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EFFECT OF STAKEHOLDERS' COSTS ON PROFITABILITY OF BREWERIES FIRMS IN NIGERIA

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ABSTRACT

The study analyzed the effect of stakeholders' costs on the profitability of brewery firms in Nigeria. The specific objectives of the study were, to examine the effect of dividend payout, corporate social responsibility expenses, employees' cost, and finance cost on the return on assets of breweries firms in Nigeria. The sample consisted of five (5) breweries listed on Nigeria Stock Exchange during the period from 2011 to 2020. Time series data covering the period were extracted from the annual reports and financial statements of the selected firms and analyzed using multiple regression analysis. Findings from the study suggest that dividend payout, corporate social responsibility expenses, and employees' cost positively and significantly affect the return on assets of the breweries' firms while finance cost negatively and significantly affects the return on assets of the firms during the period. The implication of these findings is that an increase in dividend payout, corporate social responsibility expenses, or employees cost will increase the return on assets of the firms while an increase in finance cost will decrease the return on assets of the firms. Based on these findings, the study recommended that the breweries managers in Nigeria should formulate dividend policies that will enable the firms to pay regular dividends to their shareholders while at the same time retaining enough earnings for future growth and expansion of the firms. The study also recommended that firm managers should implement corporate social responsibility programs in their host communities by liaising with community leaders and ensuring that CSR expenses feature in the firms' annual budgets.

1.0 INTRODUCTION

1.1 Background of the Study

The increased global competition and environmental turbulence have compelled organizations to embrace the concept of strategic management in order to remain profitable. Business owners often develop detailed strategic plans for achieving success in business and maintaining a competitive edge over their rivals. Effective strategic management demands a higher involvement in the strategy formulation and implementation process by a variety of stakeholders. The management must therefore identify the key stakeholders with a vested interest in the success of the organization and involve them in the organization's strategic management process in order to enhance organizational performance (Otieno, 2016). Stakeholders Theory views organizations as a system that accommodates not only the interest of the owners but also the interests of other groups within the environment in which the organization operates. Since organizations cannot operate and exist in isolation without relating to their immediate environment then the interest of all stakeholders such as shareholders, employees, fund providers, customers, suppliers, and host community should be considered in the process of strategic decision-making (Freeman, 1984).

Fernando (2021) described a stakeholder as a party that has an interest in a firm and can either affect or be affected by the business of the firm. Internal stakeholders are people whose interest in a firm comes through a direct relationship, such as employment, ownership, or investment. Spacey (2017) stated that external stakeholders are the entities that do not belong to the firm but are impacted by or impact the firm's performance. These include the host communities, customers, government, investors, creditors, partners, regulators, and media organizations among others. Whether internal or external, the typical stakeholders of a firm are investors, employees, customers, suppliers, communities, governments, or trade associations. An entity's stakeholders can be both internal and external to the organization. Glicken (2001) stated that the literature of the environmental policy arena, advocate stakeholder participation in firm policy-making as a basis for firm survival. As such, a comprehensive understanding of the costs and benefits of stakeholder participation in firm operations is important.

In light of this, Harrison and Wicks (2009) described stakeholders' cost as the cost incurred by an organization in trying to maintain or serve the interest of its stakeholders. Firms that diligently seek to serve the interests of a broad group of stakeholders will create more value over time. The cost of an investor or shareholder is the return on investment, comprising dividend and capital gains; employees' cost is the wages and salaries and other welfare packages designed to motivate the employees. For fund providers, it is the interest and other costs associated with borrowing and servicing loans; for the host communities, it is the corporate social responsibility programs implemented by the firms in their host communities. This study adopted dividend payout, corporate social responsibility, employees' cost, and finance cost as the measure of typical stakeholders' cost and evaluate their effect on the profitability of breweries firms operating in Nigeria.

Barron (2002) defined dividend payout as the amount of cash that a firm pays to its shareholders in the form of dividends. A firm may decide to pay all its earnings as dividends to its shareholders or keep a portion of it as retained earnings. Healthy dividend payouts indicate that a firm is generating real earnings. Odetayo, Adeyem and Sajuyigbe (2014) defined corporate social responsibility as the way business organizations give back to the society where they are operating and this is achieved by rendering selfless service to charitable organizations, government agencies, religious organizations, tertiary institutions, and host communities. Nang; Obuah; Wali and Turakpe (2020) stated that the attraction, recruitment, and retention of competent employees are not without costs. Staff cost or employees' cost is therefore defined as salaries/wages, staff medical expenses, staff training expenses, and staff pension costs. Kegan (2021) described finance costs as a form of compensation to the lender for providing the funds, or extending credit, to a borrower. Finance costs are often aggregated costs, including the cost of carrying the debt along with any related transaction fees, account maintenance fees, or late fees charged by the lender. Hargrave (2021) defined return on assets as a profitability ratio that indicates how profitable a company is relative to its total assets. Return on assets gives a manager, investor, or analyst

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an idea as to how efficiently a firm's management is at using its assets to generate earnings for the firm.

1.2 Statement of the Problem

The importance of firm stakeholders in organizational profitability and survival in modern times cannot be overemphasized. Key stakeholders depend on the nature of the organization. In breweries firms, however, they include customers, employees, community members, media, shareholders, suppliers, investors, government departments, regulators, and neighboring businesses. Stakeholders can be a valuable source of information for the organization. Thus, collaboration with these stakeholders helps firms to build trust and goodwill toward the organization's profitability and survival. The information acquired from interactions with stakeholders may help organizations make more informed business decisions. Stakeholders may help a firm identify potential risks before they become threats to the organization, thus assisting the firm in risk management. Engaging with stakeholders is also key to improving accountability within the organization and can ultimately assist the firms to save time and cost.

Firms in developed economies of the world identify their key stakeholders, collaborate with and service their interests in order to minimize risks and operational costs, take informed business decisions, and improve firm profitability and sustainability. In developing economies, with particular reference to Nigeria, brewery firms are more concerned with servicing the interest of their shareholders only while little or no attention is paid to the interest of other stakeholders. The firm's managers believe that they are doing well as long as profits are made and dividends are paid to shareholders. The focus on only the shareholders and the neglect of other key firm stakeholders has resulted in poor business decisions, poor risk management, and high cost of funds, huge environmental costs, lack of staff motivation, high staff turnover, and poor relationship with host communities. Some breweries in the country have liquidated and exited the market as a result of the inability of the firm managers to properly serve the interest of their key stakeholders. This development instigated the current study to examine the effect of stakeholders' costs on the profitability of breweries firms in Nigeria.

1.3 Objectives of the Study

The main objective of the study was to determine the effect of stakeholders' cost on the profitability of breweries in Nigeria. The specific objectives of the study were to:

i. Examine the effect of dividend payout on the return on assets of breweries in Nigeria.
ii. Investigate the effect of corporate social responsibility cost on the return on assets of breweries in Nigeria.
iii. Ascertain the effect of employee costs on the return on assets of breweries in Nigeria.
iv. Appraise the effect of financial cost on return on assets of breweries in Nigeria.

1.4 Research Questions

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The following research questions were raised in line with the specific objectives of the study:

i. To what extent does dividend payout affect the return on assets of breweries in Nigeria?
ii. What is the effect of corporate social responsibility on return on assets breweries in Nigeria?
iii. How does employees' cost affect the return on assets of breweries in Nigeria?
iv. What is the effect of financial cost on the return on assets of breweries in Nigeria?

