification of the models is done based on theoretical framework and the contributions of related empirical literature that has been presented previously. This model was developed on the premise of the stakeholder's theory. This is presented below:

$CRE = f(CSRD)$

$$CRE = \alpha_{it} + \beta_1 CSR_{D_{it}} + \beta_2 ROA_{it} + \beta_3 FS_{it} + \mu_t \quad (3.1)$$

Where:

CRE: Corporate Credibility

CSR_D = Corporate Social Responsibility disclosure

ROA = Return on asset

FS= Firm size

α = Constant Term

β_1 = Coefficients of the explanatory variables

μ_t = Composite error term of the model

Subscript i = Firms (cross-section dimensions) ranging from 1 to 20;

Subscript t = Years (time-series dimensions) ranging from 2014 to 2023;

Measurement of Variables

In the study, the content-analysis based index, which was built using annual and sustainability reports of the sampled firms between 2014 and 2023, was utilized. The index measures the level and the quality of information disclosure. The presence of the dimension is allocated binary number 1 and 0 otherwise.

CSR Disclosure (Independent Variable)

Environmental disclosure (emissions, waste, energy use, pollution control)

Employee and labour practices (health & safety, training, diversity)

Community and philanthropy (education, infrastructure, donations)

Product responsibility (quality, safety, customer welfare)

Governance-related CSR (ethics, compliance, anti-corruption)

$$\text{CSR Disclosure Index} = \frac{\sum \text{CSR items disclosed}}{\text{Total possible items}}$$

Corporate Credibility (Dependent variable)

Third-party assurance (0 or 2)

Transparency and completeness (0 or 2)

Governance oversight of CSR (0 or 2)

$$\text{Corporate Credibility Index} = \frac{\sum \text{Credibility scores}}{\text{Maximum possible score}}$$

Table 1 Measurement of Variables

Variables	Variable label	Measurement	Empirical Source	Apriori Expectation
Corporate Responsibility	Social CSR	CSR disclosure index	Michelon <i>et al</i> (2015)	+
Corporate Credibility	CRE	Credibility disclosure Index	Michelon <i>et al</i> (2015)	
Control variables				
Firm size	FS	Log of Total Asset	Elaigwu <i>et al</i> (2024)	+
Return on asset	ROA	Net income / Total asset		+

Source: Author’s Compilation, 2025

Descriptive Statistics

The average level of corporate credibility is low (mean = 0.345) which implies that, on the average, listed manufacturing companies portray poor credibility practices. The standard deviation (0.193) indicates that there is visible variation among firms. The distribution is skewed towards the positive side (skewness = 1.559) suggesting that a large number of firms are clustered on the lower levels of credibility with a few firms producing relatively high levels of credibility. The large value of kurtosis (7.997) implies the existence of extreme values with a leptokurtic distribution heavy tail.

Analysis and Interpretation of Results

Table 2 Descriptive Statistics

	CRE	CSR	FS	ROA
Mean	0.345	0.747	7.820	0.087
Median	0.333	0.833	7.820	0.054
Maximum	1.000	2.000	9.418	1.513
Minimum	0.000	0.000	6.063	0.000
Std. Dev.	0.193	0.312	0.760	0.142
Skewness	1.559	-0.105	-0.081	6.717
Kurtosis	7.997	5.182	2.194	6.502
Jarque-Bera	289.1	40.040	5.626	290.8
Probability	0.000	0.000	0.060	0.000
Obs.	200	200	200	200

Source: Author’s Computation, 2025

In general, the findings indicate that corporate credibility is usually low and unevenly distributed and concentrated in the possession of a few firms. Disclosure of CSR has a rather high average value (mean = 0.747), which means that the majority of listed manufacturing companies disclose many CSR activities. The standard deviation of 0.312 indicates that there is a moderate dissimilarity in the disclosure practices amongst firms. The skewness is a little negative (skewness = -0.105), which means that the level of disclosure of CSR remains relatively even with slight concentration at higher disclosure levels. The value of kurtosis of 5.182 suggests that we have a leptokurtic value distribution which implies that we have a couple of extreme values and that although many firms publish CSR information widely, there are a few firms with very high or very low levels of publishing the information.

