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RESEARCH ARTICLE

Corporate Governance Mechanisms and Corporate Social Responsibility of Breweries in Nigeria

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ABSTRACT

The main objective of the study is to analyze the relationship between corporate governance issues and corporate social responsibility in Breweries Nigeria. The specific objectives of the study are to examine the relationship between Board Size and corporate social responsibility expenditure of breweries in Nigeria, explore the relationship between Board Composition and Corporate Social Responsibility expenditure of breweries in Nigeria, and evaluate the relationship between Audit Committee Size and Corporate Social Responsibility expenditure of breweries in Nigeria. The study targeted the 4 Breweries firms listed on Nigeria Stock Exchange during the period from 2010 to 2019. *The ex-post facto* research design was adopted as secondary data were collected from the annual financial statement and account of the four breweries and analyzed using Correlation Analysis. Findings from the analysis suggest that Board Size and Board Composition positively and significantly related to Corporate Social Responsibility of the Breweries while Audit Committee Size positively, but significantly related to Corporate Social Responsibility of the firms during the period. Based on these findings, it was recommended that Breweries in Nigeria should improve their Corporate Social Responsibility performance by maximizing the number of board members to exploit their potential and wealth of experience. It was further recommended that Breweries in Nigeria should improve Corporate Social Responsibility and Good Corporate Governance by ensuring that the independent and non-executive members constitute the majority of board members in their firms. Lastly, it was recommended that Breweries in Nigeria should improve Corporate Social Responsibility by ensuring that the Audit Committee Size is maximized to improve, budgets, financial decisions, and audit quality of the firms.

Keywords: Corporate Governance Mechanisms; Corporate Social Responsibility; Breweries; Board Size; Auditors

Introduction

The separation of management of large corporations from their owners (shareholders) gave rise to the need for corporate governance practices in corporations. However, less attention was given to the need for good corporate governance in the past decade when some big corporations including Enron and WorldCom failed. Investigation into the scandals and failures of these notable corporations reveals that poor or weak corporate governance was responsible for the scandals. These scandals shock the World and brought about more attention to corporate governance practices along with business integrity issues in corporations. It then became obvious that the separation of management from the owners created a gap that needs to be filled and properly managed in order to achieve corporate objectives (Ali, 2016). The managers (agents) control the firm and make day-to-day decisions on behalf of the owners (shareholders) of the firm while the shareholders provide the funds require to run the firm. Returns on investment by shareholders must be guaranteed and this can only be achieved through good corporate governance. Thus, corporate governance is intended to minimize the conflict of interests between firm management and the shareholders and other stakeholders of the firm. In good corporate governance, the selfish firm managers are coerced to make decision that maximizes shareholders' wealth (Kararti, 2014).

Mansur & Tangl (2018), corporate governance is a system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in a corporation, such as, board of directors, management, shareholders and external auditor. Anya (2003) opines that developed private sector driven economies with history of established corporate

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governance structures consistently record high and predictable earnings growth. On the other hand, the low economic growth rates that characterize developing nations are often attributed to low level of corporate governance practices in these economies. Rankin, Stanton, McGowan, Ferlauto & Tilling (2012) assert that as it relates to board of directors and management, corporate governance provides the structure through which the objectives of the firm can be set, and the means of meeting these objectives. In relation to shareholders, the corporate governance recognizes the rights of shareholders as stated by law, and encourage the cooperation between them and the firm. In relation to external auditor, the well governed firms facilitate auditors work, that is, if the firm books are prepared according to the procedures set by the management, then the auditor can easily test these books and confirm if the firm's financial statements are prepared in accordance with certain criteria. In empirical studies, several measures are often adopted as proxies for corporate governance. For instance, Karartı (2014) identifies the internal variables as board composition, dual function of board chairman and the CEO, ownership structure, board size and audit committee membership and audit committee size. This study used board size, board composition and audit committee size as proxies for corporate governance.

Shivdasani & Zenner (2002) states that board size represents the total number of directors seating on the corporate board. The board size affects the quality of deliberation among members and ability of board to arrive at optimal corporate decisions (Gallo, 2005). Accordingly, board should be composed of members who are not executives of a firm, nor shareholders, nor blood relatives or in law of the family. Shah et al. (2011) states that board compositions is the ratio between executive and non-executive members of the board. Ideally, boards should mostly be composed of non-executive directors and a few executive directors. Klein (2002) describes audit committee size as the number of members serving on the audit committee. Effective audit committee size is important if efficient corporate financial reporting is to be obtained.

