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Social Responsibility Costs and Performance of Listed Oil and Gas companies in Nigeria: An Investigative Analysis

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ABSTRACT

The study was carried out to investigate the influence of social responsibility costs on performance of listed Oil and Gas companies in Nigeria. This was motivated by the claim of stakeholders' theory which emphasises that social responsibility enhances economic benefits of companies. In this study, effort was made to examine the influence amongstthree social responsibility activitiesproxied by health associated cost, infrastructural expansioncost and educational initiative costs and performance. The dependent variable, performance, was proxied by profit margin.The study adopted*ex-post facto* design. Sample size was made up of five listed Oil and Gas companies for a period of eleven years from 2009 to 2019. Data was obtained through secondary sources, mainly from the annual reports of the sampled companies. Descriptive statistics, linear and multiple regression analysis were the analytical techniques utilised for the study. Findings revealed that a significant positive relationship exists between health associated cost (HAC) and profit margin(PM) while infrastructural expansion cost (IEC)and educational initiative cost (EIC) do not show any significant influence. However, the joint influence of the variables (HAC, IEC and EICshow statistically significant relationship with performance. In conclusion, aggregate social responsibility costs engender the performance of listed Oil and Gas companies in Nigeria. It was therefore recommended among others that Oil and Gas companies should take cognizance of social interest and invest more in health, infrastructural and educational activities in order to enhance their overall profitability.
Keywords: Education Initiative Cost, Health Associated Cost, InfrastructuralExpansion Cost, Performance and Social Responsibility Costs

INTRODUCTION

The degrading state of the environments and natural depletionin our society today and its effect on mankind in the community has led to increased communal concern. Companies are now expected to establish their awareness in addressing the effect of its operations on the environment and the society at large. The rapid progress in business activities hasagain brought the need for companies to disclose their social accountabilities, by taking cognisance of the social interest and expenditure in social events.Social responsibility costs therefore encompasses activities concerned with the measurement of social performance of organizations and their role in maintaining the environment and providing different services to their local communities, directly or indirectly and reporting such results to attest to the social performance undertaken by the establishment [1]; [2]. Social responsibilityinclude a wide variety of activities such as health, safety rehabilitation, empowerment, transportation, employment, training, and advancement of disable persons, educational programmes, orphanage support, sport development, community development projects, among others.Social responsibility was introduced in 1930 by Berle and Meansat Harvard University, United States of American (USA) during thedepression of 1929 to 1939 that resulted in the collapse of many companies. In the 1970s, social responsibility became an issue in the United Kingdom [3]. However, presently social responsibilitycost has impacted business activities worldwide and have become a global practice. Credibility goes to efforts made by Global Reporting Initiative(GRI) and International Organisation for Standardisation (ISO). In Nigeria, companies report social responsibilitiesenthusiastically, there is no mandatory requirement for quantitative disclosure of social data in financial reports [4]. Most companies in Nigeria report social responsibility costs information in their annual report throughdirector's report and chairman's statement. [5] carried out a study on social accounting disclosure in financial reports of Nigerian companies and discovered that majority of the sampled companies include social accounting disclosures in their annual reports between2005 and 2007. Nevertheless, expenditure in social undertakings may not result in creation of wealth. Moreover, thedilapidation of the environment and the depletion of resources have posed a lot of concerns in Nigeria especially the Niger Delta region. As a result of this, Oil and Gas companies in Nigeria are faced with restiveness of the youth resulting from the non-availability of basic amenities in those areas.These amenities include water resources, education, infrastructure, health and unemployment among others. These have led to series of vandalisation of oil pipeline and other belongings of the companies in the oil and gas sector which distort the smooth flow of the economy at large. Nevertheless, the costs associated with the facilitation of these mentioned amenities can be so high and sometimes measurement in monetary terms seems difficult as well. Therefore, it is imperative to determine the influence of social responsibility costson performance of Oil and Gas companies in Nigeria. However, the nucleus of this study was to determine the influence of health associated cost, infrastructural expansioncost and education initiativecost on performance of listed Oil and Gas companies in Nigeria. This study used profit margin as the basis for measuringperformance.

