Society & Sustainability 4(1), 2022 **ISSN: 2690-6767**

Ethical Approach to Sustainability Accounting Practices and Financial Performance of Aviation Companies in Nigeria: A Conceptual Model

Uchenna Israel Okafor
Department of Accounting, University of Uyo, Uyo, Nigeria
Email: diamonhill4@yahoo.com

Citation: Okafor, U. I. (2022). Ethical Approach to Sustainability Accounting Practices and Financial Performance of Aviation Companies in Nigeria: A Conceptual Model. *Society & Sustainability, 4 (1),* 25-42. https://doi.org/10.38157/ss.v4i1.389.

Research Note

Abstract

Considering the significance of environmental and social hazards alongside the inevitable economic importance of the aviation industry, the researcher examined the general impact of the ethical approach to environmental and social Sustainability Accounting Practices (SAP) on their performance in Nigeria. Due to a lack of financial data in the public domain of Nigeria's aviation industry to empirically measure performance indices, the researcher adopted an exploratory research design in combination with an integrative conceptual and a practical case review as alternative analytical models. The case result and majority of findings among reviewed researches conducted in other countries did not only support a positive association between sustainability accounting practices and financial performance of aviation companies but also demonstrated a significant influence of the ethical dimension of SAP in such nexus. Drawing from the results of reviewed studies and findings from case analysis, therefore, the researcher hypothetically concluded that a positive association exists between SAP and financial performance in Nigeria's aviation industry. However, the researcher further attributed the scarcity of relevant financial data for empirical analysis to a poor listing of aviation companies on the Nigerian Stock Exchange (NSE), especially the domestic airlines. In addition to developing a hypothetical background and raising research questions for future empirical investigation, it was recommended among other things that aviation companies in Nigeria should exploit the ethical dimension of corporate social responsibility as a practical strategy for entrenching their "going concern" objective in a long-term good corporate financial outlook.

Keywords: Aviation Industry, Sustainability Accounting Practices, Corporate Social Responsibility Disclosure, Sustainability Reporting, Social and Environmental Sustainability.

1. Introduction

The concept of Sustainability Accounting Practices (SAP) also known as Corporate Social Responsibility (CSR) disclosure or Sustainability Reporting (SR) has been attracting growing public concern over the past few decades (Mitchell & Quinn, 2005; Nel & Nienaber, 2012; and Lawrence, Botes, Collins, & Roper, 2013). Nonetheless, with the increasing global awareness of sustainability practices, many scholars, practitioners, and industry gatekeepers still appear significantly less enthusiastic about such practices and their disclosures by aviation companies in Nigeria. Whereas studies on sustainability reporting are proliferating in less environmentally sensitive industries such as banking and hospitality, related studies concerning the activities of airline and allied companies remain scarce despite their environmental restrictions on society, noise pollution, and greenhouse gas emissions. Besides direct health hazards, aviation operations contribute fairly to global warming and other environmental degradations.

Yim, Lee, Lee, Allroggen, Ashok, Caiazzo, Eastham, Malina, and Barrett (2015) cited in Harrison, Masiol, and Vardoulakis (2015) reported that about 5000 people who live within 20 kilometers of airports are estimated to annually die prematurely due to long-term exposure to aviation-attributable particulate matter (PM2) emission. The researchers also noted the scarcity of information and very sparse public awareness about the impact of aviation operations on the environment and public health, despite increasing business activities in the industry. Living within a daytime aircraft noise path with noise at or above 55 decibels was associated with an adverse effect on the quality of life, well-being, and health estimated through life satisfaction, happiness, anxiety, and blood pressure (Lawton & Fujiwara, 2016).