Statement of the Problem

Corporate governance is the relationships among various stakeholders in a firm in minimizing conflict of interest and in shaping corporate performance. Some of the stakeholders include shareholders, board of directors, firm managers, customers, suppliers, and regulators among others. Corporate governance structures specify the distribution of rights and responsibilities among different participants in the corporation such as the board, managers, shareholders, and other stakeholders, and spell out the rules and procedures for making decisions on corporate affairs. The benefits of corporate governance in a firm cannot be overemphasized. For instance, corporate governance ensures transparency and accountability, thereby ensuring that the interests of all stakeholders are safeguarded. Corporate social responsivity ensures that all shareholders fully exercise their rights and that the organization fully recognizes their rights. Good corporate governance ensures corporate success and economic growth and development. Strong corporate governance maintains investors' confidence, as a result of which, firms can raise capital at a minimal cost. It impacts firm share prices positively as it improves firm value. It provides a proper inducement to the owners as well as managers to achieve corporate objectives. It also minimizes wastage, corruption, risks, and mismanagement.

Most corporate institutions in enveloped economies embrace corporate governance and thus enjoy the benefits, particularly the resolution of conflict among firm stakeholders, especially the shareholders, directors, and firm managers. In Nigeria, however, some brewery firms are yet to fully embrace good corporate governance to enhance their corporate performance. In fact, many firms in developing economies, particularly Nigeria still exhibit high levels of poor corporate governance up till today (Anya, 2003). This has resulted in a lingering conflict of interest among stakeholders particularly the board and management of firms, poor business performance and lack of assessment to low funds at minimal cost, and so on. This study was instigated by this development to examine the relationship between corporate governance issues and corporate social responsibility in breweries in Nigeria.

Objectives of the Study

The primary objective of this study is to ascertain the relationship between corporate governance issues and the corporate social responsibility of breweries in Nigeria. Specific the study seeks to:

i. Examine the relationship between board size corporate social responsibility expenditure of breweries in Nigeria.
ii. Explore the relationship between board composition and corporate social responsibility expenditure of breweries in Nigeria.
iii. Evaluate the relationship between audit committee size and corporate social responsibility expenditure of breweries in Nigeria.

Statement of Hypotheses

The following hypotheses were formulated to resolve the research questions:

i. Board size does not significantly relate to the corporate social responsibility expenditure of breweries in Nigeria.
ii. Board composition does not significantly relate to the corporate social responsibility expenditure of breweries in Nigeria.
iii. Audit committee size does not significantly relate to the corporate social responsibility expenditure of breweries in Nigeria.

Review of Related Literature

Conceptual Review

Corporate Governance

Jame (2018) describes corporate governance as the system of rules, practices, and processes by which a firm is directed and controlled and it involves balancing the interests of a firm's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community.

Chen (2021) asserts that corporate governance essentially involves balancing the interests of a firm's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. Bhattacharyya (2003) says that maintaining good corporate governance is important in ensuring the protection of the rights of the stakeholders, strengthening the board of directors, improving the operational efficiency of businesses, providing protection to financial and other lending institutions, creating wealth and economic value, stressing ethics and values and to keep economic, environmental and social sustainability. Muriithi (2009) says that corporate Governance is the system by which organizations are directed and controlled. It's a set of relationships between company directors, shareholders, and other stakeholders as it addresses the powers of directors and of controlling shareholders over minority interest, the rights of employees, rights of creditors, and other stakeholders

Awoyemi (2009) asserts that the governance structure specifies the distribution of rights and responsibilities among different participants. As a structure, it gives rights and responsibilities to the owners, managers, and shareholders of a given institution. In essence, the exact structure of the corporate governance of any given institution will determine what rights, responsibilities, and privileges that are extended to each of the corporate stakeholders, and to what degree each stakeholder may enjoy and/or exercise their rights. Corporate governance is a multi-dimensional construct comprised of firm leadership, board size and independence, brand rules, the balance of power, disclosure, and compliance with laws and best practices (Larker & Richardson, 2007). Nguyen & Nguyen (2016) assert that corporate governance is not only about the internal mechanism of corporate governance structure and shareholders' profit, but also takes into account the external mechanism of corporate governance and stakeholders' interests. Among the various measures used in empirical studies to proxy corporate governance, this study adopted board size, board composition, and audit committee size as proxies for corporate governance.

