

SECTION B: BUSINESS AND MANAGEMENT SCIENCE**Corporate Social Responsibility Reporting And Financial Performance Of Pharmaceutical Manufacturing Firms Listed On The Floor Of Nigerian Stock Exchange From 2016 To 2020****Baribefe Isaac GIAMI, PhD**Department Of Accountancy,
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EMAIL:giamibaribefe@gmail.com**Abstract**

This study examined the relationship between corporate social responsibility reporting and financial performance of pharmaceutical manufacturing firms listed on the floor of Nigerian stock exchange from 2016 to 2020. The specific objectives of the study were to determine the relationship between community development cost and return on asset. To determine the relationship between community development cost and turnover. To determine the relationship between public health cost and return on asset as well as turnover. Four research hypotheses were also developed in line with the objectives. The study used secondary data and adopted a historical data design. Five pharmaceutical manufacturing firms whose audited reports were readily available at their websites were considered. The data was then analysed using SPSS version 22 tool pack for the regression analysis at 0.05% significant level. The study found out that there is no significant relationship between community development cost and return on asset but a positive and significant relationship with turnover. The study also revealed that public health costs do not have a significant relationship with return on assets but have a positive and significant relationship with turnover. The study therefore recommended that Pharmaceutical manufacturing firms should continue to spend money on community development since it improves their turnover. Pharmaceutical manufacturing firms should continue to spend money on public health as this has significant relationship with turnover.

Keywords: *corporate social responsibility, financial performance, community development cost and turnover.*

Introduction

Corporate social responsibility has grown exponentially in the last decade. A larger number of companies than at any time previous are engaged in a serious effort to define and integrate CSR into all aspects of their businesses. An increasing number of shareholders, analysts, regulators, activists, labor unions, employees, community organizations, and news media are asking companies to be accountable for an ever-changing set of CSR issues. There is increasing demand for transparency and growing expectations that corporations measure, report, and continuously improve their social, environmental, and economic performance. According to Business for Social Responsibility (BSR), corporate social responsibility is defined as “achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment.

There is a two-way communication between business firms and the society. Business firms cannot escape from society and society cannot exist without business firms. Hence, CSR toward the society is beneficial for both business firms and society, and a better understanding of its potential benefits can lead to high returns on investment for the companies (Sandhu and Kapoor, 2010; Salehi, Tarighi, & Welker, 2017). Although Leyira, Uwaoma&Olagunju (2011) argued that the goals of most corporate organizations are purely economic hence giving just a little attention to their corporate social responsibilities, on the contrary, in the view of Ugwunwanyi and Ekene (2016), “businesses are now realizing that in order to stay profitable in a rapidly changing environment, they would have to become socially responsible”. On the other hand, the financial performance of companies is computed by different proxies in previous researches such as Nadeem, (2012). From the financial performance perspective, it is a general believe that the primary goal of a company is maximization of profit. In this regard, Afeef, (2015) assert that companies that perform their operational activities in efficient way will generate maximum profit. In modern business world, the concept of CSR play an important role in companies’ success, it tends to get competitive advantage. Based on theoretical perspective, it is a general view of researchers and other experts that all those companies who spend more on different CSR activities ,their FP will be high.

Corporate social responsibility (CSR) has become a pressing issue for pharmaceutical manufacturing firms in Nigeria as they face increasing pressure to take responsibility for the impact of their activities, such as gas flaring, environmental degradation, among others, on the natural environment (Uwuigbe&Egbide, 2012). The main goal of a firm is to increase the shareholder’s welfare by increasing the value of the firm (Salvatore, 2005), however, a good firm value is able to accommodate external parties’ interests to guarantee continued growth. In recent time, improved industrialization and increase in foreign investment have implications for corporate accountability and reporting. This, in turn, has caused increase in demands for enhanced accountability and transparency in commercial practices (Belal& Owen, 2007). Meanwhile, after a comprehensive investigation of previous studies available in the literature, it was found that the majority of researches conducted on CSR and FP in Nigeria were done on sectorial basis. Most of these studies did not consider individual industry performance. However, this study filled this gap as it would be different as it examined the relationship between CSR and FP (Financial Performance) of listed Nigerian pharmaceutical manufacturing firms; this phenomenon is one of the motivations for this study. Another motivation is the relevance and importance of pharmaceutical industry to Nigerian economy, at present, there is massive outburst of viruses, which needs quality attention otherwise, there would be a devastating outcome on the nation.

