

**COMPANY SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE IN NIGERIA****Ogiriki Tonye Ph.D and Owota, Perelayefa George PhD****Department of Accounting, Niger Delta University, Wilberforce Island, Bayelsa State.***Email: [ogirikityne@gmail.com](mailto:ogirikityne@gmail.com), [owotageorge@gmail.com](mailto:owotageorge@gmail.com) & [georgeowota@ndu.edu.ng](mailto:georgeowota@ndu.edu.ng)***ABSTRACT**

*This research examines how company age affects how we perceive the connection between Corporate Governance and CSR. Descriptive statistics were used for this investigation. The study's findings indicated that a company's corporate governance structure changes as it progresses through its corporate life cycle. These results suggest a dynamic link between corporate governance and CSR. This implies that more progressive organizations show better performance in terms of CSR since they presumably put in place a more robust corporate governance system and are more engaging in keeping their good name in the community. To sum up, we suggest that academics investigate how corporate governance affects CSR, with company age assessed by the corporate life cycle as a moderating factor.*

**Keywords: Organizational Life Cycle, Corporate Social Responsibility, and Corporate Governance.**

**INTRODUCTION**

Recent years have seen a rise in interest in Corporate Social Responsibility (CSR), a concept that emphasizes the interests of a company's many constituents rather than its shareholders alone (Carroll & Shabana, 2010; Freeman, 1984; Turban & Greening, 1997). Corporate social responsibility (CSR) is the practice through which businesses voluntarily consider social and environmental concerns as part of their overall business strategy, intending to make an excellent contribution to the communities in which they operate (Ismail, 2009). This analysis uses CSR performance and CSR responsibility as interchangeable terms.

Corporate accountability has been gaining traction as a result of rising public awareness of the intersection between environmental, social, and moral concerns and the practices of transnational corporations in developing countries (Chek, Mohamed, Yunus, & Norwani, 2013; Chey, Owen, & Adams, 1996; Reverte, 2009). (Gray et al., 1996). Many companies have engaged in some form of corporate social responsibility in the past, but corporate entities' current level of CSR is relatively low, especially in African nations like Nigeria (Abdullah, Mohamed & Mokhtar, 2011; Adeyemi & Ayanola, 2015; Babalola, 2012).

Existing literature suggests that CSR activity promotes corporate accomplishment and market worth (Servaes & Tamayo, 2013), which in turn increases viability and trades (Tsoutsoura, 2004; Withisuphakorn & Jiraporn, 2015) and improves the firm's trademark identity and status (Turban & Greening, 1997). The most common outcomes are more significant sales and consumer loyalty, better stakeholder relations (because CSR info is crucial to decision-making), and access to additional financing (Abdullah et al., 2011; Zainuddin & Haron, 2009). Odetayo, Adeyemi, and Sajuyigbe (2014) revealed similar benefits for individual and societal well-being.

Adeyemi and Ayanlola (2015) note that voluntary implementation of CSR activities tends to negate the purpose of Nigeria's 2012 adoption of International Financial Reporting Standards (FRS), which is primarily directed at increasing the rate of corporate accounting information declaration. Weak laws and enforcement systems may also contribute to firms' low levels of CSR engagement.

Authors such as Beltratti (2005), Hadayati and Rochaytun (2015), Jamali, Safieddime, and Rabbath (2008), and others have argued that corporate governance and CSR are inextricably linked because they demonstrate an organization's commitment to its direct stakeholders as well as the

environment and the community (Achers, 2014). Corporate governance structures would incorporate stakeholders' interests to reassure the growing demands for more CSR (Jamali, Hallal, & Abdallah, 2010; Mariri & Chipunza, 2011). Some companies may not act appropriately if their CSR issues are not included in their social governance and decision-making structure. Recent studies have emphasized the need to investigate the link between corporate governance and CSR (Jamali et al., 2008; Koli & Pinkse, 2010; Li, 2014), with researchers arguing that this relationship should be a positive one.