1.5 Statement of the Hypotheses

The following null hypotheses were formulated to address the research questions:

i. Dividend payout does not significantly affect the return on assets of breweries in Nigeria.
ii. Corporate social responsibility does not significantly affect the return on assets of breweries in Nigeria.
iii. Employees' cost does not significantly affect the return on assets of breweries in Nigeria.
iv. Finance cost does not significantly affect the return on assets of breweries in Nigeria.

1.6 Significance of the Study

This study will be of importance to brewery firm managers in various business areas. In particular, the study will assist the firm managers in risk management, staff motivation, cost planning, and dividend policy in managing relationships with their host communities. It will also assist the managers in accessing loan facilities at affordable cost from financial institutions.

Investors in the breweries sector will also find the study important in making investment decisions. This study will give the investors insight into the dividend policy of the breweries firms and by so doing assist them in making investment decisions.

An employee in the breweries firm will also find the study significant in planning their welfare. The study will assist the employees in examining the level of staff motivation within the organization and thus seek to improve the welfare of their members.

Financial institutions, such as banks will also find the study of important in assessing breweries firms for the credit facility. The study will assist the banks in evaluating the credit worthiness of the firms and thus in deciding whether to extend credit facilities or both.

This study will be of great significance to academic and researchers who may wish to extend the frontier of knowledge in this area of study. The study will particularly serve as a body of resource that will be consulted by the researchers while conducting further studies in related areas of studies.

1.7 Scope of the Study

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The main objective of the study which is to investigate the effect of stakeholders cost on profitability of breweries in Nigeria. The period of coverage is from 2011 to 2020. Dividend payout, corporate social responsibility expenses, employees' cost and finance cost are the independent variables and measures of stakeholders' cost while return on assets is the dependent variable and measure of firm profitability. Three, out of the five (5) breweries listed on Nigeria Stock Exchanged were sampled for the study. It was only the firms that paid dividend and disclosed their corporate social responsibility expenses during the period of this study that have been considered in the sample. The breweries firms are: Guinness Nigeria Plc, Nigeria Breweries Plc, International Breweries Plc, Champion Breweries plc and Golden Guinea Breweries Plc.

2.0 REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Stakeholders' Cost

Brandon (2022) defined a stakeholder as a person, business, or organization that has an interest in or is affected by the activities of a business and the results those actions produce. Stakeholders may be impacted by the business's activities, have the ability to influence the business, or both. The connection between the firm and the stakeholder can be a strong and close relationship like that of an owner, employees, supplier, or customer. It can also be a loose relationship, such as with community members who may be affected by the local tax revenue the business generates or the pollution it produces. One needed to ask the following questions in order to identify who a stakeholder might be: to whom does the organization have legal obligations? Who might be positively or negatively affected by the organization's decisions or activities? who is likely to express concerns about the decisions and activities of the organization? Who has been involved in the past when similar concerns needed to be addressed? who can help the organization address specific impacts? Who can affect the organization's ability to meet its responsibilities? Who would be disadvantaged if excluded from the engagement? The key stakeholders in breweries firm include: suppliers, employees, customers, shareholders, investors, and consumers, regulators and host communities.

Harrison and Wicks (2009) stated that stakeholders cost are the costs incurred by a firm in trying to engage, collaborate or relate with the stakeholders. Stakeholders cost is peculiar to each stakeholder. For instance, dividend paid to shareholders is a cost to the organization which represents compensation to the investors who invested their funds in the firm. Staff salaries, wages and other benefits is paid to employees as compensation for their time and effort in managing the affairs of the firms. Corporate social responsibility program is compensation to the host communities for the pollution and disturbances arising from the activities of the firms. Financial cost is paid to fund providers as compensation for providing funding used in running the organization. The stakeholders' costs adopted by this study are dividend payout, corporate social responsibility expenses, employees cost and financial cost.

2.1.2 Dividend Payout

Pandey (2010) defines dividend as a portion of a firm's net earnings which the directors recommend to be distributed to shareholders in proportion to their shareholdings in the firm.

It is usually expressed as a percentage of nominal value of the firm's ordinary share capital or as a fixed amount per share. Baker; Powell and Veit (2002) also defined dividend as an appropriation of profits to shareholders after deducting tax and fixed interest obligations on debt capital. Uwuigbe; Jafaru and Ajayi (2012) said that dividends is compensatory distribution to equity shareholders for both time and investment risks undertaken.

Zakaria, Muhammad and Zulkifli (2012) state that dividends are usually paid out of the current year's profit and sometimes out of general reserves. They are normally paid in cash and dividend payment is known as cash dividend. Dividend payment is a major component of stock return to shareholders. Mahmood, Abubakar. and Moshood (2020) asserted that when a corporation earns a profit, the corporation is able to re-invest the profit in the business (retained earnings) and pay a proportion of the profit as a dividend to shareholders. Distribution to shareholders may be in cash (usually a deposit into a bank account) or, if the corporation has a dividend reinvestment plan, the amount can be paid by the issue of further shares or share repurchase. Regular and stable dividend are considered a desirable policy by management of most firms, shareholders also favors this policy and value stable dividend more than the fluctuating ones. All things being equal, stable dividend can have positive impact on the market value of shares. Stability in dividend means the amount paid but regularly to shareholders.

Zakaria et al., (2012) opine that the implication of dividend payout on firm is complex. A high dividend payout policy means more current dividends and less retained earnings, which may consequently result in slower growth and perhaps lower market price per share. Low payout policy means less current dividends, more retained earnings and higher capital gains. Therefore, it is plausible that some investors will prefer high-payout firm while others may prefer low-payout firm. It is important to note that paying dividends involves outflows of cash and the cash accountable for this payment is affected by the firm's investment and financial decisions. Welch (2009) states that dividend decision involves a trade-off between the retained earnings and issues of new shares. A higher dividend payout attracts more investors and when there is a rush for the company's stock, the price of the stock will move up, this is known as regular effects. But, a lower dividend payout on the other hand will discourage many investors from investing and this intent can lead to reduction in the price of shares of that particular firm. Jo and Pan (2009) asserted that dividend payment could provide a signal to the investors that the company is complying with good corporate governance practices.

2.1.3 Corporate Social Responsibility Expenses

Rasche, Morsing and Moon (2017) state that corporate social responsibility is the integration of an enterprise's social, ethical, environmental, and philanthropic responsibilities towards society into its processes, operations, and core business strategy in cooperation with relevant stakeholders. Odetayo, Adeyem and Sajuyigbe (2014) state that business exist within an environment in which they operate, therefore business organizations need to give back positively to the environment in order to participate in development of such society. Thus, corporate social responsibility is the way business organization gives back to society where they are operating. Social responsibility is obtainable by rendering selfless service to charitable organizations, government agencies, religious organizations and tertiary institutions.

Kotler and Lee (2005) believe that corporate social responsibility involves improving community welfare through voluntary business exercises and corporate resource contributions. Umoren, Atolagbe and Isigvwe (2016) assert that corporate social responsibility enhances corporate accountability, builds trust, creates transparency, drives greater innovation, improves internal management and decision-making processes, reduces compliance costs and gives competitive advantage.