It is also important to mention that healthcare services have serious impact on the host community environment because the raw material is made up of natural and biological components. Therefore, this study focused on the Nigerian pharmaceutical manufacturing firms listed on the floor of the Nigerian stock exchange. Finally, the conflicting nature of previous studies results such as negative, positive, neutral, and mixed results also prompted the need for this study; hence there is no clear convincing result on the relationship between CSR and FP of listed pharmaceutical firms in Nigeria.

Objectives of the study

The main objective of this study is to determine the relationship between corporate social responsibilities (CSR) and financial performance of listed pharmaceutical manufacturing firms in Nigeria. Other specific objectives include:

1. To determine the relationship between money spent on community development and profit after tax of listed pharmaceutical manufacturing firms in Nigeria
2. To determine the impact of money spent on community development on turnover of listed pharmaceutical manufacturing firms in Nigeria
3. To determine the impact of money spent on public health on profit after tax of listed pharmaceutical manufacturing firms in Nigeria
4. To determine the impact of money spent on public health on turnover of listed pharmaceutical manufacturing firms in Nigeria

Research questions

In the light of achieving the above objectives this study, the research raises and answers the following questions:

1. What is the relationship between the money spent on community development and profit after tax of listed pharmaceutical manufacturing firms in Nigeria?
2. To what extent is the impact of the money spent on community development on turnover of listed pharmaceutical manufacturing firms
3. To what extent is the impact of the money spent on public health on profit after tax of listed pharmaceutical firms in Nigeria?
4. To what extent is the impact of the money spent on public health on turnover of listed pharmaceutical manufacturing firms in Nigeria?

Research hypotheses

The following hypotheses guide the study:

- H₀₁. There is no significant relationship between money spent on community development with profit after tax of listed pharmaceutical manufacturing firms in Nigeria
- H₀₂. Money spent on community development has no significant impact on turnover of listed pharmaceutical manufacturing firms in Nigeria
- H₀₃. Money spent on public health has no significant effect on profit after tax of listed pharmaceutical manufacturing firms in Nigeria
- H₀₄. Money spent on public health has no significant effect on turnover of listed pharmaceutical manufacturing firms in Nigeria

Clarification of concepts

Corporate social responsibility

Nicolau (2008) defined CSR as the profited statues and caring for CSR decision's for the stakeholders. Also, Chahal and Sharnma (2006) defined it as the firm commitments to produce and

improve society and its organizations by utilizing different business and social actions to ensure that it provides equal and sustainable relationship.

Furthermore, McAlaistec et al. (2013) defined CSR that it's about adoption by business of as a strategic focus to fulfil the economic, legal, ethical and philanthropic social responsibilities expected by its stakeholders. As well as, European commission (2011) defined CSR as the concept where companies integrate social and environmental categories in their interaction with their stakeholders. Social responsibility could be in form of community development costs, public health costs, donations etc.

Community cost

The community dimension is incredibly important to pay attention to, but often overlooked unless a catastrophic event happens to grab the public's attention. The community dimensions are most closely linked with human and labor rights (Sands, 2015). Community refers to those members of society who are aware, concerned, or in some way affected by the operations and output of the organization (Thorone, 2003). Social responsibility toward community can appear in a wide range of corporate endeavors, including adding flowers to the local parks and beautify it, various educational campaigns, helping poor people, buy medical machines for the cancer centers. These endeavours are oftentimes local in nature and concentrate on an issue that is currently important in a given community (Zapotorczny, 2012).

Performance

Organizational performance is defined as a set of financial and nonfinancial indicators, which offers information on the degree of achievement and results (Gavrea et al., 2011) Performance in many studies was defined as the best view of financial performance. There are lots of arguments reviewing the performance from customer satisfaction and employee satisfaction. Defining performance as the satisfaction of stakeholders helps to differentiate between antecedents and performance outcomes. However, this study considered only financial performance as measured by return on assets and turnover.