HYPOTHESES OF THE STUDY

The following hypotheses are stated in null form in the study.

Ho_i: There is no significant influence of health associated cost on profit margin of listed Oil and Gas companies in Nigeria.

Ho_{ii}: There is no significant influence of infrastructural expansion cost on profit margin of listed Oil and Gas companies in Nigeria.

Ho_{iii}: There is no significant influenceof education initiative cost on profit margin of listed Oil and Gas companies in Nigeria.

Ho_{iv}: There is no significant influence ofthe aggregate health associated, infrastructural expansion and education initiative costs and profit margin of listed Oil and Gas companies in Nigeria.

CONCEPTUAL REVIEW

Social Responsibility Costs (SRCs) refer to expenditure incurred by companies on social responsibility issues.It includes all effects of social activity, both the direct and indirect ones, appropriated by the involved party [10]. This implies that social responsibility costs are incurred on external issues wholly and exclusively created for the operations of the business.This consensus is based on the principles of environmental economy called Polluter Pays Principles (PPP). The PPP is far from being applied everywhere because it is difficult to connect a specific loss of environmental worth to a specific contaminator. According to [11], the basic components of social responsibility costs, for ensuring estimation and inclusion in environmental policies aregenuine resources compliance costs and direct compliance costs. Genuine resources compliance costs are direct costs and the major component of total social responsibility costs that are associated with purchasing, installing and operating new contamination prevention equipment, changing the production process by using different input or capturing the waste product and selling or reusing them. While the direct compliance costs refers to all the costs that an organization incurs to adhere to industry rules.Nonetheless, using direct compliance cost as an approximation of actual social responsibility cost may be reasonable for a policy whenprice and quantity changes are small with indirect effects occurring among others [11]. According to [15], organizations are seen to benefit from implementing social responsibility costs in different ways, by:rising information for decision making, producing precise product or service costing and increasing transparency of corporate responsibility among others.Social responsibility costsmay pose challenges for companies including the need to define the responsibilities and determining the level of their obligations in the supply chain.Practicality in social responsibility is essential because despite the many disputes, it can addresssocial responsibility costs, it cannot be substituted for the role of government in enforcing laws and international standards [12]. The apparent conflicts between social responsibility costs and the objectives of a company was noticed early by Milton Friedman - the noble laureate who had declared that any effort to use corporate reserves for purely humane purpose would constitute socialism [13]. In fact, Friedman recommended that corporation law should be modified to discourage social responsibility cost [14]. And yet more than thirty years after Friedman made his declaration, social responsibility cost has become the norm. While social responsibility costs skeptics can explain away the practice of, as a result of pressure from the society,it is worthy of note that, social responsibility cost has provided information about performance of a company in relation to its interaction with its physical and social environment [15]. Social responsibility costs based on GRI reporting ethicsby Global Reporting Initiative (GRI) framework and InternationalOrganization for Standardisation are fundamental to achieving transparency in sustainability reporting and therefore companies are expected to apply them when preparing sustainability reports. Thus, the measurements of SRCs includebut not limited to Health Associated Cost (HAC), Infrastructural Expansion Cost and Education Initiative Cost. HAC depicts the cost incurred on health programmes in the community. This is put in place to strengthen the society well-being and to help the people with health deficiencies. It includes the maintenance or expansion of health via prevention diagnosis treatment, recovery or cure of diseases, illness, injury and other physical and mental impairment in people.Infrastructural Expansion Costportrays cost incurred by an organization to acquire construct, reconstruct, improve, plan or equip real or tangible properties that will directly or indirectly benefit the community, it is capital intensive and high cost expenditure meant to develop the community in which the company operates.Education Initiative Costis a measure of what the company has to give up in educating or training an individual in the host community. It includes all costs relating to scholarship, travelling, training among others. [16] in his study viewed that improvement in individuals, groups or organization cannot be guaranteed except or unless there is a process of evaluation. Evaluation as a concept is therefore a process by which an organization obtains a feedback on the way it has carried out its activities over time. Performance link an organisation's goal and objectives with organisations decisions. It is important to note that before we can declare that an activity has improved, it must have been measured so that the extent of improvement can be determined or quantified. [17] asserted that measuring business performance usually embrace the following interlinking fundamental area such as money, loss or productivity. Performance of listed oil and gas companies and other business organizations can be measured through the following means, namely profits margin, and return on assetsamong others. Profit Margin (PM) is a proportion that indicates the performance of a company. It is one of the commonly used performance ratios used to gauge the degree to which a company or a business activity makes money. It represents what percentage of revenue has turned into profits. It shows how much of every revenue is flowing to the bottom line and can help determine pricing problems. It could be affected by earnings and merchandise costs and devalued inventory among others. It is calculated by dividing profit for the year with revenue of the same period.Return on assets according to [18] is the ratio that indicates the profitability of a bank. It is the ratio of income to its total asset. It measures the ability of the company management to generate income by utilizing company assets at their disposal. It shows how efficiently the resources of the company are used to generate income. [19] opined that a higher return on asset shows that the company is more efficient in using its resources; it is calculated by dividing the net income of the business by the total assets.