However, studies concerned with the relationship between corporate social responsibility and profitability have demonstrated conflicting results. In view of this, Simona and Veronika (2020) asserted that corporate social responsibility could influence existing key business metrics. On the other hand, the concept and its application could be affected by firm characteristics, such as firm size, age, composition of management, or firm financial performance. Also corporate social responsibility expenditures could cause additional costs for the firms and divert funds from more profitable potential investments. It may lead to a temporary decline in business performance. On the other hand, stakeholder theory suggests that firms should participate in good relationships with all stakeholders and that corporate social responsibility expenditures could accelerate financial performance because of indirect benefits.

Fiori, Francesca and Izzo (2015) also opined that managers are concerned about whether their organizations boost their performance, and how far they do this compared to their competitors having adopted corporate social responsibility initiatives. This is because, measuring the financial impact of corporate social responsibility initiatives on firm financial performance is still an ambiguous matter, due to the paucity of a clear set of metrics, which makes the debate on corporate social responsibility controversial, and it remains a conflicted issue. Even when it is practicable to set up a connection between corporate social responsibility and financial performance, the relationship between cause and effect between them is not apparent. Consequently, managers have been unable to rationalize the associated investments and the allocation of rare resources in that area.

2.1.4 Employees' Cost

Nangih; Obuah; Wali and Turakpe (2020) believe that the attraction, recruitment and retention of competent employees are not without costs. Staff cost or employees' cost is therefore defined as salaries/wages, staff medical expenses, staff training expenses and staff pension costs. Recall that the reward of labour is wages and salaries. Staff costs constitute a major component of the organization's recurrent or administrative costs. They involve expenses for the payment of employees' salaries and wages, cost of employees' trainings, cost of staff medicals and even costs incurred for providing employees' retirement benefit and pension schemes. Nwachukwu (2009) opined that in any organization, be it in the private or public sector, staff cost is a very sensitive issue, not only to management but also to employees. Poor remuneration is a constant source of frustration and that if labour and management are engaged in constant strife, it will result in decrease in productivity and profitability by extension.

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Armstrong (2004) stated that employees are an important business resource that must be managed carefully in order to maximize return on investment and achieve business objectives. Organizations have to provide various benefits to ensure employees welfare is taken care of. In fact, in this era, it is almost impossible to operate an organization without offering a basic set of benefits for employees' welfare. Organizations should understand that a healthy and stress-free worker is a major asset to the organization and should therefore provide welfare services and programmes. Organizations provide welfare facilities to their employees to keep their motivation levels high.

Manzini and Gwandure (2011) opined that the basic purpose of employee welfare is to enrich the life of employees and to keep them happy and conducted. Welfare measures may be both statutory and non-statutory; laws require the employer to extend certain benefits to employees in addition to wages or salaries. Employee welfare services were meant to reduce absenteeism and time off due to illness. However, today they have taken a broader scope and they include almost all aspects that relate to an employee's wellness and personal development in the workplace.

2.1.5 Finance Cost

Kegan (2021) defined finance cost as a fee charged for the use of credit or the extension of existing credit. It may be a flat fee or a percentage of borrowings, with percentage-based finance charges being the most common. Finance cost is often an aggregated cost, including the cost of carrying the debt along with any related transaction fees, account maintenance fees, or late fees charged by the lender. Finance costs are a form of compensation to the lender for providing the funds, or extending credit, to a borrower. These charges can include one-time fees, such as an origination fee on a loan, or interest payments, which can amortize on a monthly or daily basis. Finance charges can vary from product to product or lender to lender. One of the more common finance cost is the interest rate. A finance cost, such as an interest rate, is assessed for the use of credit or the extension of existing credit. This allows the lender to make a profit, expressed as a percentage, based on the current amount that has been provided to the borrower. Interest rates can vary depending on the type of financing acquired and the borrower's credit worthiness. Secured financing, which is most often backed by an asset such as a home or vehicle, often carries lower interest rates than unsecured financings, such as a credit card. This is most often due to the lower risk associated with a loan backed by an asset.

Aggarwal (2010) argued that the influences of interest rates on the stock market performance greatly influences the prices of securities which are essentially determined by the net earnings of a corporation, and are hence directly proportional to the performance of the firm. A high interest rate environment adversely affects the prices of stocks and the eventual returns. For instance, an increase in interest rates in the economy forces lenders to hike their lending rates in order to compensate for the risk. This eventually, plays a significant role in barricading accessibility to funds for investment purposes eventually negating the prosperity and growth of the stock markets.

Lee (2009) argues that the volatility of interest rates may have a diverse influence across the economic spectrum in any country. For instance, interest rates will impact the cost of doing business which may ultimately be reflected in firm profitability and the stock prices. Roy and Wilfred (2011) argued that the issue of whether stock prices and finance cost are related or not, is an important one especially with increased international trade and the integration of the global financial markets. If stock prices and interest rates are related and the causation runs from interest rates to stock prices, then crisis in the stock markets can be prevented by controlling the interest rates.

2.1.6 Firm Profitability

Horton (2021) defined profitability as the metric used to determine the scope of a firm's profit in relation to the size of the business. Profitability is ability of a firm to use its resources to generate revenues in excess of its expenses. It is a firm's capability of generating profits from its operations. Profitability is a measurement of efficiency and ultimately its success or failure. It is a business's ability to produce a return on an investment based on its resources in comparison with an alternative investment. An analysis of a firm's profitability is necessary to understand if the firm is efficiently utilizing its resources and its capital. A firm can also increase profitability through the theory of marginal returns. One of the first steps a firm takes to increase profitability is to boost sales, which requires an increase in production. Marginal return is a theory that states that the addition of workers up to a certain point increases the use of capital in an efficient way; exceeding that number leads to diminishing returns and ultimately less profitability. To be profitable, it is necessary for a firm to apply this theory to its specific business and production needs to experience growth in an efficient, cost-effective manner.

Tracey (2020) stated that profit differs from profitability in that profit is an absolute number determined by the amount of income or revenue above and beyond the costs or expenses a firm incurs. It is calculated as total revenue minus total expenses and appears on a firm's income statement. Profitability on the other hand is a business's ability to produce a return on an investment based on its resources in comparison with an alternative investment. Although a firm can realize a profit, this does not necessarily mean that the firm is profitable. The two key aspects of profitability are revenues and expenses. Profitability is one of four building blocks for analyzing financial statements and firm performance. The other three are efficiency, solvency, and market prospects. Investors, creditors, and managers use these key concepts to analyze how well a firm is doing and the future potential it could have if operations were managed properly. Liebrand (2007) opined that firms are mostly concerned with their profitability, as profitability serves as the primary goal of all business ventures. Without profitability, the business will not survive in the long run. The notable measures of financial performance in firms include return on assets, return on equity and net margin on sales. Financial performance measures serve as a basis for evaluating the performance of a corporate entity. This study adopted return on assets as measure of profitability.

2.1.7 Return on Assets

Klapper and Love (2002) defined return on assets as a profitability ratio that indicates management performance in using the firm's total assets to generate returns. It indicates how well a firm is performing by comparing the profit (net income) it is generating to the capital it's invested in assets. The higher the return, the more productive and efficient management is in utilizing economic resources.