Theoretical review

Stakeholder theory suggests that since people voluntary associate in a firm, their interests must be pursued single-mindedly. Company is a group of people getting together so that they may accomplish something collectively that they could not get separately and they contribute to the society. Because the company lives with the society, it is the same society that tells the number of stakeholders to which the organization has responsibility and furthermore the responsibility may be broad or narrow depending on the industry in which the firm operates and its perspective.

Empirical review

Ojo (2008) examined the extent of Nigerian business organizations' participation in the concept of social responsibility in order to recommend strategic importance of being socially responsible to all the stakeholders. A survey of forty (40) companies listed by the Nigeria stock exchange was adopted for the study, selected from a population of 209 companies as at July 2007 using random sampling. Data obtained from the organization's annual reports and accounts (2000-2006) were analysed using correlation, regression and Analysis of Variance (ANOVA) to also determine the extent of relationship between turnover and investment in social responsibility. The result revealed that these organizations have contributed infinitesimal amount (less than one percent of their turnover) of their gross earnings in social responsibility and does not preclude that a positive relationship ($r = 0.118$) exists between organization's turnover and venturing into social responsibility. Thus, they need to increase their involvement in social responsibility to increase their reputational capital.

Lipunga (2013) carried out a study on corporate social responsibility disclosure in Commercial banks in Malawi. In his research he made use of 47 discloseable items which were classified into Community involvement, Human Resources, environment, Customers and product and others (Statements). In his findings he observed that the studied commercial banks were only involved in 30% of corporate social responsibility activities. As compared to the 47 discloseable items it was recommended that bank should at least improve above average in items of corporate social responsibility activities. In the study of Balabanieset *al.* (1998), they investigated the relationship between corporate responsibility and economic performance of 56 companies quoted on the London Stock Exchange. Each company that was sampled was rated on 13 indices related to CSR. Economic performance measurement adopted included: financial (return on capital employed, return on equity and gross profit to sales ratios) and capital market performance (systematic risk and excess market valuation). Their finding suggest that (past, concurrent and subsequently) economic performance, is related to both CSR performing and disclosure. It must be noted that the report observed that the relationships were weak and lacked an overall consistency. The study also observed that economic performance partly explain variation in firms' involvement in philanthropic activities and CSR disclosure is also influenced positively by both a firm's CSR performance and its concurrent financial performance. Involvement in environmental protection activities was found to be negatively correlated with subsequent financial performance while, a firm's policies regarding women's positions seem to be positively responded to by capital market in the subsequent period. Kwambo, (2011) examines the extent to which social disclosures affects earning per share of public companies in Nigeria. The study employs paired sample t-test for analysis and finds that social disclosure has insignificant impact on earnings per share of public corporations in Nigeria. The study concludes that there is the need to realign social activities with corporate image which could relate positively to earnings of corporations.

Olayinka, and Temitope (2011) adopt qualitative research method to examine the relationship between CSR and financial performance in Nigeria. The study obtained data on variables ROE, ROA, community performance, employee relation and environment management system which were believed to have relationship to both CSR and financial performance. The result shows that CSR has a positive and significant relationship with the financial performance. The results reinforced the accumulating body of empirical support for the positive impact of CSR on the financial performance. Ehsan, and Kaleem (2012) conducted a study with the intention of finding relationship between CSR and financial performance of 100 quoted manufacturing firms in Pakistan. Donations and employee welfare funds were utilized as the dimensions of CSR while ROA, ROE and EPS were used as FP variables based on which CSR data was constructed. The study found a positive relationship between CSR disclosure and FP using panel data analysis.

Methods

The design for this study is ex-post facto design. The population include all the pharmaceutical manufacturing firms listed on the floor of NSE but only four firms were studied based on the availability of available data on their websites. They are pharmaDeko plc, Neimeth Plc, May and Baker Plc and Fidson Health care Plc. The data was analysed using SPSS version 22 packs to run a simple regression analysis at 5% significance level.