Overall, this finding indicates a high level of CSR disclosure, although some disclosures are more detailed and consistent in different companies. The control variables show different distributional pattern. The standard deviation of Return on Assets (ROA) is low at 0.142 which has low profitability of the firms with a mean of 0.087. The positive skewness (6.717) is high and it indicates that the profitability of most of the firms is low with some firms reporting a high ROA. The value of kurtosis (6.502) is the leptokurtic distribution which implies the tails are heavy and there are extreme values of profitability. Contrarily, the mean of the firm size is 7.820 with a standard deviation of 0.760 indicating the consistency in the scale of the firm in the sample. The size distribution of the firms is relatively balanced (skewness = -0.081) and has an almost normal kurtosis (2.194) which implies that there are less outliers and the firms are more uniformly distributed with respect to their size.

Table 3 Correlation Matrix

	CRE	CSR	FS	ROA
CRE	1.000			
CSR	0.080	1.000		
FS	0.129	0.019	1.000	-0.086
ROA	0.036	0.061	-0.086	1.000

Source: Author’s Computation, 2025

The outcome of correlation matrix is as shown in table 3. CSR had a weak but positive link with CRE with coefficients of 0.080 so also FS with coefficient of (0.129) and ROA (0.036). CSR exhibited a very weak but favourable association with FS (0.019) so also with ROA (0.061). The results revealed that there was no issue with multicollinearity since the link among the variables is not up to 80% threshold.

Table 4 Variance Inflation Factors

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.0211	114.16	NA
CSR	0.0019	6.7792	1.0043
ROA	0.0093	1.3931	1.0114
FS	0.0003	108.32	1.0081

Source: Author’s Computation, 2025

Variance Inflation Factors

The results of the variance inflation factors conducted to check if the independent variables do not have multicollinearity is presented in Table 4. From the results, ROA has the highest VIF of 1.0114 followed by FS with VIF of 1.0081. The results also show VIF of 1.0043 for CSR. Hence, data used for achieving the objectives of the study are free of multicollinearity problem since the highest VIF of 1.0114 falls short of threshold of 10 for multicollinearity to exist.

Table 5. Regression Analysis

Variable	Pooled Effect		Fixed Effect		Random Effect	
	Coeff	T-Stat	Coeff	T-Stat	Coeff	T-Stat
C	0.045	0.313	0.342	15.746**	0.157	1.183
CSR	0.046	1.058	0.021	2.156**	0.050	1.243
ROA	0.057	0.595	-0.013	-1.607	-0.160	-3.568**
FS	0.033	1.845	0.000	0.965	0.021	1.229
Adjusted R ²	0.22					
F-Statistic	3.626	0.031	5.677	0.000	3.945	0.035
Durbin Watson	1.511		1.799		1.562	
Hausman Test			122.26	0.003		
Breusch Pagan			101.87	0.000		

Source: Author’s Computation, 2025

Discussion of Results

He estimation outcomes have shown that the fixed-effects model is the best fit to this panel data which both Breusch-Pagan and Hausman tests prove whereas F-statistic of 5.677 ($p < 0.05$) proves the general importance of the model. The value of Durbin-Watson of 1.799 indicates that the problem of autocorrelation is not serious. It can be seen that the effect of CSR disclosure on corporate credibility is positive and significant (coefficient = 0.021, $t = 2.156$). This has economic implications which mean that the rise in CSR disclosure by one unit is related to a rise in corporate