## **Explanations of Key Ideas**

### **Respect for Society via Corporate Actions**

There is no agreed-upon definition of CSR, which has led to a proliferation of definitions of the idea and a skewed understanding of its implications in CSR studies (Fifka, 2009). (Dahlsrud, 2008; Taneja & Gupta, 2011). CSR is sometimes called corporate citizenship, responsible business, corporate social opportunity, corporate ethics, and social performance (Haziwan & Taha, 2013). Companies are not autonomous entities; as such, their success will be measured in relation to their social and ethical duty and how it advances the company's mission. The phenomenon of globalization prompted the development of this concept. Because of this, company operations have become more intricate, and there has been an uptick in calls for greater openness and a more human approach to business (Jamali et al., 2008; Vieira, Jorge & Canadians, 2010).

Incorporating economic, legal, ethical, and charitable duties into business decision-making at a particular moment is central to CSR, as defined by Carroll (1979). Because it's assumed that the concept will evolve and shift through time. Carroll's (1979) definition has been universally accepted and regarded as all-encompassing. Businesses are not only expected to maximize profits consistent with the capitalist economic worldview but also to conduct lawfully within the jurisdictions in which they are based. Therefore, it was not enough for them to only operate lawfully; they must also act morally and responsibly toward the community (Smith, 2011). Similarly, Wood (1991) defines CSR "as the configuration of principles of social responsibility, the process of social responsiveness, policies, programs, and observable outcomes relating to the firm's social interactions" inside a company.

What McWilliams and Siegal (2001) call "acting in ways that appear to provide some societal benefit beyond the interest of the firm and that which is mandated by law" is what is meant by "corporate social responsibility." Additionally, Elhauge (2005) defines the notion as giving up financial gain for the greater good of society. McWilliams & Siegel) define corporate social responsibility as "an instance in which the corporation goes beyond compliance and focuses on acts that appear to increase some societal benefit," going above and beyond what I would generally expect from a business and what the law mandates. According to Sharma and Kiran (2012), CSR is an ethical commitment to company operations that considers the interests of stakeholders and shareholders concerning economic and environmental challenges.

According to Uddin, Hassan, and Tarique (2008), "Corporate Social Responsibility" (CSR) is an organization's ongoing pledge to act ethically, advance the economy, and better the lives of its employees, their families, and the communities in which they live. Uddin et al. (2008) said that corporate social responsibility entails taking into account the views and priorities of various stakeholder groups in their day-to-day operations and long-term planning. According to Branco and Rodrigues (2007), CSR encompasses a wide range of related topics, including but not limited to environmental preservation, human resource management, workplace health and safety, community outreach, and supplier and customer interactions.

Sacconi (2012), in line with the incorporation of CSR into corporate governance, describes CSR as a corporate governance model, with fiduciary duties extending beyond those owed to the firm's owners to include those owed to the firm's other stakeholders. According to Ojo and Akande, CSR is an endeavour to create discipline and integrate self-regulation into organizations' business

principles and ethics. They also compare CSR to corporate conscience, corporate citizenship, and corporate social opportunity.

Similarly, Fifka (2009) defines CSR as the duty to voluntarily contribute to the social development of one's operating environment in an adequate and structured manner, taking into account the resources at one's disposal and the underlying business strategy.

According to Ismail (2009), the term describes a corporate strategy for acting ethically and responsibly while doing business. They noted that this might include a wide variety of actions, such as creating relationships with workers, customers, and their families, as well as those concerning the environment and long-term viability of the business.

Kanji and Chopra (2010) define corporate social responsibility as "the coordinated, ongoing, and voluntary economic, environmental, ethical, and social investments" made by an organization. In a similar vein, Haziwan and Taha (2013) define CSR as an approach to ensuring that businesses are held accountable for their impacts on society, the economy, and the environment. Corporate social responsibility (CSR) is defined as the "arrangement of social responsibility principles concerning a business organization, the processes of social responsiveness, and policies, programs, and observable outcomes concerning the relationship of the firm to society" (Weshah, Dahiyat, Awwad, and Hajjat, 2012).