Among other studies, Abdullah, Merv, and Ali (2018) noted a red alert and rising concern about the growth rate of the aviation industry in terms of passenger and cargo transportation because it implies more fuel consumption, more hazardous waste, and more noise. Unfortunately, shocking predictions about global damage to the environment and society, are that estimated nitrogen oxide emission is to increase from 2.5 million tons up to 6.1 million tons in 2025 and carbon dioxide (CO_2) emission is to double to 1229 million tons within the same interval, as a result of increasing aviation activities (Aviation Environment Federation, 2008). Hence, more emissions are expected into the atmosphere in the years ahead, especially closer to the airports (Timo & Annika, 2010). These, moreover underscore the importance of the ethical dimension of CSR practices either as voluntary compliance or compulsory action enforceable through the apparatus of the government.

Depending on the concerned territory, different business entities engage in CSR practices for various reasons ranging from pure philanthropy, ethical compliance, regulatory compliance, societal pressure, public reputation, and/or financial returns (Lee & Shin, 2010). Whatever may be the reason for considering voluntary compliance to CSR practices by firms, the ethical dimension requires greater attention and regulatory actions from the government. This will serve to check against adverse environmental and social implications of aviation operations, especially in developing countries such as Nigeria, where voluntary compliance may not be easily achievable.

The ethical dimension of SAP refers to CSR behaviors, activities, and practices morally acceptable or abhorred by stakeholders of an organization, irrespective of their legislative undertone (Jucan & Jucan, 2010). The World Council for Sustainable Development (2002) cited in Grosbois (2012) defined CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”. Moreover, the application of the ethical norms is to also comply with cultural and territorial differences. For instance, moral ethics in European countries may significantly differ from those in African countries.

As already noted, however, the ethical compliance to sustainability practices by business organizations may not be easily obtainable in most developing countries such as Nigeria without legal enforcement by the government. Whatever the action of the government nonetheless, CSR disclosures and reporting by firms operating in an environmentally sensitive industry are necessary to provide relevant and transparent financial and non-financial information of their activities in utmost good faith for efficient, effective, and reliable decisions by stakeholders.

Thus, the practices of how best to integrate this financial and non-financial information, are becoming very fundamental focus among different industries and territories across the world, especially in the rising cases of public agitation for businesses to be environmentally and socially responsible in their operations. Hence, the need for companies to disclose their various SAP efforts and contributions in published reports as steps towards mitigating the impact of negative externalities on their operating environment (Umoren, Isiavwe-Ogbari, & Atolagbe, 2016).

Sustainability frameworks and disclosure models popularly adopted by companies across the world and adapted by researchers include but are not limited to UN Global Compact (UNGC), Millennium Development Goals (MDGs), Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI),

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

and lately Sustainability Development Goals (SDGs) (Fahria, Sahibzada, & Abdul, 2016). Moreover, the Global Reporting Initiative (GRI), launched in 1997, seems to be in the lead in the global disclosure frameworks for corporate social responsibility and sustainability reporting. While mandatory reporting guidelines may be subject to territorial regulations and standards, GRI provides the most comprehensive and globally acceptable framework for voluntary disclosure across firms of various sizes in different territories (Brenda, André, Jorge, & Franziska, 2014). Like many other territories, there is no mandatory requirement for quantitative disclosure of sustainability information in the financial reports by business entities in Nigeria, under the Companies Act, other financial legislations, or as per International Financial Reporting Standards (IFRS). Therefore, sustainability Accounting practices by companies operating in Nigeria are purely voluntary actions.

Prior research that examined corporate social responsibility disclosure practices with financial performance in different industries around the world resulted in a mix of positive, negative, and neutral nexus; thus inconclusive and at variance (Griffin & Mahon, 1997). Despite its hyper environmental and social sensitivity, no previous study on this relationship was found in the aviation industry of Nigeria. That could be attributable to an obvious lack of financial data in the public domain of the industry for empirical analysis. Thus, suggesting the need for this conceptual or theoretical study to guide future empirical studies in the subject area. To such an extent, the researcher adopted an exploratory research design, an integrative literature review, and a case analysis as an alternative operational method. However, considering the possible legal or regulatory role of the government in advancing the ethical concern of sustainability practices, a conceptual study of this nature may also promote public awareness and policy formulation in such aspects of the economy.