THEORETICAL REVIEW

The theory adopted in this study is the shareholderstheory. This theory was propounded by Edward Freeman in 1988. The theorist emphasize that taking all constituent sets into account is the better way to maximize overall firm performance [13].Stakeholder's theory does not view maximization of shareholders wealth as the most proficient way to competitive advantage for companies. However Friedman is against the Freeman's stakeholder's theory which does not consider wealth maximization as the ultimate goal of the business [14]. He insisted that, there is one and only one social responsibility of business, which is the use of resources and engaging in activities designed to increase its profit. To him a manager is an employee of the firm whose loyalty, first and foremost is to them.Hence his sole objective must be to make profit and keep the company alive. He also asserted that when managers are allowed the freedom to use organisation resources for the good of the society, rather than strictly upholding to the interest of the owners, such managers are being conferred with indiscriminate powers which they may misuse. He added that increasing social responsibility costs of companies ultimately means slower growth and since companies pay taxes to government, it would be exploitative to expect the company to engage in corporate social responsibilities [20]. However, the stakeholder theory although multifarious in nature is able to handle the issue of social responsibility costs as a priority even against the directive of Friedman. Hence, it is considered in relation to social responsibility cost of which the study is built.

EMPIRICAL REVIEW

[21] wrote on the influence of social responsibility cost and the profitability of Nigerian Banks. Exploratory research design was adopted in the study and data was collected from five Nigerian Banks from secondary sources and analysed using ordinary least square approach. The study reveals that social cost and pollution cost negatively influence profitability of banks. [22] assessed on corporate governance, wealth creation and social responsibility accounting. The main objective was to identify the inter-relationship between corporate governance and social responsibility with a view to establishing the impact of corporate governance and social responsibility and how social responsibility accounting can help organisations achieved good corporate image. Data were collected from secondary source basically from the annual reports of deposit money banks and analysed using the Pearson Product Moment Correlation Coefficient. The study reveals that social responsibility accounting creates wealth for the shareholders and reveals strong corporate governance. It was concluded that, employing any means, method procedures or medium to provide any kind of information that keeps the firm awake to its good corporate governance. Such medium is provided by social responsibility accounting. It was recommended that good corporate