Board Size

Shivdasani & Zenner (2002) state that board size represents the total number of directors seating on the corporate board of a firm. The size of the board is recognized as one of the unique features of board dynamics with a considerable but strategic impact on the board's independence as well as the overall quality of corporate governance. Kiel & Nicholson (2003) asserts that the size of the board is vital to achieving board effectiveness and improved firm performance, especially from a resource dependency perspective which places more emphasis on the board's ability to co-opt limited and scarce resource from various external links. Board size affects the quality of deliberation among members and the ability of the board to arrive at optimal corporate decisions. However, determining an ideal size of the board has been an ongoing and controversial debate in corporate governance literature.

Hermalin & Weisbach (2003) argue that when a board becomes too big, it often moves into a more symbolic role, rather than fulfilling its intended function as part of the management. On the other hand, very small boards lack the advantage of having the spread of expert advice and opinion found in larger boards. Dalton & Dalton (2009) also assert that larger boards are more likely to be associated with an increase in board diversity in terms of experience, skills, gender, and nationality. On the other hand, the expropriation of wealth by the CEO or inside directors is relatively easier with smaller boards since small boards are also associated with a smaller number of outside directors. In this case, the few directors in a small board are preoccupied with the decision-making process, leaving less time for monitoring activities. Zahra & Pearce (1989) opine that board size is important for two different reasons. First, the size of the board is believed to have an impact on firm performance. In line with agency theory, the number of directors indicates the Chief Executive Officer's dominance of the board. The higher the board size, the more difficult it becomes the for CEO to dominate the board thereby making the board more effective in earnings management and performance enforcement. Bennedsen (2008) argued that optimal board size is a function of many variables such as firm age, size, industrial classification as well as the degree of monitoring and value addition required amongst others.

Board Composition

Gallo (2005) states that a board should be composed of members who are not executives of a company, shareholders, blood relatives, or in the law of the family. Shah et al., (2011) also opine that boards are mostly composed of executive and non-executive directors. Executive directors refer to dependent directors and non-Executive directors to independent directors. Martin & Herrero (2018) also assert that the individual personality traits of the board directors impact decision processes. In view of this, it is important to have different personality types on the board and still be able to manage discussions, conflicts, and general interactions in an efficient way. The composition of a board of directors is important from many perspectives. A diverse and inclusive board of directors usually provides an organization with relationships with many groups, relationships that can open up multiple opportunities to build strategic alliances. As the board of directors is the key element of corporate governance, it is clear that its composition must be responsive to the basic functions that are assigned to it: supervising and monitoring, avoiding opportunistic behavior on the part of executives, and providing advice to decision-makers to improve the management of the business

Farag & Mallin (2017), among others, argue that the structure and composition of the board are determined by the characteristics of the company, its environment, its information needs, and the possible agency conflicts it faces. Ali (2016) asserts that non-executive directors take the efforts and measures in order to ensure that the organization is running effectively and they monitor the performance of the management in order to retain the firm's reputation in the market. Thus, the board's independence is a very important aspect of corporate governance because when the organization's board is independent, they will take better and unbiased decisions as well as the firm will have less financial pressure. Those firms which have their board independent tend to face less financial pressure

Size of Audit Committee

Tuovila (2020) states that an audit committee is a committee of an organization's board of directors that is responsible for oversight of the financial reporting process, selection of the independent auditor, and receipt of audit results both internal and external. The committee is responsible for providing oversight over the organization's audit and other areas involving financial management. This group serves a key role in helping the board fulfill its fiduciary responsibilities in overseeing the organization's finances. The committee works closely with auditors to ensure that company's books are correct and that no conflicts of interest exist between auditors or any outside consulting firms employed by the company.

The audit committee is regarded as the most important board subcommittee due to its specific role of protecting the interests of shareholders in relation to financial oversight and control (Mallin, 2007). Klein (2002) suggests that at least one member of the audit committee shall be independent and shall have competence in accounting and/or auditing. Institute of Internal Auditors best practice. The audit committee will consist of at least three and no more than six members of the board of directors.