Dalvi and Baghi (2014) stated that return on assets indicates the amount of assets a company has at its disposal, the amount of income derived from the assets, or the extent of returns achieved from total investment of the firm. Because of the difference in the amount of capital invested by different firms, return on assets enables comparison to be made between the earnings of firms of different sizes, small, medium and large firms. The ratio of return on assets reflects the proportion of capital invested by each firms in an attempt to compare the performance of the firms. An increase in investment that is not properly managed and coordinated can never maximize benefits to the investors. Therefore, it provides investors with the necessary measurement required to ascertain how well management has managed and coordinated the capital they invested in the firm

Nixon and Stoeberl (2011) assert that profitability measure is the ultimate test of managements operating effectiveness and success of a firm. Return on asset is one of the best measurements of efficiency in order to assess the firm's performance. It had been widely used as a measurement of profitability and it reflects the ability of management to generate income on a given amount of total assets. It is one of the popular profitability measures, which is a ratio between earnings after tax and total assets.

Clarkson; Li; Richardson and Vasvari (2008) equally state that the most used accounting measures of financial performance is return of assets. Return on assets tells you what earnings were generated from invested capital and in public companies it can vary substantially and will be highly dependent on the industry. This is why when using return on assets as a comparative measure, it is best to compare it against a company's previous return on assets numbers or the return on assets of a similar company. Return on assets is calculated by dividing profit for the year with average total assets of the firm.

2.2 Theoretical Framework

The study examined the effect of stakeholders' cost on profitability of breweries firms in Nigeria. In view of this the study was anchored on Stakeholders' Theory developed by Edward Freeman in 1984.

2.2.1 Stakeholders' Theory

Edward Freeman propounded the popular Stakeholders' Theory in 1984. The theory state the contrary to Agency Theory that view organizations as a system of relationship between shareholders and management, Stakeholders' Theory view organizations as a system that accommodates not only the interest of the owners but also the interests of other groups within the environment which the organization operates.

Freeman (1984), argues that since organizations cannot operate and exist in isolation without relating with its immediate environment then the interest of other stakeholders like employees, customers, suppliers and host community might be considered in the process of strategic decision making. Therefore, the main argument of the theory, as pointed by Lawal

(2011), is that organizations should not only maximize the returns of shareholders alone, but also the expectations of other stakeholders should be considered.

Finally, the theory argued that for a firm to achieve effective performance in the market, cordial relationship must exist between the firm and the stakeholders and the firm board should be large and diversified enough to accommodate the interest of other stakeholders. The stakeholder's theory proposed an increased level of environmental awareness which creates the need for companies to extend their corporate planning to include the nontraditional stakeholders like the regulatory adversarial groups in order to adapt to changing social demands as in (Malarvizhi & Yadav, 2008). The main concern of the stakeholders' theory in environmental accounting is to address the environment cost elements and valuation and its inclusion in the financial statements.

2.3 Empirical Review

2.3.1 Dividend Payout and Firm Profitability

Mahmood; Abubakar and Moshood (2020) studied the effect of dividend payout on firm performance in Nigerian oil and gas sector. Dividend payout ratio is the dependent variable and while net profit margin, return of asset and return on equity are the independent variables and measures of firm profitability. The study sample consist of two oil and gas firms (Mobil Plc and Total Plc) listed on the Nigeria Stock Exchange during the period from 2015 to 2018. The secondary data obtained from the annual report and financial statement of the selected firms was analyzed using regression analysis and percentages. The study found that Dividend Payout Ratio had a negative and insignificant effect on firm performance of Mobil Plc and Total Plc in 2017 and 2018, while the results showed significant effect in 2015 and 2016 for Total Plc, and significant effect for Mobil Plc in 2015 but insignificant effect in 2016. The study concluded that dividend payment enhances financial performance.

James and Iwedi (2020) examined the relationship between dividend policy and return on investment of selected Nigerian quoted manufacturing firms from 1985-2014. Return on investment was the dependent variables while dividend payout ratio, retention ratio and dividend yield were used as independent variables. Eighteen (18) manufacturing firms listed on Nigeria Stock Exchange were selected based on data availability while ordinary least squares regression analyses were used to analyze the data. Also Co-integration test, Granger Causality Test and Augmented Dickey Fuller Unit Root Test were used to examine the stationarity and the long run relationship between the dependent and the independent variable. Results indicate that dividend Payout Ratio, retention ratio and dividend yield have positive but insignificant relationship with Return on Investment. The Augmented Dickey Fuller test shows stationarity of the variables at first difference. The co-integration test reveals long run relationship between the variables while the Granger Causality Test reveals bi-directional relationship running through the variables. The study concludes that dividend policy has no significant relationship with the return on investment of the quoted manufacturing firms in Nigeria.

Akhmadi; Nurohman and Robiyanto (2020) studied the role of debt policy and dividend policy as variables mediating the influence of profitability on stock prices. The sample consist purposive sampling of six (6) mining firms listed on the Indonesia Stock Exchange during the period of 2012-2016, hence there were 30 observational data. The data gathered from the annual reports and financial statements of the selected firms were analyzed using descriptive statistics and regression analysis. The study found that profitability had a positive effect on stock prices, but the increasing profitability would not necessarily reduce the debt policy. The increasing profitability did not significantly increase the dividend policy; however, increasing dividend policy would increase the stock prices. The results also proved that debt and dividend policy did not mediate the influence of return on equity on the stock prices.

Sattar; Leifu; Ahmad; Hassan and Rizwan (2019) conducted a study to investigate if dividend payout ratio drives the profitability of firms in energy and textile sector of Pakistan during the period from 2004-2015. Specifically, the study investigated the relationship between dividend payout ratio and profitability of the firms. The sample consists of firms from two main sectors of Pakistan are selected, which are Energy and Textile. Logarithmic regression analysis was used to analyze the data collected from the sleeted firms and thus, test the null hypothesis formulated for the study. The results of logarithmic regression show that there is a negative impact of dividend payout ratio on next year earnings of a firm.

2.3.2 Corporate Social Responsibility and Firm Profitability

Onyekachi, Ihendinihu and Azubike (2020) adopted ex-post facto research design and examined the effect of environmental costs and the earnings of oil firms in Nigeria during the period from 2008 to 2017. Secondary data were collected from the annual reports and financial statements of the 5 oil and gas firms listed on Nigeria Stock Exchange during the period. Ordinary least square regression model was used to analyze the data collected for the study. Results disclose that firms' investments on the environment associates significantly with firm earnings. The study recommended that all business units in Nigeria should keep pace with contemporary financial reporting issues by adequately reporting their investments in the replenishment of the planet as that will promote their organizational image and business. It was also observed that a gap exists in the reporting of environmental activities of firms as a result of unavailability of the global accounting standard to ensure accountability and harmonization of environmental reports. In the light of this observation, the study recommended that International Accounting Standards Board should deliver a dedicated standard to fill this gap to enabling the accounting profession to effectively contribute its quota towards a sustainable planet.

Onuora and Christian (2019) examined the effect environmental cost on financial performance of oil and gas companies in Nigeria from 2017 and 2018. A sample of seven (7) firms oil and gas firms listed on Nigeria Stock change. Secondary data were collected from the sampled firm and analyzed using ordinary least square regression analysis. Results show that environmental costs have no significant effect on gross profit margin and environmental cost has significant effect on return on capital employed. The study recommended in view of the findings that management of oil and gas companies should continue to engage in incurring environmental costs accordingly as well, since they do not have any significant effect on financial performance.