governance is pushing firms to embrace social responsibility accounting which have a significant positive impact on corporate governance and corporate image. [12] examined the relationship between corporate social responsibility and firm's profitability in Nigeria with the use of secondary data sources from ten (10) randomly selected firm's financial reports and financial summary between 1999 - 2008 was adopted. The ordinary least square was employed in analysing data collected. Finding from the analysis showed that the sample firms invested was less than ten percent of their annual profit in social responsibility. [23] evaluated corporate social responsibility based on environment, community, market place and workplace dimension has a positive, negative or neutral relationship with corporate financial performance, data for the study were secondary in nature and collected from the financial report of three firms listed on Bursa, Malaysia for the period 2007 to 2011. The analytical tool used in the study was content analysis while regression was used to test the hypothesis. It was discovered that, corporate social responsibility and corporate financial performance relate positively. [24] ascertained social Accounting Practices and Profitability of Companies in Nigeria.A sample of fifteen quoted companies from oil and gas, manufacturing, building and construction were selected based on the pilot survey report which showed that they consistently published Social Costs from 2009 to 2015.Purposive sampling technique was used to select the sample size for this study. The purpose of this technique stemmed from the fact that it permitted selection of companies that report social costs from 2009 to 2015.Descriptive statistics and multiple regression analysis were adopted for the study. It was discovered that Social accounting practices variables has varying relationship in the study.For instance education and health has a positive relationship while infrastructure relates negatively.It was recommended that investment in activities such as basic infrastructure are not directly related to maximizing of shareholders wealth ,thus resulting in a waste of resources among others. [13] considered the relationship between Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFR) of Malaysia firms. Data for this study was collected from annual reports of three firms listed on Bursa Malaysia for the period 2007 to 2011. The data was collected using content analysis. Regression was used in the study to test the relationship between corporate social responsibility and corporate financial performance. The result showed a positive relationship between CFP and CSR practices together with firm size and firm revenue as control variable. Previous studies conducted both nationally and internationally showed a mixed result and thus had made researches in this area, inconsistent,inconclusive and inadequate [21], [22]

METHODOLOGY

The study adoptedex-post facto design. The population consists of 11 listed Oil and Gas companies listed on the Nigerian Stock Exchange as at December 2020. These include 11 Plc, ArdovaPlc, Capital Oil Plc, Coin Oil Plc, EternaPlc, Japaul Gold and Venture Plc, Seplat Petroleum Development Company Plc, Total Nigeria Plc, MRS Oil Plc, OandoPlc and Rack Unity Pet Company Plc.Of the eleven Oil and Gas companies listed on the Nigerian Stock Exchange, five companies formed the sample size of this study. The five companies were chosen based on the pilot survey report which showed that they were consistent in publishing social responsibility cost for the stated period. Purposive sampling technique was used to select the sample size for the study, the purpose of this technique stemmed from the fact that it permits the selection of companies that report social responsibility cost from the period of study which is 2009 to 2019. The sample companies are Mobil oil, Forte oil Plc, Oandooil Plc, Total oil Plcand MRS Oil Plc respectively.Data for this study were collected mainly from secondary sources.

Basically from the financial reports of the companies listed in Nigeria Stock exchange from 2009 to 2019. The data were quantitative in nature and were obtained from the financial statements of the selected companies. Descriptive statistics, linear and multiple regression analysis were the analytical techniques used in the study to estimate the influence of social responsibility cost on performance of listed Oil and Gas companies in Nigeria. The description of variables is as indicated on Table 1.

Table 1

S/N	Variable	Type	Measurement	Apriori Expectation
1.	PM	Dependent		
2.	HAC	Independent	Expenditure in Health Associated programme	+
3.	IEC	Independent	Expenditure in Infrastructural Expansion programme	+
4.	EIC	Independent	Expenditure in Education Initiative programme	+
5.	HAC; IEC & EIC	Independent	Expenditure in Health Associated, Infrastructural Expansion and Educational Initiative Programmes	+

Source:Researcher's Compilation (2021)

MODEL SPECIFICATION

Simple and multiple regression analysis were adopted in this study; the regression equation for this study is stated in a general form as follows;

Y - f(x)

Where;

Y = Performance of companies measured by profit margin for the period. X is Social Responsibility Costs measured by Health Associated Cost (HAC), Infrastructural Expansion Cost (IEC) and Education Initiative Cost (EIC).In a functional form

$PM = \beta_0 + \beta_1 (HAC)_{it} + e_{it}$ -i

$PM = \beta_0 + \beta_1 (IEC)_{it} + e_{it}$ -ii

$PM = \beta_0 + \beta_1 (EIC)_{it} + e_{it}$ -iii

$PM = \beta_0 + \beta_1 (HAC)_{it} + \beta2 (IEC)_{it} + \beta3 (EIC_{)it} + e_{it}$ --------------------------iv

Where;

PM = Profit Margin

β_0 = Intercept

β_1 = Constant

HAC = Health Associated Cost

IEC = Infrastructural Expansion Cost

EIC = Education Initiative Cost

i = Number of Companies

t = Number of years

e = error term

Inferentially, the calculated value of the regression statistic is usually compared with the table value; a null hypothesis is rejected, if the calculated value of the regression statistic is greater than the table value, while the alternate hypothesis is accepted. On the other hand, if the table value of the regression statistics is greater than the computed value, then the alternate hypothesis is rejected and null hypothesis accepted.