Considering the many definitions of CSR presented above, we may see CSR as a moral obligation to put the needs and wants of society and stakeholders ahead of those of the company. Therefore, CSR refers to firms fulfilling this duty, whether voluntarily or as part of government-mandated activities; corporate irresponsibility describes the opposite.

### **How to Evaluate a Company's Social Performance**

The notion of corporate social responsibility (CSR) has been defined in several ways, and its measurement has been the subject of much controversy, with no agreed-upon metric. Government pollution indexes, financial reports, reputation surveys, and CSR orientation studies are just some data points used to quantify this phenomenon (Weshah et al., 2012). Previous research has employed four distinct assessment methodologies to proxy CSR in big enterprises, as noted by Orlitzky, Schmidt, and Rynes (2003). Some of the accepted metrics include CSR disclosures, CSR reputation ratings, the CSR process, measurable results, social audits, and managerial principles, beliefs, and attitudes. CSR was evaluated using a variety of methods, including content analysis of financial statements and survey instruments, behavioral proxies, and the Kinder Lydenberg Domini (KLD) rating system (which evaluates a company based on its performance in five areas: environmental responsibility, community engagement, product quality, and workplace inclusion and diversity) (see Saveanu, Abrudan, Guirgui, Merster, & Burnar, 2014; Men & Tsia, 2014; Rekker, Benson, & Faff, 2017). Furthermore, several researchers have utilized CSR spending (donations) as a proxy for CSR (Abogun, Fagbemi, & Uwaigbe, 2013; Odetayo et al., 2014; Weshah et al., 2012).

### **Managing a Company's Operations**

The idea of "corporate governance" keeps coming up in current discussions. This is due to the business failures of the previous three decades and the trend of separating ownership from management (Berle & Means, 1932, quoted in Abid & Ahmed, 2014). In order to prevent the shareholders' interests from being taken advantage of by the business's management, the firm must have a written constitution outlining the rules and regulations by which the company will operate. To wit: (Rahimi, Kangaluei, & Shavalizadeh, 2012). There are many different definitions of "corporate governance," each tailored to the specific goals of the organization or scholar doing the defining.

Traditionally, in publicly traded companies, corporate governance has been seen as a set of norms that regulate how the company's management conducts itself in terms of its day-to-day operations and how much leeway they have in dealing with the agency conflict that naturally arises when

ownership and control are split (Fama & Jensen, 1983). To protect their investment, shareholders rely on good corporate governance (Shleifer & Vishny, 1997). This is because agency costs, incurred by the firm's owners when managers act in their self-interest at the expense of the shareholders, lower the firm's value (Jensen & Meckling 1976).

However, as time has progressed, we have seen the idea evolve to serve better shareholders' interests and those of a broader range of stakeholders. This is why corporate governance stresses the need of companies acting with integrity, fairness, transparency, and responsibility (Jamali et al., 2008).

Corporate governance, as defined by Cadbury (2000), entails the methods through which corporations are directed and controlled. Managers need to follow the law when doing their duties. Hence this control part of corporate governance emphasizes responsibility, transparency, and compliance (Cadbury, 2000; Macmillan, Money, Downing, & Hillenbrand, 2004). Corporate governance is described by Daily, Dalton, and Cannella (2003) as "the process through which an organization's leadership decides how its resources will be used and how disagreements among the organization's many stakeholders are resolved." According to Sarbah and Xiao (2015), corporate governance comprises the systems and practices that guide and moderate interactions among the firm's executives and owners. The World Bank Group and the Conference Board of Canada (2012) defined governance as a combination of laws, regulations, practices, and institutions intended to promote efficient and responsible business management and handle any ensuing public confidence issues. Considering the definitions above of corporate governance, we believe that it is a concept that can be used to promote the interests of stakeholders and minimize agency costs in order to maximize stakeholder value.