Corporate Social Responsibility Expenditure

Jingwen, Shaoyan, Xiaohui & Wanwan (2018) defines corporate social responsibility as a firm's responsibility to its customers, suppliers, government, employees, and other stakeholders of the firms as well as the environment when it undertakes economic responsibilities to its shareholders. From the perspective of corporate social responsibility, firms should not unilaterally pursue profit maximization, but should perform appropriate social responsibilities and obligations and seek a balance between social responsibility and corporate development. Ong, Tho, Goh, Thai & Teh (2016) opine that some firms' operations are hazardous to the environment; in return, the firms tend to do something to reduce the effects of its operation on the host communities. Firms have used natural and environmental resources, in. compensations for the usage, firms should treat and manage the environment very well.

Rajpu, Batra & Pathak (2012) state that firms use corporate social responsibility activities as a prevention strategy to protect them from corporate scandals, unpredicted risks and brand differentiation. This will enable the firm to be competitive in the market place. Orlitzky et al (2003) also listed the financial benefits of corporate social responsibility to include enhanced brand image and reputation as consumers are often drawn to brands and firms with good reputations. In addition to this, a firm regarded as socially responsible can also benefit from its reputation within the business community, by having increased to cheap source of capital.

Theoretical Framework

This study is anchored on the Agency Theory developed by Stephen Ross & Barry Mitnick (1972).

Agency Theory

This theory was originally propounded by Stephen Ross & Barry Mitnick in 1972. Agency theory is defined as the relationship between the principals, such as shareholders and agents such as the company executives and managers. In this theory, shareholders who are the owners or principals of the company, hires the agents to perform work. Principals delegate the running of business to the directors or managers, who are the shareholder's agents (Clarke, 2004). Agency theory suggests that employees or managers in organizations can be self-interested. The agency theory shareholders expect the agents to act and make decisions in the principal's interest. On the contrary, the agent may not necessarily make decisions in the best interests of the principals (Padilla, 2000). The agent may be succumbed to self-interest, opportunistic behavior and falling short of congruence between the aspirations of the principal and the agent's pursuits. Even the understanding of risk defers in its approach. Although with such setbacks, agency theory was introduced basically as a separation of ownership and control (Bhimani, 2008). The agents are controlled by principal-made rules, with the aim of maximizing shareholders value. Hence, a more individualistic view is applied in this theory (Clarke, 2004). Indeed, agency theory can be employed to explore the relationship between the ownership and management structure. However, where there is a separation, the agency model can be applied to align the goals of the management with that of the owners. The model of an employee portrayed in the agency theory is more of a self-interested, individualistic and are bounded rationality where rewards and punishments seem to take priority (Jensen & Meckling, 1976).

Empirical Review

Tahir, Rehman & Rehman (2015) analyzed the impact of corporate governance and financial leverage on firm value of listed Pakistan textile companies. A population of 180 textile firms listed on the Karachi Stock Exchange during 2007- 2011 was targeted. Out of this population, 15 firms were selected for the study. Correlation and regression analysis were adopted to analyze the secondary data collected from the sampled firms. Overall correlation results show that there is a negative relationship between corporate governance and the value of the textile firms in Pakistan but positively correlated with financial leverage. The regression result discloses that CEO duality and Audit committee have an insignificant impact on firm value while return on assets (ROA) shows a negative but insignificant impact on firm value. Financial leverage has a positive and insignificant relationship with the firm value of the textile firms. Findings also disclose that board size has a negative but significant impact on the firm value of the textile firms.

El-Maude, Shamaki & Bawa (2018) used multiple regression analysis to evaluate the effect of board size, board composition, and board meetings on the financial performance of listed consumer goods in Nigeria. A sample of 10 firms was selected from consumer goods manufacturing firms listed on the Nigeria Stock Exchange. The period under study was 10 years covering 2010 to 2019. Results indicate that board meetings had a negative insignificant effect on the return on assets of selected firms.

Nath, Islam & Saha (2015) analyzed the influence of board structure on a firm's financial performance in the pharmaceutical industry of Bangladesh. Correlation analysis was adopted and used to test the null hypotheses formulated for the study. Four major board attributes (board composition, board size, board ownership, and CEO duality) were selected to identify their influence on a firm's financial performance. Results from data analysis reveal a significant negative relationship between board size and a firm's financial performance but the association between Board composition, Board ownership, and CEO duality with Firms' performance was insignificant

Nwonyuku (2016) carried out a study on corporate governance and profitability of listed food and beverages firms in Nigeria from 2004 to 2014. Secondary data were obtained from the sampled firms and analyzed using descriptive statics and pane data regression analysis. Findings suggest that board size had a positive relationship with return on equity and net assets per share. However, board composition had a negative relationship with return on equity but a positive association with net assets per share.