DATA PRESENTATION, ANALYSIS AND FINDINGS

Table 2: Descriptive Statistics for the log. ofHAC, IEC and EIC.

	N	Minimum	Maximum	Mean	Std. Deviation
PM	55	-.06	1.24	.0807	.23663
LOGHAC	55	.00	11.00	4.8000	3.40152
LOGIEC	55	.00	8.00	4.8727	2.93797
LOGEIC	55	.00	8.00	5.3273	2.67398
Valid N (listwise)	55				

Source: Researcher's Computation (2021)

Table 2 showed the descriptive statistics of the variables used in the study. The descriptive statistics was based on the logarithm of the data collected. The profit margin was the ratio in its natural form. The descriptive statistics showed a mean score of 0.80 for profit margin. HAC was 4.80; IEC was 4.87 while EIC was 5.33.This implies that for every one naira invested in the social responsibility costs, an average profit margin of 0.80% is expected. The standard deviations showed a deviation of 0.24 for profit margin, HAC was 3.40, IEC was 2.94 and EIC was 2.68. A total of 55 observations were used for the analysis.

TEST OF HYPOTHESES

Table 3:Hypothesis 1-Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.420[a]	.177	.161	.21673

Source : Researcher'sComputation (2021)

Table 4. Hypothesis 1-ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.534	1	.534	11.371	.001[b]
	Residual	2.489	53	.047		
	Total	3.024	54			

Source : Researcher's Computation (2021)

Table 5Hypothesis 1 -Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-.060	.051		-1.172	.246
	LOGHAC	.029	.009	.420	3.372	.001

Researcher's Computation (2021)

The first hypothesis involves a test to determine the relationship between health association cost(HAC) and profit margin(PM) of companies in Nigeria. From the analysis in Table 5 the p-value of 0.001is less than 0.05, this implies that there is a significant influence of health associated cost on profit margin of the listed oil and gas companies in Nigeria.The result is affirmed with the R^2 score of 0.177(Table 3). This result supports the *apriori* expectation for variable one.The result depicts that as expenditure in HAC increases,PM of companies in Nigeria increases aswell.The findings of the influence of HAC on PM is consistent with the study of [22] and aligned with the belief of [23] that if company create value for its stakeholder such gesture would be to the shareholder as well.

Table 6 : Hypothesis 2 -Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.214[a]	.046	.028	.23330

Researcher's Computation (2021)

Table 7: Hypothesis 2 -ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.139	1	.139	2.551	.116[b]
	Residual	2.885	53	.054		
	Total	3.024	54			

Researcher's Computation (2021)

Table 8:Hypothesis 2 -Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.003	.061		-.055	.956
	LOGIEC	.017	.011	.214	1.597	.116
##						

Researcher's Computation (2021)

The second hypothesis involves a test to determine the influence ofInfrastructural expansion cost (IEC)on profit margin(PM) of Oil and Gas companies in Nigeria. From the analysis in Table 8, the p-value of 0.116 is greater than 0.05. The result is also affirmed with the R^2 score of 0.046 (Table 6). This showed that there is no significant influence of infrastructural expansion cost on profit margin of companies in Nigeria. Theinsignificant influence did not supports the *apriori* expectation for variable two.This implies that an increase in expenditure in IEC would result in adecrease in PM.This suggest that companies in an attempt to be socially answerable end up investing huge amount in infrastructural facilities that move their focus from the objective of the business, thus, the finding affirmed with the study of [20].