Manrique and Ballester (2017) selected 2982 large firms from developed and developing countries around the world and examined the effect of corporate environmental performance on corporate financial performance during a global financial crisis. The dependent variable is corporate financial performance such as return on assets and Tobin's Q ratio while the dependent variable is corporate environmental performance. Control variables are cash flow, current ratio, leverage, size, research and development, capital, growth, market share. Secondary data were obtained from the selected firms covering the period from 2008 to 2015. Pearson correlation analysis was used to analyze the collected data, adjusting the standard errors for clustering by both firm and year. Findings show that the adoption of environmental practices significantly and positively affects the corporate financial performance in developed and developing countries. However, this effect is stronger for firms located in developing countries than those located in developed countries.

Agbo, Ohaegbu and Akubuilo (2017) investigated the effect of environmental cost on organizational performance of Nigerian Brewery Plc from 2011 to 2015. The independent variables of the study are donations, medical expenses, trainings, recruitment & canteen expenses while the dependent variable is return on asset. Secondary data were obtained from the annual report of the brewery covering the five years' period of the study. Multiple regressions were applied on the secondary data collected. Results suggest that donation and medical expenses are negatively related respectively with return on assets. Trainings, recruitment and canteen expenses and the return on assets are positively related.

2.3.3 Employees Cost and Firm Profitability

Efeeloo; Ajoku; Chikwuchehia and Turakpe (2021) studied the relationship between staff costs and profitability of quoted oil and gas companies in Nigeria from 2013 to 2018. The independent variables and measures of staff cost are: staff salaries, medical expenses and training costs while the dependent variable and measure of profitability is profit margin. The sample consists of a judgmental sampling of five (5) oil and gas firms listed on Nigeria Stock Exchange during the period. Descriptive statistics, correlation and regression analysis were adopted to analyze the data collected from the financial statements of the firms. The results of the test of hypotheses indicated that the relationship between salaries and training costs with net profit margin is and statistically significant while the relationship between medical expenses and net profit margin is negative and significant. Result further show that the relationship between staff training costs and net profit margin was significant. The study noted that since the success or failure of any management was a function of its relationship with the employees, management should always give priority attention to the welfare of its employees.

Nangih, Obuah, Wali and Turakpe (2020) examined the relationship between staff costs and profitability of listed oil and gas firms in Nigeria from 2013-2018. The effects of staff salaries, medical expenses and training costs on the profit margin of listed oil and gas firms were examined. Judgmental sampling technique was used to select five (5) firms while analysis was done using descriptive, correlation and regression analysis. Results show that both salaries and training costs impact positively on profit margin whereas medical expenses had negative effect on profitability; but only training cost was significant. It was recommended that the management of oil and gas firms in Nigeria should pay greater

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attention to staff training and development while ensuring that health hazards within the workplace are minimized as much as possible.

Ojeleye (2017) used survey research method to examine the impact of remuneration on employees' performance. Primary data were obtained from the respondents using structured questionnaire. The dependent variable was employees' performance while the independent variable was remuneration surrogated with salary and wages, bonus & incentives. Pearson correlation and multiple regression analysis were used to analyzed the data collected from the respondents. Results of analysis indicate that there is a strong and positive relationship between remuneration and employees' performance and that salary and wages and bonus and incentives also serve as a form of motivation to the employees.

2.3.4 Finance Cost and Firm Profitability

Odalo; Achoki and Njuguna (2016) adopted a survey research design to study the influence of interest rate on the financial performance of agricultural firms listed on Nairobi Stock Exchange. The sample comprises 220 staff from finance departments at all the seven (7) listed agricultural firms. Questionnaires were administered to the respondents to gather primary data used for the study. Primary data was collected using questionnaires while the secondary data was collected using data collection sheets from the firms as well as from the Nairobi Securities Exchange records. Panel data regression and correlation analysis were used to analyze the data collected for the study. Findings reveal that interest rate has a positive and significant relationship with return on assets, return on equity and earnings per share. Findings also indicate that interest rate moderate the effect of financial performance of agricultural firms listed at the Nairobi Securities Exchange.

Bustami and Heikal (2019) adopted ex-post facto research design to analyze the factors affecting profitability performance as well as the implications for stock returns on real estate and property sectors firms listed on the Indonesia Stock Exchange during the period of 2007-2014. Twenty-three (23) firms were sampled out of the 45 property firms listed in Indonesia during the period. The factors tested are interest rates charges, solvency, total asset turnover, and exchange rate and liquidity. Random effect model of panel data regression analysis was used to analyze the data collected from the firms. Findings show that factors that affect the firm's stock returns are return on assets, liquidity, solvency, total assets turnover and exchange rate while interest rate charges do not affect the stock returns of the firms during the period.

2.4 Summary of Empirical Review

Table 2.1: Summary of Empirical Review.

S/n	Author	Year	Area of Study	Title of Study	Methodology	Findings
1	Odalo; Achoki and Njuguna	2016	Kenya	Influence of interest rate on the financial performance of agricultural firms	Panel data regression and correlation analysis	Interest rate has a positive and significant relationship with return on assets, return on equity and earnings per share. Also interest rate moderate the

				listed on Nairobi Stock Exchange		effect of financial performance of the agricultural firms.
2	Manrique and Ballester	2017	Developed & Developing Countries	Effect of corporate environmental performance on corporate financial performance during a global financial crisis	Pearson correlation analysis	Environmental practices significantly and positively affects the corporate financial performance in developed and developing countries
3	Ojeleye	2017	Nigeria	The impact of remuneration on employees' performance.	Pearson correlation and multiple regression analysis	A strong and positive relationship between remuneration and employees' performance and that salary and wages and bonus and incentives also serve as a form of motivation to the employees.
4	Agbo, Ohaegbu & Akubuilo	2017	Nigeria	Effect of environmental cost on organizational performance of Nigerian Brewery.	Multiple regressions	Results suggest that donation and medical expenses are negatively related (r = -0.068 and r =- 0.072) respectively with return on assets.
5	Sattar; Leifu; Ahmad; Hassan and Rizwan	2019	Pakistan	Investigate if dividend payout ratio drives the profitability of firms in energy and textile sector.	Logarithmic regression analysis	The results of logarithmic regression show that there is a negative impact of dividend payout ratio on next year earnings of a firm.
6	Bustami and Heikal	2019	Indonesia	Factors affecting profitability as well as the implications for stock returns on real estate and property sectors firms listed in Indonesia	Panel data regression analysis	Factors that affect the firms' stock returns are return on assets, liquidity, solvency, total assets turnover and exchange rate while interest rate charges do not affect the stock returns during the period.
7	Onuora and Christian	2019	Nigeria	Effect of environmental costs on financial performance of oil and gas companies in Nigeria.	Ordinary least square regression analysis	Environmental costs have no significant effect on gross profit margin. Environmental cost has significant effect on return on capital employed
8	James and Iwedi	2020	Nigeria	Relationship between dividend policy and return on investment of selected Nigerian quoted	Ordinary least squares regression analyses	Dividend Payout Ratio, retention ratio and dividend yield have positive but insignificant relationship with Return on Investment.