Regression model

The regression model for this study is as follows

$$FP = f \{CCD, CPH\}$$

Where,

FP = Financial performance {TO, ROA}

Therefore,

$$TO = f \{CCD, CPH\}$$

$$ROA = f \{CCD, CPH\}$$

The above equation was therefore further modified into econometrics form by adding constant term (β) and the error term (ϵ) in the model below.

$$FP = f \{CCD, CPH\}$$

$$FP = \beta_0 + \beta_1 + \beta_2 + \epsilon$$

$$TO = \beta_0 + \beta_1 CCD + \epsilon \dots\dots\dots (i)$$

$$TO = \beta_0 + \beta_2 CPH + \epsilon \dots\dots\dots (ii)$$

$$ROA = \beta_0 + \beta_3 CCD + \epsilon \dots\dots\dots (iii)$$

$$ROA = \beta_0 + \beta_4 CPH + \epsilon \dots\dots\dots (iv)$$

Where,

FP = Financial performance

TO = Turnover

ROA = Return on assets

CCD = Cost of community development

CPH = Cost of public health

ϵ = Error

β_0 = intercept

β_0 to β_4 = coefficient of the predictor variable

Data presentation

The data for the study is present below.

Table 1: Return on assets (ROA)

Year	Pharma Plc	Deko	Neimeth Plc	May & Baker Plc	Fidson Health Care Plc	Average
2020	-0.16		0.03	0.07	0.04	-0.01
2019	-0.13		0.08	0.08	0.02	0.01
2018	-0.11		0.08	0.07	-0.01	0.01
2017	0		-0.18	0.04	0.06	-0.02
2016	-0.09		0.02	-0.01	0.02	-0.02

Table 2: Turnover (TOV) in Naira

Year	Pharma Plc	Deko	Neimeth Plc	May & Baker Plc	Fidson Health Care Plc	Average
	000		000	000	000	000
2020	460,837		2,839,119	9,390,196	18,275,856	7,741,502
2019	484,574		2,371,311	8,080,390	14,062,015	6,249,573
2018	1,023,806		2,269,004	8,552,162	16,229,903	7,018,718
2017	1,593,379		1,534,003	8,056,961	14,057,394	6,310,434
2016	1,095,109		2,001,815	8,469,359	7,655,029	4,805,328

Table 3: Community development in Naira

Year	Pharma Plc	Deko	Neimeth Plc	May & Baker Plc	Fidson Health Care Plc	Average
2020	0		9,895,000	2,762,000	38,407,878	12,764,970
2019	0		4,576,000	980,000	1,946,097	1,875,524
2018	262,000		450,000	4,724,000	3,105,200	2,135,300

2017	0	712,000	7,688,000	0	2,100,000
2016	0	684,000	0	0	171,000

Table 4: Public health in Naira

Year	Pharma Plc	Deko	Neimeth Plc	May & Baker Plc	Fidson Health Care Plc	Average
2020	1,904,000		18,808,000	12,039,000	19,613,521	13,091,130
2019	2,953,000		12,230,000	9,109,000	5,187,671	7,369,918
2018	5,554,000		11,370,000	8,806,000	8,987,826	8,679,457
2017	5,606,000		9,443,000	8,241,000	12,317,000	8,901,750
2016	2,902,000		10,796,000	0	6,400,000	5,024,500

Table 5 Averages and their log in base 10

ROA	TO	CDC	PH	LOG10 TO	LOG10 CDC	LOG10 PH	LOG10 ROA
-.01	7741502.00	12764970.00	13091130.00	6.89	7.11	7.12	-.01
.01	6249573.00	1875524.00	7369918.00	6.80	6.27	6.87	.01
.01	7018718.00	2135300.00	8679457.00	6.85	6.33	6.94	.01
-.02	6310434.00	2100000.00	8901750.00	6.80	6.32	6.95	-.02
-.02	4805328.00	171000.00	5024500.00	6.68	5.23	6.70	-.02

Data analysis**Simple regression (ordinary least square)**

Prior to the actual analysis and interpretation of the variables employed in the study, it is pertinent to consider the appropriateness of the model used, as the validity of the result will be dependent on the validity of the system (model) which produces it. To this end, the model is summarised below:

Model 1: Return on asset and community development cost**Table 6: Model summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.283 ^a	.080	-.227		.01680

a. Predictors: (Constant), Log10CDC

Source: SPSS, Version 22.