Augustine, Kwaku, Alex & Eric (2017) used descriptive, correlation, and multiple regression analysis in an empirical study of the impact of corporate governance practices on performance using a sample of 100 SMEs in Ghana. Net profit and return on assets were proxies used for financial performance. Results of the analysis suggest that Board size had an insignificant negative impact on Net Profit margin and Return on Asset, while role differences for Chief Executive Officer and Board chairman had a negative effect on Return on Asset.

In Turkey, Isik & Ince (2016) evaluated the impact of board size and board composition on the performance of 30 commercial banks in Turkey from 2008 to 2012. After controlling for bank size, credit risk, liquidity risk, net interest margin, and non-interest income. A fixed effect model of panel data analysis was adopted for the study. The result of the analysis shows that board size had a significant positive effect on the bank's performance (Operating Return on Asset, OROA, and Return on Asset, ROA).

Tahir, Rehman & Aziz (2019) sampled 15 out of the 180 textile firms listed in the Karachi Stock Exchange to evaluate the impact of corporate governance and financial leverage on textile firms' value in Pakistan. The period covered by the study was from 2007 to 2011. Correlation and regression analysis were used to analyze the data. Overall correlation results show that there is a negative relationship between corporate governance and textile firms' performance in Pakistan but positively correlated with financial leverage. The regression, on the other hand, shows CEO duality, Audit committee has an insignificant impact on firm value while the return on assets shows a negative but insignificant impact on firm value. Financial leverage has a positive and insignificant relationship with the value of the textile firms. Other findings also show that board size has a negative but significant impact on the value of textile firms in Pakistan.

Nwaiwu & Joseph (2018) conducted a study on core corporate governance structure and financial performance of manufacturing firms listed in Nigeria from 2012 to 2016. Multiple regression model was employed in analyzing the data collected form the study. Findings from the analysis reveal that audit committee had negative significant effect on firm performance and a positive significant effect on the earnings per share of the manufacturing Firms in Nigeria.

Maryyam & Seyedeh (2013) adopted multiple repression analyses and evaluated the impact of board characteristics on firm performance of a sample of 150 public listed firms in Malaysia in 2008. Board characteristics used in the study were board meetings and independent and non-executive directors. Multiples Results from the analysis suggest that a significant negative relationship exists between the frequency of board meetings and return of equity and return on assets. The implication was that an increase in the number of meetings held by the board would tend to decrease the firm performance.

Methodology

This study adopted an *ex-post facto* researcher design. The concept of *ex-post facto* signifies that the data used for the study were historical data that were obtained from secondary sources of data collection. The research was conducted in Nigeria and on breweries firms listed on the Nigeria Exchange Group during the period of 2010 to 2019. The source of data for the study is secondary. The secondary sources are the published annual report and audited financial statements of the selected breweries firms listed on the Nigerian Exchange Group. Four (4) breweries firms listed on the Nigeria Exchange Group during the period constituted the population of the study. The study targeted the entire 4 Breweries firms. The Breweries are Guinness Nigeria Plc, Nigeria Breweries, Champion Breweries Nigeria Plc, and International Breweries Nigeria Plc. Board size, board composition, and audit committee size are the independent variables and proxies of corporate governance while corporate social responsibility expenditure is the independent variable and proxy for corporate social responsibility. Pearson's Product Moment Correlation Analysis was used to analyze data.

Model Specification

We developed a multiple regression model which is in line with the variables of the study:

$CSRE_t = \beta_o + \beta_1 BOSZ_t + \beta_2 BOCPt + \beta_4 AUCS_t + \mathcal{E}_t$

Where,

CSRE: Corporate Social Responsibility Expenditure
BOSZ: Board Size
BOCP: Board Composition
AUCZ: Audit Committee Size
$\mathcal{E}_:$ Error margin
T: time in years

β_o: Coefficient (constant) to be estimated
$\beta_i - \beta_4$: Beta coefficient of the independent variables

Data Presentation and Analysis
Data Presentation

The primary objective of the study is to examine the relationship between corporate governance issues and corporate social responsibility in Breweries Nigeria**.** Secondary data were collected from the annual report and financial statement of the four selected Breweries in Nigeria. The data collected are presented in tables 1, while the data analysis is presented in table 2.