				manufacturing firms.		
9	Onyekachi et al	2020	Nigeria	Effect of environmental costs accounting and the earnings of oil firms in Nigeria	Ordinary least square regression analysis	Result indicates that firms' investments on the environment associates significantly with firm earnings.
10	Mahmood; Abubakar and Moshood	2020	Nigeria	Effect of dividend payout on firm performance in Nigerian oil and gas sector.	Regression analysis and percentages	Dividend had a negative and insignificant effect on firm performance of Mobil and Total in 2017 and 2018 & significant effect in 2015 and 2016 for Total Plc. The effect for Mobil is significant in 2015 but insignificant in 2016
11	Akhmadi; Nurohman and Robiyanto	2020	Indonesia	The role of debt policy and dividend policy as variables mediating the influence of profitability on stock prices	Descriptive statistics and regression analysis	Profitability had a positive effect on stock prices, but the increasing profitability would not necessarily reduce the debt policy of firms in Indonesia. Dividend policy would increase the stock prices.
12	Nangih, Obuah, Wali & Turakpe	2020	Nigeria	Relationship between staff costs and profitability of listed oil and gas firms in Nigeria from 2013-2018.	Descriptive, correlation and regression analysis.	Salaries and training costs impact positively on profit margin whereas medical expenses had negative effect on profitability; but only training cost was significant.
13	Efeeloo; Ajoku; Chikwuchehia and Turakpe	2021	Nigeria	Relationship between staff costs and profitability of quoted oil and gas companies in Nigeria from 2013 to 2018	Descriptive statistics, correlation and regression analysis	The relationship between salaries and training costs with net profit margin is and statistically significant while the relationship between medical expenses and net profit margin is negative and significant.

Source: Authors Compilation 2022

2.5 Gap in Empirical Review

Table 2.1 shows that significant studies have been conducted in Nigeria in this area of studies. This is because 8 out of the 13 current empirical studies reviewed were carried out in Nigeria while only 5 were conducted in other economies of the world. The studies conducted in Nigeria are: Ojeleye (2017) who studied the impact of remuneration on employees' performance in Nigeria. Agbo, Ohaegbu & Akubuilo (2019) who investigated the effect of environmental cost on organizational performance of Nigerian Brewery; Onuora and Christian (2019 who studied the effect of environmental costs on financial performance of oil

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and gas companies in Nigeria; James and Iwedi (2019) who analyzed the relationship between dividend policy and return on investment of selected Nigerian quoted manufacturing firms. Onyekachi et al (2020) who studied the effect of environmental costs accounting and the earnings of oil firms in Nigeria; Mahmood; Abubakar and Moshood (2020) who examined the effect of dividend payout on firm performance in Nigerian oil and gas sector; Nangih, Obuah, Wali & Turakpe (2020) who examined the relationship between staff costs and profitability of listed oil and gas firms in Nigeria from 2013-2018; Efeeloo, Ajoku; Chikwuchehia and Turakpe (2021) who studied the relationship between staff costs and profitability of quoted oil and gas companies in Nigeria from 2013 to 2018.

Additionally, out of the 13 studies reviewed, none of them covered the period from 2011 to 2020. Furthermore, none of the studies was conducted in breweries sector of their respective economies. The present study was motivated by these gaps in empirical literature to examine the effect of stakeholders' cost on profitability of breweries firms in Nigeria from 2011 to 2020.

3.0 METHODOLOGY

3.1 Research Design

The study adopted ex-post facto researcher design. In view of this, historical financial data were obtained from the annual reports and financial statements of the sampled breweries listed on Nigeria Stock Exchange during the period of 2011 to 2020 and were used to conduct the study.

3.2 Sources of Data

The data source for the study is secondary data which were obtained from annual reports and financial statements of the selected listed breweries firms during 2011 to 2020. Specifically, the data collected were dividend payout, corporate social responsibility expenses, employees' cost, finance cost and return on assets.

3.3 Area of Study

This study was conducted in Nigeria breweries listed on the Nigeria Stock Exchange during the period from 2011 to 2020.

3.4 Population

The population of breweries listed on Nigeria Stock Exchange during the period was five (5). These five firms constituted the population of the study.

3.5 Sample Size Determination

The study targeted 5 breweries listed on Nigeria Stock Exchange during the period, out of which 3 were selected for the study. Only the firms that declared dividends and disclose their corporate social responsibility expenses during the period were considered in the sample. The firms that met these criteria and were selected are: Guinness Nigeria Plc, Nigeria Breweries

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Plc and Champion Breweries Nigeria Plc. Dividend payout, corporate social responsibility expense, employees' cost and finance cost were the independent variable and proxies for stakeholders' cost while return on assets is the dependent variables and proxy for financial performance.

3.6 Model Specification

We developed the following model taking into consideration the variables of the study:

$$ROA = \beta 0 + \beta 2DVDP + \beta 3CSRE + \beta 3EMPC + \beta 3FINC + \varepsilon$$

Where:

ROA = Return on Assets

DVDP = Dividend Payout

CSRE= Corporate Social Responsibility Expenses

EMPC = Employees' Cost

FINC = Finance Cost

β = Beta

ε = error terms

3.7 Description of Variables

Variable Name	Label	Description
Return on Assets	ROA	This is a profitability ratio that indicates how firm management is deploying the total assets at its disposal to generate earnings for the firm. It is calculated by dividing profit for the year by the total assets. It is a metric that measures the profitability of a business in relation to its total assets
Dividend Payout	DVDP	Dividend payout is the amount of dividend approved by the Board and distributed to shareholders as their return on investment during a financial year. Dividend is usually paid out of current year profit or from reserves.
Corporate Social Responsibility Expenses	CSRE	This is the compensations which firms pay to stakeholders in its environment, particularly, the host community for the environmental degradation and destruction of the eco-system caused by the operations of the firm in the environment. The compensation is usually in the form of infrastructural development, bursary awards, scholarship,

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		training or skill acquisition to indigent students of the host communities and so on.
Employees' Cost	EMPC	Employees' cost are those remunerations paid to employees working in an organization. They include Wages and salary; allowances and incentives; overtimes payments; pensions and gratuity; benefits like leave allowances, free or subsidized meals, leave travel concession and so on
Finance Cost	FINC	Financing cost, also known as the cost of finances is the cost, interest, and other charges involved in the borrowing of money.

Source: Authors Compilation 2022.

3.8 Method of Data Analysis

Multiple regression and correlation analyses were used to analyze the data collected for the study. Dividend payout, corporate social responsibility expense, employees' cost, and finance cost were the independent variable and proxies for stakeholders' cost while return on assets is the dependent variable and proxy for financial performance.

4.0 DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

The study analyzed the effect of stakeholders' cost on the profitability of breweries firms in Nigeria. Secondary data were extracted from the annual reports and accounts of the three (3) selected breweries firms listed on the Nigeria Stock Exchange during the period from 2011 to 2020. The extracted data are presented in Table 4.1.1.