The R-squared (R^2) otherwise called coefficient of correlation is 0.80 which represents 80%. The implication of this is that the independent variables account for about 80 percent of change on the dependent variable while the other 20% is accounted for by other variables that influence corporate financial performance that are ignored by the study. The adjusted R^2 shows a more robust test of variability in the sense that it is not susceptible to the addition of more independent variables to the model. It stands at -0.227 which implies that irrespective of the number of variables considered, they cannot account for more than 23% variability of the dependent variable.

Table 7 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.046	.079		-.584	.600
	Log10CDC	.006	.013	.283	.511	.645

a. Dependent Variable: ROA

Source: SPSS, Version 22.

From the output above, it can be observed that the coefficient of the constant is --.046, which indicates that if all the independent variables are kept at constant or less than zero, the dependent variable – (ROA) will decrease by approximately 46% per year. The coefficient of community Development cost (CDC) is seen to be .006. This is positive, indicating that there is a direct or positive relationship between Community Development Cost and return on asset value to the extent that a unit increase in CDC will result in a 0.006% rise in the return on asset.

Model 2: Turnover and community development cost

Table 8: Model Summary					
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate
1	.967 ^a	.935	.914		.02272

a. Predictors: (Constant), Log10CDC

The R-squared (R^2) otherwise called coefficient of correlation is 0.935 which represents 94%. The implication of this is that the independent variables account for about 94 percent of change on the dependent variable while the other 6% is accounted for by other variables that influence corporate financial performance that are ignored by the study. The adjusted R^2 shows a more robust test of variability in the sense that it is not susceptible to the addition of more independent variables to the model. It stands at .914 which implies that irrespective of the number of variables considered, they cannot account for more than 9% variability of the dependent variable.

Table 9: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.100	.107		57.004	.000
	Log10CDC	.112	.017	.967	6.594	.007

a. Dependent Variable: Log10TO

From the output above, it can be observed that the coefficient of the constant is 6.1, which indicates that if all the independent variables are kept at constant or less than zero, the dependent variable – turnover will increase by approximately 100% per year. The coefficient of community Development cost (CDC) is seen to be .112. This is positive, indicating that there is a direct or positive relationship between Community Development Cost and return and turnover to the extent that a unit increase in CDC will result in a .11% rise in the turnover.

Model 3: Return on asset and public health care cost**Table 10: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.145 ^a	.021	-.305	.01733

a. Predictors: (Constant), Log10PH

The R-squared (R^2) otherwise called coefficient of correlation is 0.021 which represents 21%. The implication of this is that the independent variables account for about 21 percent of change on the dependent variable while the other 79% is accounted for by other variables that influence corporate financial performance that are ignored by the study. The adjusted R^2 shows a more robust test of variability in the sense that it is not susceptible to the addition of more independent variables to the model. It stands at -0.305 which implies that irrespective of the number of variables considered, they cannot account for more than 35% variability of the dependent variable.

Table 11: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.107	.398		-.268	.806
	Log10PH	.015	.058	.145	.253	.817

a. Dependent Variable: ROA

From the output above, it can be observed that the coefficient of the constant is -.107, which indicates that if all the independent variables are kept at constant or less than zero, the dependent variable – return on asset will decrease by approximately 17% per year. The coefficient of Public Health Cost (PHC) is seen to be .015. This is positive, indicating that there is a direct or positive relationship between Public health Cost and return on asset to the extent that a unit increase in PHC will result in a .15% rise in the return on asset.

Model 4: Turnover and public health care cost**Table 12: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.955 ^a	.912	.883	.02649

a. Predictors: (Constant), Log10PH

The R-squared (R^2) otherwise called coefficient of correlation is 0.912 which represents 91%. The implication of this is that the independent variables account for about 91 percent of change on the dependent variable while the other 9% is accounted for by other variables that influence corporate financial performance that are ignored by the study. The adjusted R^2 shows a more robust test of variability in the sense that it is not susceptible to the addition of more independent variables to the model. It stands at .883 which implies that irrespective of the number of variables considered, they cannot account for more than 12% variability of the dependent variable.

Table 13: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.402	.609		5.588	.011
	Log10PH	.492	.088	.955	5.587	.011

a. Dependent Variable: Log10TO

From the output above, it can be observed that the coefficient of the constant is -3.402, which indicates that if all the independent variables are kept at constant or less than zero, the dependent variable – turnover will increase by approximately 40% per year. The coefficient of c (PHc) is seen to be .492. This is positive, indicating that there is a direct or positive relationship between public health Cost and turnover to the extent that a unit increase in PHC will result in a .49% rise in turnover.