### **The Evaluation of Corporate Governance**

Past research has established proxies for corporate governance indicators. These proxies include governance rating and mechanisms like ownership structure, independence and size of the board, frequency of meetings, duality, audit committees, and diversity of the board. All these have been used to evaluate corporate governance (see Handajani et al., 2014; Khan, Muttakin & Siddiqui, 2013; Razek, 2014; Li, 2014).

### **Firm Age**

Existing literature defines "firm age" as the number of years a public limited business has been in operation and the amount of time that has passed from its first initial public offering (IPO) (Sakai, Uesugi & Watanade, 2010).

Researchers like (Soliman, Din & Sakar, 2012; Loderer & Waelchli, 2010) have defined firm age as the number of years (plus one) after the company's establishment or stock market listing. This latter metric, usually known as the company's listing age, is incremented by one if it would otherwise equal zero (Loderer & Waelchli, 2010). Alternatively, it may be considered a sum of assets (Branco & Rodrigues, 2008). Few studies have identified company age as a potential rationale for CSR actions at various periods of the business life cycle (Erhemjamts, Li & Venkateswaran, 2012; Gardason & Wuff, 2011; Sharma & Kiran, 2012; Withinsuphakorn & Jiraporn, 2015). However, many have looked at the impact of a firm's age on CSR (Withinsuphakorn & Jiraporn, 2015). Since an organization's age is inversely proportional to the amount of risk it takes, it stands to reason that an older company will have more control over its corporate life cycle. Reference: (Faccio, Marchica, & Mura, 2011). Companies, like products, go through a series of defined transitions throughout the corporate life cycle created in marketing (Rink & Swan, 1979, as quoted in Jaafar & Halim, 2016). according to (Dickson, 2011). They are meant to get insight into their strengths and the tasks they can complete as they go through the levels. This is according to a recent study (Jaafar & Halim, 2016). However, research has found it challenging to classify businesses into distinct phases of the corporate life cycle.

The ten-stage model is a compilation of many models offered in the existing literature (Frielinghaus, Mostert, & Firer, 2005). Four-stage (Pashley & Philippatos, 1990; Sabol, Sander & Fuckan, 2013); five-stage (Miller & Friesen, 1984; Anthony & Ramesh, 1992 Wang, 2005; Dickson, 2011; MacDonald & Hartt, 2014; Jaafar & Halim, 2016); and three-stage models have all been proposed (Ionescu & Negrusa, 2007; Martinson, 2012; Park & Chen, 2006; Won & Ryu, 2015). However, further studies (Etemadi & Mougouie, 2015; Jaafar & Halim, 2016) have used the categorization scheme presented by Anthony and Ramesh to clarify further the stages of the firm life cycle (1992). Which is based on such factors as the firm's age, its dividend payout ratio to earnings (DP), the rate of expansion in both revenue and profit (SG), the proportion of assets dedicated to capital expenditure (CEV), and the rate of return on those investments (ROI) (AGE). In addition, Anthony and Ramesh (1992) noted that firms would respond differently to performance measures depending on their financial classification variable. So they opted for a non-financial measure (age) that they believed would mitigate the impact of any correlation between risk and stage of business development. There are a variety of other categorization metrics that have been presented. A few examples are the market-to-book ratio and employee turnover (Black, 1998), the retained earnings-to-total-equity-to-dividend payout ratio (DeAngelo, DeAngelo, & Stultz, 2006), the firm's position concerning its environment as measured by sales growth (Yan & Zhao, 2010), and the sign of the cash flow as a classification of the stages of a company's life cycle (Dickson, 2011). On the other hand, as shown in the accompanying diagram, the corporate life cycle may be broken down into three distinct phases: the start-up phase, the growth phase, and the decline phase.

### **The Three-Phase Corporate Evolution Model.**

Based on work by Lonescu, G. G., "The Study of Organizational Life Cycle Models." & A. L. Negrusa Review of International Business and Management. Volume 8, Issue 7 (2007).