Table 4.1.1: Data from the Breweries Firms

FIRM	YEAR	DIVIDEND PAYOUT N(000)	CSR EXPENSES N(000)	EMPLOYEE COST N(000)	FINANCIAL COST N(000)	PROFIT FOR THE YEAR N(000)	TOTAL ASSETS N(000)	RETUN ON ASSETS
GUINESS	2011	12,168,136	50,775	7,117,637	564,850	(12,578,818)	144,145,581	(0.09)
	2012	14,749,255	139,909	8,242,215	2,093,463	5,483,732	160,792,627	0.03
	2013	11,799,404	40,154	8,899,803	4,125,928	6,717,605	153,254,968	0.04
	2014	10,541,217	11,406	9,527,408	4,761,559	1,923,720	146,038,216	0.01
	2015	4,818,842	11,207	12,728,213	5,577,720	(2,015,886)	136,992,444	(0.01)
	2016	4,818,842	67,985	12,320,601	7,948,005	7,794,899	122,246,632	0.06
	2017	963,768	11,775	11,545,819	9,777,634	9,573,480	132,328,273	0.07

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	2018	4,030,563	11,775	9,599,511	5,644,560	11,863,726	121,060,621	0.10
	2019	4,030,563	-	8,769,401	2,613,309	14,214,620	102,534,172	0.14
	2020	3,329,382	30,000	10,428,763	4,542,428	17,927,934	92,175,032	0.19
NBL	2011	9,483,203	76,521	17,230,447	1,604,177	7,368,369	445,877,202	0.02
	2012	22,687,687	81,678	23,919,971	8,867,507	16,104,763	382,777,522	0.04
	2013	22,688,113	207,194	27,645,906	7,482,310	19,401,169	388,262,869	0.05
	2014	43,485,550	140,200	28,817,068	6,096,398	33,009,292	382,228,093	0.09
	2015	37,266,774	156,785	38,047,404	8,217,788	28,396,777	367,146,468	0.08
	2016	36,473,864	176,249	39,031,407	13,645,146	38,049,518	356,218,676	0.11
	2017	28,453,982	76,886	41,640,292	10,663,076	42,520,253	34,229,163	1.24
	2018	29,828,444	57,701	42,400,343	7,891,519	43,080,349	252,759,633	0.17
	2019	18,632,782	94,768	39,838,447	12,114,546	38,042,714	253,633,629	0.15
	2020	14,074,548	634,547	10,983,265	18,274,739	38,434,033	235,701,196	0.16
INT BREWERY	2011	-	61,852	958,753	656,785	12,376,082	372,646,406	0.03
	2012	-	59,785	1,000,853	784,770	(27,790,665)	365,146,533	(0.08)
	2013	1,024,818	52,452	1,106,778	1,976,205	(3,866,298)	312,084,488	(0.01)
	2014	1,024,818	46,674	1,640,582	1,127,342	1,395,225	253,820,704	0.01
	2015	-	42,654	2,716,985	1,821,034	1,034,357	33,482,106	0.03
	2016	1,189,365	79,992	3,770,432	1,709,387	2,652,748	30,171,590	0.09
	2017	1,189,365	54,548	4,197,768	9,760,016	1,946,490	24,370,540	0.08
	2018	1,332,837	80,475	4,064,801	3,119,494	2,105,500	23,036,762	0.09
	2019	1,332,837	92,159	4,381,150	1,181,957	2,327,342	14,288,312	0.16
	2020	-	323,101	3,690,538	1,676,856	(2,172,888)	14,258,312	(0.15)

Source: Author's Compilation 2022.

4.2 Data Analysis

Multiple regression analysis was used to analyze the data extracted from the annual reports and accounts of the selected breweries firms in Nigeria. The results of the analysis are presented in tables 4.2.1 (model summary) and 4.2.2 (Multiple regression table).

Table 4.2.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.7270(a)	.668	.6459	2101.50024

a Predictors (Constant): DVDP, CSRE, EMPC, and FINC

Source: SPSS Output

It could be observed from the model summary in table 4.2.1 that the adjusted Coefficient of Determination (R2) is 0.6459. This implies that about 65% of the variation in return on assets of the selected breweries firms is explained by the predictor variables consisting of dividend payout, corporate social responsibility expenses, employees cost and finance cost while the remaining 35% is explained by other factors not included in the model of the study.

Table 4.2.2: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	P-value
		B	Std. Error	Beta		
1	(Constant)	11.5556	7223.0008	1.8268	2.5345	.3669
	DVDP	.4927	22.1215	.5233	2.0929	.0356
	CSRE	.6001	18.3046	.2888	2.3117	.0128
	EMPC	.8300	15.0022	.1808	2.9709	.0000
	FINC	-.5450	11.7333	.3525	-2.0030	.0411

a. Dependent Variable: ROA

Source: SPSS output

4.3 Test of Hypotheses

The study adopted multiple regression analysis to analyze the secondary data extracted from the selected firms. The results from the analysis were used to test the four null hypotheses formulated for the study. Results of the test of hypotheses are presented thus:

Decision rule:

Level of significance (α) = 0.05. Reject the null hypothesis if the significant value in the correlation coefficient is less than the level of significance (0.05), otherwise accept the null hypothesis. Based on this decision rule, the results of the test of hypotheses are hereby presented as follows:

Test of Hypothesis One:

H0: Dividend payout does not significantly affect the return on assets of breweries firms in Nigeria.

H1: Dividend payout significantly affects the return on assets of breweries firms in Nigeria.

Results from the multiple regression model in table 4.2.2 suggest that the p-value of dividend payout is 0.0356, which is significant at a 0.05 level of significance (0.05 > 0.0356). Based on this result, we reject the null hypothesis and accept the alternative which states that firm dividend payout significantly affect the return on assets of breweries firms in Nigeria.

Test of Hypothesis Two:

H0: Corporate social responsibility does not significantly affect the return on assets of breweries firms in Nigeria.

H1: Corporate social responsibility significantly affects the return on assets of breweries firms in Nigeria.

The multiple regression model also shows that the p-value of corporate social responsibility expenses is 0.0128, which is significant at a 0.05 level of significance (0.05 > 0.0128). Based on this we reject the null hypothesis and accept the alternative which states that corporate social responsibility expenses significantly affect the return on assets of breweries firms in Nigeria.

Test of Hypothesis Three:

H0: Employees' cost does not significantly affect the return on assets of breweries firms in Nigeria.

H1: Employees' cost significantly affects return on assets of breweries firms in Nigeria.

The regression model further indicates that the significant value of employees' cost is 0.0000, which is significant at 0.05 level of significance (0.5 > 0.0000). Based on this, we reject the null hypothesis and accept the alternative which states that employees' cost significantly affects return on assets of breweries firms in Nigeria.

Test of Hypothesis Four:

H0: Finance cost does not significantly affect the return on assets of breweries firms in Nigeria.

H1: Finance cost significantly affects return on assets of breweries firms in Nigeria.

The model finally shows that the p-value of finance cost in is 0.0411, which is significant at a 0.05 level of significance (0.05 > 0.0411). Based on this, we reject the null hypothesis and accept the alternative which states that finance cost significantly affects the return on assets of breweries firms in Nigeria.

