

# Review of: "Corporate giving as earnings quality signal: some new evidence from Nigeria"

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This research presents a discussion of the emerging understanding between various CSR variables and organisational performance. The context within which the research is conducted is listed companies in Nigeria, and the variables explored are earnings' quality (dependent) and a conventional series of independent variables. What emerges is of interest in the context of developing countries, especially the observation that 'CSR' - using the term euphemistically - in this context is largely interpreted as being corporate philanthropy. That observation supports our own research, conducted in Pakistan with Dr Majid Khan, that CSR in a developing country context is not necessarily the same concept as that in a developed nation, such as, New Zealand. Where Friedman's full-hand to "make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom" prevails. It is fair to say that in New Zealand the influence of small-world networks is observed (and has been measured) to uphold the basic rules of society, and ethical custom. Against which the notorious outliers, such as, Pike River Coal Limited are held as evidence that such custom doesn't exist. Hence the discussion offered by the authors with respect to statistics and their limitations is a further useful contribution. Their observations, with a philosophical 'like' inquiry into the creation of knowledge are refreshing - whereas in a small economy one failure is all too often held up as justification for more regulation, and quantitative analysis is simply refuted by opponents of the free market.

The discussion over the selection of the dependent variable metric could have been extended. This section was worthy of inclusion in the preceding literature review. Earnings quality is an interesting construct, consequently the selection of one metric from a choice of several; the attributes of each; and, how the choice was made was worth exploring in detail.

The last observation, one that is relevant to many country studies is what is relevant here, and or unique here that can be extended beyond Nigeria? Namely, what is offered to the reader that may be applicable not within but beyond Nigeria? The model developed is sound, the statistical analysis is as expected, and the discussion that follows fair and reasonable. The absence of a metaphysical elaboration is problematic, but not uncommon to country studies. The extrapolation to developing country contexts, say in general, could have been undertaken and with that the appropriate limitations put in place.

An enjoyable read, thank you for the opportunity to participate and I wish you well with your research.