Table 10: Hypothesis 3 -Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.193[a]	.037	.019	.23434

Researcher's Computation (2021)

Table 11Hypothesis 3 - ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.113	1	.113	2.059	.157[b]
	Residual	2.911	53	.055		
	Total	3.024	54			

Researcher's Computation (2021)

Table 12Hypothesis 3 -Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.010	.071		-.147	.884
	LOGEIC	.017	.012	.193	1.435	.157

Researcher's Computation (2021)

From the analysis in Table 12, the p-value of 0.157 is greater than 0.05, This implies that there is no significant influence of Education initiative cost on profit margin of the listed oil and gas companies in Nigeria. The result is affirmed with the R^2 score of 0.037 (Table 10) .For 3.7% of the changes in educational initiative cost, there is a 3.7% of the changes in profit margin respectively, hence supporting the acceptance of null hypothesis.The result depicts an insignificant negative relationship (p-value of 0.157 > 0.05) between EIC and PM of companies in Nigeria. The relationship sofar is at variance with the *apriori* expectation of this study.This result implies that as expenditure in EIC increases,PM decreases in an insignificant manner. Thissuggests inefficiency in the use of shareholders' wealth by managers of companies in Nigeria. This finding collaborates with that of [12].

Table 13:Hypothesis 4- Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.459[a]	.210	.164	.21635

Researcher's Computation (2021)

Table 14: Hypothesis 4 - ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.636	3	.212	4.532	.007[b]
	Residual	2.387	51	.047		
	Total	3.024	54			

Researcher's Computation (2021)

Table 15: Hypothesis 4 - Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	-.011	.068		-.165	.870
	LOGHAC	.041	.013	.594	3.201	.002
	LOGIEC	.007	.013	.085	.533	.596
	LOGEIC	-.026	.018	-.297	-1.476	.146

Researcher's Computation (2021)

From the joint analysis in Table 15, the p-value of 0.002 is less than 0.05 for health associated cost,0.596 is greater than 0.05 for Infrastructural Expansion cost and 0.146 is greater than 0.05 for education initiative Cost respectively.Result shows that there is a significant relationship between HAC and profit margin of the listed Oil and Gas companies in Nigeria. In the same vein for IEC and EIC (P-value of 0.596 > 0.05;0.146 > 0.05) the null hypothesis was accepted instead of the alternate hypothesis, Thisimplies that, there is no significant influence of Infrastructural expansion cost and Education initiative cost on profit margin of listed oil and gas companies in Nigeria. However, the F value of 4.532 (p = 0.007)supports the rejection of null and acceptance of alternate hypothesis.Therefore the joint influence of the variables used in the study(HAC, IEC and EIC) on the profit margin of the companies was statistically significant. On a whole the joint influence of HAC, IEC and EIC tested showed a positive and negative scenario with the profit margin of the listed Oil and Gas Company in Nigeria. However,this mixed outcome is consistent with the literature.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

From the result of data analysis carried out in this study,the following findings were made: expenditure in health association cost affects profit margin of listed Oil and Gas companies in Nigeriapositively and significantly; social cost on infrastructural expansionhas no significant positive relationship with profit margin of listed Oil and Gas companies in Nigeria ; educational initiative cost has no significant influence withprofit margin of listed oil and gas companies in Nigeria; and the joint expenditure in health association ,infrastructural expansion and education initiative costs has a significant positive influence with the profit margin of listed Oil and Gas companies in Nigeria. Based on the findings of this study, it is concluded that social responsibility costs engender the performance of listed Oil and Gas companies in Nigeria. The findings imply that companies in an attempt to be socially answerable end up investing huge resources financially in health, infrastructure and educational activities.

Arising from the findings of this study, the following recommendations are made;

i. The State government should take responsibility of providing basic amenities since corporate entities pay taxes.Nonetheless,Oil and Gas companies should support this quest by providing social facilities needed for community improvement.

ii. Expenditure in education are expected to yield good return in the long run. Therefore companies should key into this developmental stride to boost human capital growth,a panacea for improved profit margin.

iii. Social responsibility costs generally should be a welcome development to companies who may wish to promote their profit margin on the long run, since enabling environment and peaceful co-existence is the tool for profit making.

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