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4.4 Discussion of Findings

Dividend Payout and Return on Assets: Results from the multiple regression model in table 4.2.2 suggest that the effect of dividend payout on return on assets is positive at 0.4927 and also significant at 0.05 level of significance (0.05 > 0.0356). Based on these results, we opine that the effect of dividend payout on return on assets of breweries firms in Nigeria is positive and statistically significant. The result is consistent with Stakeholders' Theory propounded by Edward Freeman in 1984. Freeman (1984), which argued that since organizations cannot operate and exist in isolation without relating with its immediate environment then the interest of other stakeholders like employees, customers, suppliers and host community might be considered in the process of strategic decision-making. Therefore, the organizations should not only maximize the returns of shareholders alone, but also the expectations of other stakeholders.

This result is consistent with: James and Iwedi (2020) who examined the relationship between dividend policy and return on investment of selected Nigerian quoted manufacturing firms. Results show that dividend payout ratio, retention ratio and dividend yield has positive but non-significant relationship with Return on Investment. The result is, however, not consistent with: Sattar; Leifu; Ahmad; Hassan and Rizwan (2019) who investigated if dividend payout ratio drives the profitability of firms in energy and textile sector in Pakistan. The results show that there is a negative impact of dividend payout ratio on next year earnings of a firm; Mahmood, Abubakar and Moshood (2020) who investigated the effect of dividend payout on firm performance in Nigerian oil and gas sector. Findings show that dividend had a negative and non-significant effect on firm performance of Mobil and Total in 2017 and 2018 and significant effect in 2015 and 2016 for Total Plc.

Corporate Social Responsibility Expenses and Return on Assets: Results from the regression model also disclosed that the effect of corporate social responsibility expenses on return on assets is positive at 0.6001 and also significant at 0.05 level of significance (0.05 > 0.0128). In the light of these results, we state that the effect of corporate social responsibility expenses on return on assets of breweries firms in Nigeria is positive and also statistically significant. The study is consistent with Stakeholders' Theory propounded by Edward Freeman in 1984. Freeman (1984) argued that since organizations cannot operate and exist in isolation without relating with its immediate environment then the interest of other stakeholders like employees, customers, suppliers and host community might be considered in the process of strategic decision making. Therefore, the organizations should not only maximize the returns of shareholders alone, but also the expectations of other stakeholders.

This result is also in agreement with: Manrique and Ballester (2017) who analyses the effect of corporate environmental performance on corporate financial performance during a global financial crisis and found that environmental practices significantly and positively affect the corporate financial performance in developed and developing countries. Onuora and Christian (2020) who studied the effect environmental cost on financial performance of oil and gas companies in Nigeria and found that environmental cost has significant effect on returned on capital employed. Onyekachi et al (2020) who studied the effect of environmental costs accounting and the earnings of oil firms in Nigeria and found that firms' investments on the environment associates significantly with firm earnings. The result is, however, not

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consistent with: Agbo, Ohaegbu and Akubuilo (2017) who studied the effect of environmental cost on organizational performance of Nigerian Brewery. Findings show that donation and medical expenses are negatively related with return on assets.

Employees' Cost and Return on Assets: Results from the regression model further show that the effect of employees' cost on return on assets is positive at 0.8300 and significant at 0.05 level of significance (0.05 > 0.0000). In view of these results, we assert that the effect of employees' cost on return on assets of breweries firms in Nigeria is positive and also statistically significant. The study is consistent with Stakeholders' Theory propounded by Edward Freeman in 1984. Freeman (1984), argued that since organizations cannot operate and exist in isolation without relating with its immediate environment then the interest of other stakeholders like employees, customers, suppliers and host community might be considered in the process of strategic decision making. Therefore, the organizations should not only maximize the returns of shareholders alone, but also the expectations of other stakeholders.

This result is equally in line with Ojeleye (2017) who examined the impact of remuneration on employees' performance in Nigeria. Findings showed a strong and positive relationship between remuneration and employees' performance and that salary and wages and bonus and incentives also serve as a form of motivation to the employees. Nangih, Obuah, Wali and Turakpe (2020) who studied the relationship between staff costs and profitability of listed oil and gas firms in Nigeria; Results show that salaries and training costs impact positively on profit margin; Efeeloo; Ajoku; Chikwuchehia and Turakpe (2020) who studied the relationship between staff costs and profitability of quoted oil and gas companies in Nigeria. Results show that the relationship between salaries and training costs with net profit margin is and statistically significant while the relationship between medical expenses and net profit margin is negative and significant. The result is, however, not consistent with: Nangih, Obuah, Wali and Turakpe (2020) who studied the relationship between staff costs and profitability of listed oil and gas firms in Nigeria and found that staff medical expenses had negative effect on profitability.

Finance Cost and Return on Assets: The model equally suggest that the effect of finance cost on return on assets is negative at 0.5450 and significant at 0.05 level of significance (0.05 > 0.0411). Therefore, we posit that the effect of finance cost on return on assets of breweries firms in Nigeria is negative and also statistically significant. This result is consistent with: Bustami and Heikal (2019) who analyze the affecting of profitability as well as the implications for stock returns on real estate and property sectors firms listed in Indonesia. Interest rate charges do not affect the stock returns during the period. The result is, however, not agreement with: Odalo; Achoki and Njuguna (2016) who studied the influence of interest rate on the financial performance of agricultural firms listed in Kenya. The result show that interest rate has a positive and significant relationship with return on assets, return on equity and earnings per share.

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

Based on the results of the multiple regression analysis used to analyze the data, findings and discussions that ensued, we summarize the findings of the study as hereunder:

i. Dividend payout positively and significantly affects return on assets of breweries firms in Nigeria during the period.
ii. Corporate social responsibility positively and significantly affects return on assets of breweries firms in Nigeria during the period.
iii. Employees' cost positively and significantly affect return on assets of breweries firms in Nigeria during the period.
iv. Finance cost negatively and significantly affected return on assets of breweries firms in Nigeria during the period.

5.2 Conclusion

The study examined the effect of stakeholders cost on profitability of breweries firms in Nigeria using the period from 2011 to 2020 as reference dates. The five (5) breweries firms listed on Nigeria Stock Exchange during the period were targeted, out of which a sample of three (3) were selected using purposive sampling method. Only breweries firms that declared dividends during the periods were selected. Time series data extracted from the annual reports and financial statements of the selected breweries firms were analyzed using multiple regression analysis. Based on the results from the analysis, we concluded that predictors variables significantly determined the variation in return on assets during the period. This study further concludes that dividend payout, corporate social responsibility expenses and employees' cost positively and significantly affect return on assets of the breweries firms while finance cost negatively and significantly affect return on assets of the firms during the period.

5.3 Recommendations

Based on the conclusion of this study, we recommend the following for the managers of breweries firms in Nigeria:

i. The breweries' firms managers in Nigeria should formulate dividend policies that will enable the firms pay regular dividends to their shareholders while at the same time retain enough earnings for future growth and expansion of the firms.
ii. The firms' managers should also implement corporate social responsibility programmes in their host communities so as to improve their earnings and return on assets. This can be achieved by liaising with the community leaders and also ensuring that CSR expenses feature in the firms' annual budgets.
iii. The study recommends also that the firm managers should formulate and adopt good staff incentive policies that will motive staff of the breweries to increase the firms' productivity. Such policies should cover staff salaries and wages, staff pension and gratuity as well as other staff welfare packages.
iv. Lastly, the study recommends that the managers should bring down the finance cost of their firms in order to improve return on assets of the firms. This can be done by properly negotiating the terms and conditions of loan facilities before accessing the loans.

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