This paper started by introducing and describing sustainability accounting practices and other related issues within the aviation industry. The remaining sections are arranged as follows. Section two expounds on the theoretical framework for a logical explanation of the relationship between SAP and the performance of firms. Whereas section three followed with an Empirical review of related literature, section four is concerned with hypotheses development, and case analyses. Finally, section five is the conclusion, section six is the recommendations, and section seven is the suggestions for further studies.

2. Theoretical Framework

Among theories that are germane to this study are ecocentrism theory, moral relativism theory, stakeholder theory, stockholder theory, and social contract theory. While stakeholder and stockholder theorists hold extremely divergent views about sustainability accounting practices with corporate performance; both are organizational management and business ethics theories that convergently purport to promote the financial performance of business entities, though from different schools of thought. Nonetheless, social contract theory may rank as a mediator to the excesses of both of them within the regulatory framework of the government. Stakeholder theory has been widely adopted by many researchers in their explanation of the association between sustainability reporting (CSR disclosure) and firms' financial performance. That might be based on the popular *apriori* expectation of a positive nexus between the variables, yet empirical results consistently reveal a mix of negative, positive, and neutral relationships. Siltaoja (2006); McWilliams and Siegel (2010) demonstrated that CSR improves organizational performance through a sound relationship with stakeholders. A meta-analysis further revealed that 59 percent of studies in the investigation resulted in a positive relationship between CSR investment and corporate financial performance, whereas 14 percent of them showed a negative relationship (Peloza, 2009). In contrast, however, some researchers still adopt stockholder theory as their preferred for explaining the inconsistency of CSR practices with firms' financial performance. For instance, Freeman and Liedtka (1991) argued that investment in CSR does not improve organizational performance; instead, it is capable of decreasing firms'

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

competitiveness as managers may spend resources beyond their expertise. Besides the contrasting cost-benefit views of stakeholder and stockholder exponents within the mediation of social contract theory, the researcher also explores the importance of ecocentrism theory of environmental ethics and moral relativism theory of meta-ethics as other probable pathways to achieving compliance to sustainability practices by aviation firms. Such a grid of theories may serve the purpose of striking a balance in this controversial subject area and setting the stage for future unbiased empirical investigation of sustainability accounting practices in the aviation industry of Nigeria.

2.1. Ecocentrism Theory

Most Companies primarily exist for profit motive and fundamentally by maximizing shareholders' wealth, firms in the aviation industry are not any exception. However, their activities toward such objectives sometimes result in eco-imbalance such as nuisance, and damage to the society and the environment. Such may specifically include noise, pollution, environmental degradation, natural asset depletion, societal health and economic hazards, inadequate health and safety precautions for workers, and destruction of natural habitats for animal organisms among others. Therefore, the failure of many companies to account for these negative externalities arising from their operations is a threat to wholesome earth and a healthy human population. Hence, the intervention of ecocentrism theory. Eco centrism is one of the theories of environmental ethics introduced by Aldo Leopold in 1949 which mainly advocates for the well-being of all living organisms and the entire ecosystem, biotic and abiotic (Washington, Taylor, Kopnina, Cryer, & Piccolo, 2017). Arguing further in favor of ecocentrism as a solution to the global environmental crisis, the researchers posited that the well-being of the non-human aspect of the Earth possesses intrinsic value independent of its limited usefulness for human purposes. Nevertheless, support for environmental protection and strict adherence to the principles of ecocentrism theory could be detrimental to economic development and national progress; Thus the need to moderate its associated excesses. Institutionalizing sustainability accounting practices for regulating the activities of business entities is one of the widely speculated models for mitigating the excesses of ecocentrism.