The requirements of a company change as it progresses through its corporate life cycle. The literature has noted that it is inappropriate to assume that corporatist governance is consistent across all phases (Filatochev & Allock, 2010; Jacksen & Peterson, 2012). Therefore, corporations should adapt their corporate governance structure and strategy as they move through the various stages of their life cycle. According to Withisuphakorn and Jiraporn (2015), the likelihood of CSR engagement varies over the stages of a company's life cycle.

### **Young Firm**

The company's leadership prioritizes profit over expansion and sustainability issues. Once profits have been stabilized, the firm may shift its focus to expansion and the pursuit of investment possibilities. Several studies (Lonescu & Ngrusa, 2007; Thornhill & Amit, 2003) support this hypothesis. However, young enterprises are reliant on external resources. They show strong development potential, but their degree of monitoring in corporate governance is poor, as shown by a framework presented by Filatotchev, Toms, & Wright (2006), on corporate governance among various life cycle stages. As a result, their boards will tend to be small or nonexistent. Board independence would be nonexistent since the organization's owners still exercise control, the firm's shares would be owned exclusively by the firm's owners, and gender diversity on the board would be nonexistent. Regarding CSR, new enterprises would generally prioritize profit maximization above CSR efforts. Due to the unpredictability of their revenue pattern. Contrarily, they aim to avoid doing anything that may set them back on the path to success. To wit: (Withisuphakorn & Jiraporn, 2015).

### **Middle Age Firms**

When a more competent team assumes leadership, Lonescu and Negrusa (2007) argue, the focus of the company shifts from profit maximization to expansion as a means of demonstrating that team's worth. Companies in the middle of their life cycles, having expanded from their early days, may go to the stock market to raise capital. If they went to the stock market to raise money, they

would have to face the scrutiny of outside investors looking for a return on their money. Consequently, these businesses must enhance their degree of supervision, which has led to the formation of a structured board, the development of which may still be in its infancy. Due to their newfound visibility on the stock market, these companies are more inclined to engage in corporate social responsibility (CSR), albeit at a reduced pace, to gain an edge over their rivals and the general public's approval.

### **Matured Firms**

According to research by Lonescu and Negrusa (2007), when companies age and enter a decline, the necessity to remain in business takes precedence over the former purpose of existence, expansion and profit. In addition, they are highly technologically advanced, bureaucratically organized, and ultimately market- and society-oriented (Lonescu & Negrusa, 2007). Therefore, established businesses showed significantly increased board monitoring (Filatotchev et al., 2006; Jacksen & Peterson, 2012).

Companies that have been around for a while are more likely to participate in CSR because of the stability, higher expected performance, and financial flows that come with age (Erhemjamts, Li, & Venkateswaran, 2012; Sufian, 2012; Withisuphakron & Jihaporn, 2015). They may also feel compelled to participate in CSR since mature businesses show greater environmental responsibility (Withisuphakron & Jihaporn, 2015).

### **THEORETICAL REVIEW**

There are similar theoretical frameworks in this area of study. Among these perspectives is the Legitimacy thesis (Ali & Rizwan, 2013; Handayati & Rochaytun, 2015; Khan et al., 2012). Institutional Theory (Ali & Rizwan, 2013; Brammer, Jackson, & Matten, 2012; Campbell, 2007); Stakeholders Theory (Ali & Razwan, 2013; Dienes & Velte, 2016); and Resources Dependency Theory (Ali & Razwan, 2013; Dienes & Velte, 2016). (Abdullah et al., 2011; Dienes & Velte, 2016). However, legitimacy theory serves as the theoretical underpinning for our investigation.

When describing a company's CSR reporting methods, the legitimacy hypothesis is often referenced (Deegan, 2002; Murthy & Abeysekera, 2008). That an entity has legitimacy depends on whether or not its value system is congruent with that of the more comprehensive social system. Since the theory assumes that social contracts exist and limit an organization's actions to those permitted by society, legitimacy plays a crucial role in facilitating the development of a trusting connection between businesses and their constituents. Since these constraints and conventions are ever-evolving (Deegan, 2002; Fofio & Oba, 2012; Gray, Owen & Adams, 1996), organizations must keep up with the times (Deegan, 2012).