credibility by 0.021 units, other factors being held constant. Even though the coefficient is low, it carries a lot of meaning with regard to CSR, where credibility gains are normally small and gradually increasing over time. The findings can be compared to current empirical reports of the emerging markets, in which CSR disclosure and assurance can improve the stakeholder perception of credibility and legitimacy (Olawale *et al.*, 2025; Akturan, 2025; Ernest *et al.*, 2025). The positive relationship is rational to be seen in Nigeria, a dynamic economy with a relatively weak regulatory enforcements, lacking assurance practices, as well as high sensitivity of the stakeholders to corporate ethical behaviour. In this scenario, companies that report CSR in a transparent manner will indicate responsibility, good management, and long-term dedication to social and environmental issues and this will be perceived as a plausible practice by the parties concerned. This is consistent with the legitimacy and stakeholder theories, which imply that companies employ reputable CSR disclosure to ensure social acceptance, minimise the risk perceptions, and enforce trust among the investors, buyers and the community at large. The beneficial and notable impact of the CSR disclosure on corporate credibility identified in this research fits into the legitimacy theory and the stakeholder theory. The legitimacy theory (Suchman, 1995) holds that firms can use CSR disclosure to ensure that their operations are in line with the expectations of the society, and this increases their legitimacy and perceived trustworthiness. Credibility and long-term relationship benefits are further supported by the stakeholder theory (Freeman, 1984) which opines that, followers of CSR disclosure transparent reporting address the informational interests of various stakeholders, such as investors, employees, regulators, and community. The prediction of these theories is supported by recent research in the emerging markets. To provide an example, in Nigerian companies, the disclosure of CSR has a positive impact on the credibility of companies and their market value (Olawale *et al.*, 2025), whereas the study by Akturan (2025) reveals that the CSR authenticity and assurance have a significant positive effect on perceived corporate legitimacy. Likewise, it has been experimentally demonstrated that the stakeholders have a higher degree of credibility towards firms whose CSR disclosure can be verified or assured (Ernest *et al.*, 2025).

All these findings indicate that the Nigerian environment with its lax regulatory enforcement and increased stakeholder attention is quite an attractive stimulus to firms engaging in credible CSR practices as a credibility-indicating mechanism coupled with encouraging ethical behaviors and accountability. Therefore, the research is empirical justification of the legitimacy theory and the stakeholder theory in the emerging economies.

Conclusion

This paper has explored how the disclosure of CSR impacts the credibility of a corporation listed in the manufacturing sector in Nigeria as an application of panel data and a fixed-effects model. The outcomes have shown that the disclosure of CSR has a positive and significant influence on the corporate credibility, so the most credible companies are those that present clear, consistent, and verifiable information concerning their social and environmental actions to be more credible to the stakeholders. The results bring into focus the fact that, within an emerging economy setting involving low levels of regulatory control and strong levels of stakeholder control, CSR

disclosure is a strategic mechanism of promoting legitimacy, trust, and reputation as opposed to an obligatory reporting requirement. Such findings align with both the law of legitimacy and the stakeholder theory and validate the fact that companies can build on stakeholder trust and attain social acceptance by undertaking promising CSR initiatives. Moreover, the research indicates that the overall corporate credibility level is moderate, although, the disclosure enhancement, in turn, can significantly influence the perceptions of stakeholders.

Recommendations

Based on the findings, the study presents the following recommendations:

- i. Companies must not just expand the level of CSR reporting, but increase the CSR disclosure quality by paying attention to the consistency and verifiability such as the presentation of clear metrics, outcomes and targets. It is possible to do this by assuming established frameworks, which include GRI, ISO 26000, and integrated reporting standards.
- ii. To enhance credibility of CSR disclosure, companies ought to seek independent auditors or certification organs to review CSR disclosures. Guarantee will increase the trust of stakeholders and indicate that they are willing to show seriousness into the social and environmental concerns.
- iii. The regulators and policymakers, including Nigerian stock exchange and ministries, are required to put in place explicit guidelines and minimum requirements regarding CSR disclosure, and in place of accountability measures against greenwashing.
- iv. Firms are encouraged to proactively engage stakeholders in planning, monitoring and disclosing CSR activities to make their disclosures accurate representation of actual performance and to cover material social, environmental, and ethical issues.

Suggestions for Further Studies

Further studies can be based on the study to investigate the mediating and moderating functions of corporate governance, CSR legitimacy, and third-party assurance in determining corporate credibility. Longitudinal research would be able to follow the development of credible CSR disclosure over time, whereas a sectoral or cross-country comparison would indicate the differences related to an emerging market context. Also, by including the perceptions of the stakeholders, higher levels of analytic processes, and the effect of change in regulations, one would gain a better understanding of the extent CSR credibility affects financial and non-financial firm performance.

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