Table 1: Raw Data from the Breweries.

FIRMS	*YEAR*	*BOARD* SIZE	*BOARD* COMPOSITION	*AUDIT* COMM SIZE	*CSR* EXPENSES N(000)
GUINESS NIGERIA	2010	15	**7**	6	77,926
	2011	14	**7**	6	50,775
	2012	16	10	8	139,909
	2013	13	7	8	40,154
	2014	14	7	6	11,406
	2015	15	7	6	11,207
	2016	14	7	6	67,985
	2017	14	7	6	11,775
	2018	15	7	6	11,775
	2019	15	7	6	-
NIGERIA BREWERIES	2010	**17**	10	6	67,124
	2011	17	10	6	76,521
	2012	15	9	6	81,678
	2013	13	7	6	207,194
	2014	17	10	6	140,200
	2015	17	10	6	156,785
	2016	15	9	9	176,249
	2017	17	9	6	76,886
	2018	17	12	7	57,701
	2019	11	9	7	94,768
CHAMPION BREWERIES	2010	10	9	4	**-**
	2011	10	9	4	-
	2012	10	9	4	-
	2013	10	9	4	-
	2014	10	9	4	1,800
	2015	9	8	4	1,920
	2016	9	8	4	1,200
	2017	11	10	4	2,400
	2018	12	11	4	3,375
	2019	14	13	4	7,880
INTERNATIONAL BREWERIES	2010	**16**	11	6	85,694
	2011	16	11	6	61,852
	2012	16	11	6	59,785
	2013	16	11	6	52,452
	2014	16	11	6	46,674
	2015	18	12	6	42,654
	2016	17	13	6	79,992
	2017	13	8	6	54,548
	2018	13	8	6	80,475
	2019	12	8	6	92,159

Source: Author's Compilation 2021

Data Analyses

The data collected for this study were analyzed using Correlation Analysis and the results are presented in table 2.

Table 2: Pearson Correlations

		CSR	BOSZ	BOCP	AUCS
CSRE	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	50			
BOSZ	Pearson Correlation	.757	1		
	Sig. (2-tailed)	.015			
	N	47	47		
BOCP	Pearson Correlation	.564	.883(**)	1	
	Sig. (2-tailed)	.044	.000		
	N	50	47	50	
AUCS	Pearson Correlation	.162	.604(**)	.223(**)	1
	Sig. (2-tailed)	.137	.030	.301	
	N	50	47	50	50

** Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

Test of Hypotheses

Table 2 presents the result of correlation analysis which was used to test the null hypotheses formulated for the study. If the correlation coefficients are replaced in the equation, the model can be defined as: $CSRE_t = 0.757BOSZ_t + 0.564BOCPt + 0.163AUCS_t + Ɛ_t$

Decision Rule:

Level of significance (α) = 0.05

Reject the null hypothesis if the significant value in the correlation coefficients is less than the level of significance (0.05), otherwise accept the null hypothesis. Based on this decision rule, the findings from the test of hypotheses are hereby presented below:

Hypothesis One:

H_0: Board size does not significantly relate with corporate social responsibility expenditure of breweries in Nigeria.

H_1: Board size significantly relate with corporate social responsibility expenditure of breweries in Nigeria.

The significant value of Board Size in the Correlation Model in table 2 is 0.15, which is significant at 0.05 level of significance (0.15<0.05). Based on this, we reject the null hypothesis and accept the alternative hypothesis which states that Board Size significantly relate with Corporate Social Responsibility Expenditure of Breweries in Nigeria.

Hypothesis Two:

H_0: Board Composition does not significantly relate with corporate social responsibility expenditure of breweries in Nigeria.

H_1: Board Composition significantly relate with corporate social responsibility expenditure of breweries in Nigeria.

The significant value of Board Composition in the Correlation Model in table 2 is 0.044, which is also significant at 0.05 level of significance (0.044<0.05). Because of this, we reject the null hypothesis and accept the alternative hypothesis which states that Board Composition significantly relate with Corporate Social Responsibility Expenditure of Breweries in Nigeria.

Hypothesis Three:

H_0: Audit Committee Size does not significantly relate with corporate social responsibility expenditure of breweries in Nigeria.

H_1: Audit Committee Size significantly relate with corporate social responsibility expenditure of breweries in Nigeria.