As long as the organization's actions are beneficial to society in some way, or at least neutral, it will be able to maintain the support of its constituents and continue operating. The organization's leaders are still working to establish a reputation for doing what is suitable for the community. Therefore, they take measures to ensure their actions are legal by those not directly involved (Buhr, 1998). Being dishonest would only benefit the corporation in the short-term, but breaking the rules may spell disaster (Majeed, Aziz & Saleem, 2015; Deegan, 2012; Islam & Deegan, 2008). Consumers may refuse to buy the company's wares, suppliers may refuse to meet the increased demand for raw materials, workers may demonstrate a reluctance to do their jobs, and the government may levy a fine or tax as a punishment for the offence. However, scholars have argued that legitimacy is relative, and societal expectations are likely to shift over time (Deegan, 2002; Tilling, 2004, cited in Islam, Choudhury & Bashir, 2013). Using the legitimacy theory as a guide, we contend that corporate social responsibility (CSR) motivation varies over the company life cycle. Therefore, companies in the latter phases of their corporate life cycles engage in CSR for reasons that differ from those of companies in the early stages of their corporate life cycles.

Since businesses affect and are affected by the societies in which they operate, their survival depends on the legitimacy with which such societies accept them (Deegan, 2002). As a result, long-standing businesses are more likely to engage in CSR since they are more reliable and have

a more predictable cash flow and performance pattern that allows them to afford to set aside money for CSR activities. Furthermore, have a good corporate governance structure in place (Erhemjamts et al., 2012; Sufian, 2012; Withisuphakorn & Jihaporn, 2015). This may be why start-ups have a greater failure rate overall: their cash flow is volatile, their growth rate is erratic, and it seems to be accelerating (Ionescu & Negrusa, 2007; Thoronhill & Amit, 2003). As a result, they may see corporate social responsibility (CSR) as a luxury rather than a necessity. As a result, they may have less money to devote to it (Erhemjamts et al., 2012).

Corporate social responsibility (CSR) investments may provide a competitive advantage for newer companies (Erhemjamts et al., 2012). In this respect, older organizations have a leg up over newer businesses since they have been around for longer and have a more established cash flow and, thus, a better reputation in the community. Since of this, they may be less likely to participate in CSR than newer companies because the reputation they have already built outweighs any benefits from CSR (Sorensen & Stuart, 2000; Withinsuphakorn & Jihaporn, 2015).

In addition, it is anticipated that the impact of the various corporate governance mechanisms on CSR participation will evolve as the business develops and matures. There is no correlation between a company's performance and its level of corporate governance, as all companies have the same potential to be well and poorly governed at any point in the corporate life cycle (Bianchini, Krafft, Quattro & Ravix, 2015). Therefore, as firms age, governance quality is expected to improve. Because more resources are allocated to maintaining operations than to developing the company's value (O'Connor & Byrne, 2006); on the other hand, as firms age, their cash flow and investment opportunities improve, which may lead to riskier investments (Saravia, 2013).

## RESEARCH METHODOLOGY

Using secondary data from companies traded on the Nigerian exchange group, this study employs a descriptive-analytic methodology to explain the integration of Business Governance, Social Responsibility, and corporate strategy. Company age is used in this study as an independent variable, while CSR is used as a dependent variable.

This study uses data from a random sample of 150 companies registered on the Nigeria Stock Exchange between 2012 and 2016. Indicators from the Global Reporting Initiative (GRI) covering economics, the environment, human rights, workplace practices, product accountability, and social responsibility serve as the study's dependent variable (SO). The Kolmogorov-Smirnov Test is used to determine if data follow a normal distribution. The significance level of normally distributed data is more than 5% (asymptotic 5%), and the regression model fits this data (Ghozali, 2011).