2.2. Moral Relativism Theory

The intersection of the dreadful environmental and social consequences and predictions of the aviation industry and its economic importance is a demonstration of conflict of interests. However, the moral relativism meta-ethical model traceable to the work of William Graham in 1906 adequately explains the best practices for mutual interaction and compromise in such conflict of interests. Although, a delicate pathway, such understanding provides a guided application of ethical codes to sustain the environment and the society without distorting and discouraging investment in the aviation industry or undermining its economic importance. Warburton (2013) suggested conceptualizing ethical decisions within the reality and context of modern society. This approach allows a shared concern of the negative externalities of aviation activities without disservice to its economic benefits or the overall good of the ecosystem. Ling and Hauck (2016) further recommended benchmarking ethical practices on industry standards derived from the practices of industry leaders. The researchers stated the sequence of the model to include evaluating the dilemma, rethinking the future, sympathizing with and helping the affected parties, accessing the necessary information, and calculating the associated risk before deciding on the course of action. In fairness to economic development, however, sustainability accounting practices may be a significant intervention for mutual interaction between environmental concerns and aviation activities.

2.3. Stakeholder Theory

Introduced in 1984 by Edward Freeman, stakeholder theory is all about individuals or groups whose interests may affect or be affected by actions, decisions, policies, practices, goals, or inactions of an organization (Ebiringa, Yadirichukwu, Chigbu, & Ogochukwu, 2013). The exponents of the theory posit that corporations exist to also benefit others with an indirect interest in the entity, in addition to their shareholders. In the opinion of Al-Amosh and Mansor (2018), it emphasizes the need for

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

management to satisfy the aspirations and expectations of different stakeholders including transparent reporting while attempting to achieve organizational goals. Among others, the stakeholders may include employees, suppliers, customers, investors, shareholders, host communities, the general public, and the government.
Kang, Lee, and Huh (2010) further highlighted the value relevance of CSR practices as an important component of actions and decisions capable of improving the reputation and financial performance of business entities. Satisfying the expectations of different stakeholders by the organization has the potential to improve their acceptability as well as reduce the cost of marketing their goods and services, the cost of wooing investors to their stocks and securities, cost of managing different communities' agitations alongside the ease of accessing loan facilities. The interpretation underlying this assertion is that CSR activities improve the relationship between companies and their essential constituencies, such as banks, investors, host communities, and governmental agencies.
Thus, the proponents of stakeholder theory insist on considering the well-being of all constituent groups of an organization as a better approach to maximizing shareholders' wealth and overall firm performance. Whereas satisfying the interest of shareholders by complying with accounting standards and codes of corporate governance is traditionally the central focus of most businesses over the years, the concern of a larger chunk of other stakeholders is still a subject of debate across many territories of the world. Though not without dissenting views by disciples of stockholder theory, stakeholder theory furnishes a convincing argument in support of CSR and reporting same in the financial statements as a possible basis for high-quality performance by business entities, including the aviation companies.

2.4. Stockholder Theory
Expounding stockholder theory, Friedman (1970) argued that a company's overriding goal is to maximize profit and overall investors' returns. Also known as shareholder theory or the conventional view of a firm, it posits that CSR which is considered a philanthropic action and the responsibility of the government may be harmful to a firm's financial performance by distorting optimal resource allocation (Lee, Seo, & Sharma, 2013). The conventional view insists that CSR attracts additional unnecessary expenses to the organization. Moreover, such expenses can drain profit and result in a competitive disadvantage for a company as well as cause a negative association between CSR and market performance.
Thus, the negative relationship between CSR and performance observed by some researchers could find expression in this theory. Friedman (1970) further contended that social responsibility is not an institutional responsibility but an individual's concern and suggesting otherwise is socialism; therefore, the theorist insisted that executives who spend corporate funds on social programs are unfairly taxing shareholders and customers by using their money without permission. The theorist unequivocally summarized his argument that the only Social Responsibility of a Business is to grow shareholders' wealth. This position could have been impeccable if some business operations, especially in the aviation industry are without additional harm to society and the environment. Unfortunately, an unhealthy society and unwholesome earth are also detrimental to the 'going concern' philosophy of aviation companies. Without adequate explanation about handling the negative externalities of business entities, however, stockholder theory seems to provide a major explanatory background for negative outcomes in the relationship between CSR and the performance of business organizations. Hence, it is important for an unbiased argument about the performance implication of CSR in the aviation industry.