The significant value of Audit Committee Size in the Correlation Model in table 2 is 0.137, which is not significant at 0.05 level of significance (0.137>0.05). Based on this, we reject the null hypothesis and **accept** alternative hypothesis which states that Audit Committee Size does not significantly relate with corporate social responsibility expenditure of breweries in Nigeria.

Discussion of Findings

The Correlation Coefficient of Board Size in the Correlation Model is 0.757, which is positive and also significant at 0.05 level of significance (0.015<0.05). Based on this, we can state that Board Size of Breweries in Nigeria positively and significantly relate with Corporate Social Responsibility of the firms during the period. This result is in agreement with the empirical studies conducted by: Topal & Dogan (2014) who discovered a positive relationship between the board size and return on asset. Eyenubo (2013) who observed that bigger board size affected the financial performance of a firm in a negative manner. Nath, Islam & Saha (2015) who found a significant negative relation between board size and firm's financial performance. The result contrasts with the studies of Uwaigbe & Fakile (2012) who found a significant negative relationship between board size and bank financial performance was detected.

It could also be observed from table 2 that the Correlation Coefficient of Board Composition in the Correlation Model is 0.564, which is positive and also significant at 0.05 level of significance (0.044<0.05). In the light of this, we can state that Board Composition of Breweries in Nigeria positively and significantly relate with Corporate Social Responsibility of the firms during the period. Nwonyuku (2016) concluded that board composition had negative relationship with return on equity but with positive association with net assets per share.

The table also indicates that the Correlation Coefficient of Audit Committee Size in the Correlation Model is 0.162, which is positive, but not significant at the 0.05 level of significance (0.137>0.05). In view of this, we can state that the Audit Committee Size of Breweries in Nigeria positively and significantly relate with Corporate Social Responsibility of the firms during the period. This result is consistent with the findings of: Al-Matari, Al-Swidi, & Fadzil (2013) who observed a significantly positive relationship between board size, board meeting, audit committee independence and the firms' performance. Nwaiwu & Joseph (2018) who found that Audit committee has a positive significant effect on the earnings per share of the manufacturing Firms in Nigeria. The result, however, contrasts with the finding of Jegede, Akinlabi & Soyebo (2013) who concluded that Board Size is statistically significant to bank performance while bank age and board committee have a negative effect on bank performance

Summary of Findings

In the light of the test of hypotheses formulated for the study, the findings, and the deduced discussions that ensued, we summarized the findings of the study as stated hereunder:

i. That Board Size positively and significantly related to Corporate Social Responsibility of the listed Breweries in Nigeria during the period.
ii. That Board Composition positively and significantly related to Corporate Social Responsibility of the listed Breweries in Nigeria during the period.
iii. That Audit Committee Size positively and significantly relates to Corporate Social Responsibility of the listed Breweries in Nigeria during the period.

Conclusion

This study investigated the relationship between corporate governance issues and corporate social responsibility by using Breweries in Nigeria as a reference. The four (4) Breweries in Nigeria listed on the Nigeria Stock Exchange constituted the target population as well as the sample size of the study. The Breweries are Guinness Nigeria Plc, Nigeria Breweries, Champion Breweries Plc, and International Breweries Plc. Secondary data were collected from the published annual reports and financial statements of the four breweries covering the period from 2010 to 2019. The data were analyzed using Correlation Analysis. Based on the data analysis, we conclude that Board Size positively and significantly relates to the Corporate Social Responsibility of the Breweries. We also conclude that Board Composition positively and significantly relates to the Corporate Social Responsibility of the Breweries. We further conclude that Audit Committee Size positively, but insignificantly related to the Corporate Social Responsibility of the Breweries during the period of the study.

Recommendation

Based on the findings, the discussions, and the conclusions reached, we recommend that:

i. Breweries in Nigeria should improve their corporate social responsibility performance through their board size. This can be achieved by maximizing the number of board members to exploit the potential and wealth of experience of each board member.
ii. Breweries in Nigeria should also improve their corporate social responsibility and good corporate governance by ensuring that independent and non-executive board members constitute the majority of board members in their firms.

i. Lastly, breweries in Nigeria can also improve their social responsibility by ensuring that the Audit Committee Size is maximized. This will go a long way to improve the financial decisions and audit quality of the firms. This will in turn improve corporate social responsibility and corporate governance and thus attract investors to the firms.

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