## Analysis

### Descriptive Analysis

Data analysis with SPSS yielded the descriptive statistics shown in the table below.

**Table 1. Descriptive Analysis**

	<i>N Statistic</i>	<i>Minimum Statistic</i>	<i>Maximum Statistic</i>	<i>Mean Statistic</i>	<i>Std. Deviation</i>
<b>AGE</b>	<b>150</b>	<b>7.0000</b>	<b>43.0000</b>	<b>27.100000</b>	<b>8.1609234</b>
<b>CORPORATE SOCIAL RESPONSIBILITY</b>	<b>150</b>	<b>.0506</b>	<b>.7595</b>	<b>.438393</b>	<b>.1775775</b>

Table 1 summarizes the independent and dependent variables examined by descriptive statistics. The CSR disclosure range ranges from 0.0506 to 0.7595, with 0.4383 as the mean and 0.1775 as the standard deviation. Based on the mean score, we can deduce that 43.83 percent of the organizations we looked at provided information about their CSR initiatives. The age of a company can range from 7,000 to 43,000, with an average of 27,1000 and a standard deviation of 8,1609.

### Normality Test

The results of the Kolmogorov-Smirnov one-sample test of normality are shown in table 2 below.

**Table 2: Normality Test**

N	150
Normal Parameters a, b	
Mean	.0000000
Std. Deviation	.16946339
Most Extreme Differences	
Absolute Positive	.046
Negative	.043
Kolmogorov Smirnov Z	.046
Asymp. Sig. (2-tailed)	.200c, d

The assymp sig value of 0.2 or higher than the 0.05 significance level in table 2 of the detection of one sample Kolmogorov Smirnov test indicates that the data is regularly distributed, assuming the normality assumption of the regression model was fulfilled.

### Full Model Regression

In Table 3, we see the whole regression model, including both the raw data and the standard errors used to calculate the coefficients.

**Table 3. Full Model Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients				Collinearity Statistics
	B	Std. Error	Beta	t	Sig	Tolerance	VIF
(Constant)	-.445	.352		-1.265	.208		
AGE	.004	.002	.178	2.207	0.29	.957	1.045

Here is a representation of the regression equation:  $Y = a + \beta_1 \text{Age} + e$

Where:

Y	: Corporate Social Responsibility
Age	: Firm Age
E	: error

This leads to the following complete regression equation:  $Y = -0.445 + 0.004 \times \text{Age} + e$

The t-test for company age indicates a significant level of 0.029 or less than 0.05 (0.029 < 0.05), supporting the conclusion that firm age impacts CSR. Simply put, the significance or probability value is >0,05.

The study's findings provide credence to legitimate stakeholder theory and stakeholder theory. A corporation's operations are subject to community and social commitments about environmental concerns. Because of the potential for the company's actions to affect the community at large, businesses must raise environmental consciousness. Stakeholder theory supports this approach by defining stakeholders as those who work to foster a favourable public image for a business by paying close mind to its impact on the community and the environment.

### CONCLUSION

This research focuses on the correlation between CSR and sound business management practices. Academic support for studying the link between CSR and corporate governance has been strong. The outcome is still inconsistent and mixed. We incorporate the corporate

age component in the hopes that it would interact with this observed link to provide more realistic findings.

Our research is grounded in the legitimacy theory, which argues that an organization's survival depends on how its target community feels about it. We argue that firms at various periods of the corporate life cycle may exhibit varying degrees of corporate governance frameworks and are also likely to engage in CSR at specific points in the cycle. The connection between corporate governance and CSR may change due to this.

As a result, we believe that an organization's likelihood of being socially responsible rises as its age increases, as a long history of existence typically means a more robust corporate governance framework. Therefore, when their profit margins decrease, older and more mature enterprises are more inclined to engage in CSR to improve their societal reputation. Thus, it may be essential to provide empirical evidence supporting our claims.

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