2.5 Social Contract Theory
Also known as political contract, the social contract theory introduced by Thomas Hobbes in 1651 is a moral philosophy that a government is only legitimate if it protects and preserves the natural and

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

inalienable rights of all individuals and institutions. The central concept of social contract theory is that the society enthrones a government to maintain their generally acceptable social order, rules, rights, and laws in fairness to all; else, such government becomes a failure. This implies that the essence of the government is not to impose alien laws but to execute morally binding societal norms. Moreover, moral rules are screened for adoption through rational agreement or lack of rejection by members of a given society and not through contrived or imposed agreement. Therefore, it demonstrates that societal regulations (moral, political, legal among others) can be rationally justified by even the least member of a society, and must be enforced by the government. To this extent, the government knows the rules of ethics concerning the operations in the aviation industry; hence responsible for safeguarding the planet and people from undue exploitation and hazards arising from the activities of aviation companies. Similar to the moral relativism model, the government is also expected to deal with undue excesses of the society, through rational reasoning and mutual understanding of concerned parties. However, the mediating role of this theory is to strike a balance between stakeholder and stockholder theories through ethical and rational reasoning about wholesome earth and a healthy society.

2.6 Critical Evaluation of the Underlying Theories

While both argue in favor of CSR, ecocentrism theory appears ethical extremism capable of mitigating industrialization and urbanization drive whereas stakeholder theory advocates for industrialization but recommends off-setting the impact of negative externalities by businesses on their operating environment; perhaps, as a strategy for better economic performance. Proponents of stakeholder theory expound on ethical practices benchmarked on the principles of good corporate citizenship and responsible neighborliness by firms. In contrast, stockholder theory undermines and challenges the idea of the positive influence of CSR practices on corporate performance. The exponents of stockholders perceive the ethical dimension of CSR as unnecessary expenses and undeserving or unmerited economic flow from business entities to society. Hence, the need for government mediation through the social contract principle in such divergent views relating to sustainability practices. In reality, nonetheless, most sustainability practices cannot restore the ecosystem as it would have been in its original and natural condition. For instance, the use of anti-pollutants, adopting clean energy, and reducing carbon emission practices by some firms are mere to offset the worse off conditions caused by their operations, and not to fully compensate for their damages. Thus, CSR expenditure appears an insignificant proportion of the total opportunity cost of industrialization and economic development on the environment, as the bulk of the foregone alternative is still borne by the society. In congruence with the approaches of stakeholder and social contract theories, however, the morality approach to CSR also seems non-negotiable for a fair, just, and egalitarian society as postulated in the moral relativism meta-ethical theory.

3. Empirical Literature

Despite increasing public awareness of the value relevance of sustainability practices alongside numerous CSR studies especially in the manufacturing and banking sectors, Tsai and Hsu (2008) noted an obvious dearth of social and environmental sustainability studies in the aviation industry, especially concerning Airline operations. The aviation industry is a collective description of companies operating in air transport and allied support services, ranging from manufacturers of aircraft, airlines, airports, and other related firms. It is further described as a collection of airlines and related firms that facilitate the movement of people and goods from one place to another by the air transportation system, which may involve but is not limited to activities such as flight schedules, aircraft maintenance, and servicing, air traffic management and regulation, baggage check-in and handling, in addition to on-site retail and catering services (Sylva & Umoh, 2018).