Test of hypotheses

The t-statistics and attendant probabilities are used to test the respective hypotheses stated in the null and alternate form as follows:

Hypothesis one

H₀ There is no significant relationship between community development cost and return on asset.

H₁ There is a significant relationship between community development cost and return on asset.

A consideration of the linear regression output in Table 9 showed that, the t-statistics for community development cost is .511 with a probability of 0.645 which is higher than the pre-set significant level of 0.05 therefore the null hypothesis is not rejected. Thus, we accept the null hypothesis which states that there is no significant relationship between there is no significant relationship between community development cost and return on asset.

Hypothesis two

H₀ There is no significant relationship between community development cost and turnover.

H₁ There is a significant relationship between community development cost and turnover.

A further consideration of the linear regression output in Table 9 showed that, the t-statistics of community development cost is 6.594 with a probability of 0.007 which is lower than the pre-set significant level of 0.05 therefore the null hypothesis is rejected. We therefore accept the alternate hypothesis. Thus, there is a significant relationship between community development cost and turnover.

Hypothesis three

H₀ There is no significant relationship between public health cost and return on asset.

H₁ There is a significant relationship between public health cost and return on asset.

A further consideration of the linear regression output in Table 11 showed that, the t-statistics of public health cost is 0.253 with a probability of 0.817 which is higher than the pre-set significant level of 0.05 therefore the null hypothesis is not rejected. We therefore accept the null hypothesis. Thus, there is no significant relationship between public health cost and return on asset.

Hypothesis four

H₀ There is no significant relationship between public health cost and turnover.

H₁ There is a significant relationship between public health cost and turnover.

A further consideration of the linear regression output in Table 13 showed that, the t-statistics of public health cost is 5.587 with a probability of 0.011 which is lower than the pre-set significant level of 0.05 therefore the null hypothesis is rejected. We therefore accept the alternate hypothesis. Thus, there is a significant relationship between public health cost and turnover.

Discussion of findings

From the linear regression output in Table 9 which showed that, the t-statistics for community development cost is .511 with a probability of 0.645 which is higher than the pre-set significant level of 0.05 therefore the null hypothesis was not rejected. Thus, we accepted the null hypothesis which states that there is no significant relationship between there is no significant relationship between community development cost and return on asset. The implication is that community development cost does not contribute to return on asset. A further consideration of the linear regression output in Table 9 showed that, the t-statistics of community development cost is 6.594 with a probability of 0.007 which is lower than the pre-set significant level of 0.05 therefore the null hypothesis was rejected. We therefore accepted the alternate hypothesis. Thus, there is a significant relationship between community development cost and turnover. The implication is that money spent on the development of the host communities has significant contribution to turnover directly. However, further consideration of the linear regression output in Table 11 showed that, the t-statistics of public health cost is 0.253 with a probability of 0.817 which is higher than the pre-set significant level of 0.05 therefore the null hypothesis is not rejected. We therefore accepted the null hypothesis. Thus, there is no significant relationship between public health cost and return on asset. Finally, a further consideration of the linear regression output in Table 13 showed that, the t-statistics of public health cost is 5.587 with a probability of 0.011 which is lower than the pre-set significant level of 0.05 therefore the null hypothesis was rejected. We therefore accepted the alternate hypothesis. Thus, there is a significant relationship between public health cost and turnover.

Summary of findings

The findings of this investigation as discussed can be summarised into the following:

1. There is no significant relationship between community development cost and return on asset.
2. There is a significant relationship between community development cost and turnover.
3. There is no significant relationship between public health cost and return on asset.
4. There is a positive and significant relationship between public health cost and turnover.

Conclusion

Generally, the study therefore concluded that while community development cost and public health cost have a positive and significant relationship with pharmaceutical manufacturing firms' turnover, they do not have significant relationship with return on assets.

Recommendations

Given the findings and conclusions, the following recommendations are made:

1. Pharmaceutical manufacturing firms should continue to spend money on community development since it improves their turnover.
2. Pharmaceutical manufacturing firms should continue to spend money on public health as this has significant relationship with turnover.

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