Aside from its popularity and important role in every economy, aviation is sometimes considered a nuisance due to environmental concerns and their social consequences such as noise pollution, emission of hazardous gases, the release of chemical wastes, water pollution, and an increase in road traffic to and from airports alongside associated negative externalities (Eco Travelling, 2010) as cited

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

in (Timo & Annika, 2010). Besides other numerous inconveniences to people living close to airports, a Research conducted by Imperial College in London found that living underneath flight paths for 5 years or more exposes residents to an increased risk of high blood pressure (Airport International, 2010) cited by (Timo & Annika, 2010). Moreover, increasing global aviation damage to the environment is predicted to raise the emission of nitrogen oxides from 2.5 million tons up to 6.1 million tons in 2025 and carbon dioxide (CO_2) emission to double up to 1229 Million tons within the same interval (Aviation Environment Federation, 2008). Therefore, more emissions are expected into the atmosphere in the future years, especially close to the airports.

Such prediction is saliently questioning the roles of political, economic, and ethical segments of contemporary society in the clarion call for social justice and environmental protection. Whatever the influence of sustainability accounting practices on the performance of the aviation industry, ethical practices enforceable through laws may rank as mediating factors in regulating and reducing their negative externalities in Nigeria. Organizations are also expected to operate within the specific norms and values dictate by their host society. To this extent, an increase in emphasis and response on the issue of sustainability practices is expected from aviation firms in subsequent years.

Unlike other industries with some, though controversial patterns of relationship between CSR practices and financial performance, the aviation industry in Nigeria is yet to record a speck in such dimension. Perhaps, due to a lack of financial data to empirically estimate the association. Over 90% of aviation firms in Nigeria are not quoted on the Nigerian stock exchange (NSE). Thus, do not publicly oblige to sustain the welfare of humanity (social and environmental). Moreover, CSR is strategic for amassing public support and sustaining a competitive advantage over rivals through subconscious societal approval and unsolicited publicity (Oyetunde & Akande, 2014).

In a global analysis of corporate sustainability within the context of indicators reported in the Sustainability Practices by airports, Seyhani and Vildan (2015) compared the sustainability reporting of the world's best 10 airports. Their objective was to identify the disclosed performance indicators, in addition to investigating the frequency of using GRI indicators in Airport Sustainability Reports. Thus, their methodology centered on GRI reporting guidelines through triple bottom line elements of corporate sustainability reporting. Data for the study were derived from sustainability reports of the top 10 airports listed by Skytrax's World Airport Awards and ACI's Airport Service Quality (ASQ) Awards in 2012. Findings revealed sustainability practices on the three aspects of the bottom line (economic, social, and environmental) by the studied airports, though varied considerably with GRI indicators. The result moreover indicated that the overall frequency of using GRI indicators Sustainability Reporting by the studied Airports was 46%. The researchers, therefore, remarked that the sustainability reporting process in the airport sub-sector was underperforming, especially in social and environmental issues.

Another global research by Abdullah, Merv, and Ali (2018) was focused on Sustainability reporting in the aviation industry: worldwide evidence. The objectives of the study were to determine the attributes of firms that influenced GRI-based sustainability disclosures between 2006 and 2015 alongside the association between sustainability practices and performance in terms of the value of firms. Whereas GRI-based reports were obtained from GRI's database, the financial variables of aviation companies were retrieved from the Thomson Reuters EIKON database. In addition to the use of descriptive statistics for data analyses, the value of firms was derived through Tobin's q model in comparison with the industry average. The researchers conducted four-level analyses which included report existence, report count, application level of the report, and performance of firms using logistic regression, Poisson regression, ordered logistic regression, and ordinary least squares regression. Findings revealed that firm size and leverage are positively associated with sustainability reporting; while Contrary to expectations, ownership was negatively associated. It was also evident that growth is negatively associated with application levels of reports while sustainability reporting was not significantly associated with the performance of aviation firms. The result was moreover convergent

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

with an earlier argument by Teather (2003) who was not against the concept of CSR but believed that enforcing it through laws and legislations is commercially unjustified, economically inefficient and considered another form of taxation. The foregoing studies adopted a conceptual and an integrative approach on a global scale in their investigations of sustainability practices in nexus with the performance of relevant firms, it may be reasonable to obtain precise results from smaller and distinct geographical territories for a clearer understanding of the association.

An exploratory study in the United States of America (USA) by Edwin (2006) defined CSR as the philosophy and practice of profit-oriented organizations voluntarily acting beyond their profit objective to positively assist society. The researcher examined the business and educational theories that are fundamental to engaging in socially responsible actions by aviation companies: techniques adopted by aviation and aerospace companies in the implementation of this responsibility and teaching approaches adopted in aviation management classes in the universities. Observing the scarcity of empirical literature and paucity of CSR practices, the researcher recommended much emphasis on CSR theory and practices for students' education in industry and collegiate aviation management training programs. As such, entrenching the culture of CSR and extending ethical awareness and behavior to training classes, thereby matching the high public interest and expanding activities within the aviation industry with the expected level of CSR practices.

Joonho (2016) investigated the effect of CSR on the performance of airlines in the USA. Whereas data on CSR practices for the 19 airlines selected from publicly traded companies in the United States of America was compiled from 2000 to 2012 using Kinder, Lydenberg Domini (Kld) sustainability standard, performance information was mainly derived from COMPUSTAT using the standard industry classification (SIC) code. Disaggregated CSR dimensions adopted in the study included community, diversity, environment, employees, and products; and proxies for performance measurement were Return on Asset, Tobin's Q, Systematic risk, Profit margin, and airline quality rating. Employees and product CSR demonstrated to be significant attributes for predicting the financial performance of airline companies. However, community, diversity, and the environment were not significant in nexus with such financial performance. Borrowing support and credence for a section of this outcome from an earlier study, Brammer and Millington (2003) contended that airlines may be less influenced by community CSR activities such as charitable giving and support for housing and education as the effect of investing in such activities would be negligible for improving airline performance. Another section of the findings is also in tandem with two contemporary studies by Korschun, Bhattacharya, and Swain (2014)and Zhu, Yin, Liu, and Lai (2014) who asserted that improving employees related CSR might enhance employees' loyalty, increase sales turnover, and improve service quality which eventually increases profitability.

Similarly, Rudari and Johnson (2015) conducted an exploratory study to further understand the sustainability reporting practices of passenger and cargo airlines with total revenue of over $1 billion, which are classified as Group III air carriers by the Department of Transportation in the USA. In the light of their objective, the researchers were to identify those airlines engaged in sustainability reporting and those that did not. An observational and descriptive exploratory research framework was adopted for probing into sustainability reporting within the sample of the study, considering the research problem and scarcity of prior related studies. Sustainability participation data of air carriers were obtained for 2013 through GRI's Sustainability Disclosure Database (SDD) 2015b, which tracked sustainability reports published by companies across the world. The result revealed that eight out of fifteen in the Group III air carriers (53%) published sustainability-related information, either separately or as part of their annual report. However, GRI's SDD was further compared with the Carbon Disclosure Project (CDP) of the United Kingdom. Seven out of eight of these carriers (88%) referenced the GRI framework in their reports.

In a related case study of Scandinavian Airlines in Europe, Lynes and Andrachuk (2008) investigated motivations for corporate social and environmental responsibility by Swedish firms. Their objective was to identify the underlying reasons for adopting corporate social and environmental management practices by the Airlines. To achieve the objective, the researchers adopted a mixed method of data collection and analysis, including interviews and document analysis. Specifically, the authors

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

examined environmental, financial, and sustainability reports of the Airlines for the past ten years, in addition to their internal policies and procedures concerning environmental and social issues. Their findings identified long-term financial strategy, eco-efficiencies, competitive advantage, good corporate image, avoidance of adverse regulatory actions, and mitigating stakeholders' pressure as some of the rationales for engaging in corporate social and environmental management. Others are internal leadership, culture, and financial performance. The researchers however attributed the fulcrum of their findings concerning the motivation for social and environmental commitment to the introduction of new technologies that support cleaner operation and production, sometimes with lower production costs and other benefits. Although, the findings represented the determinants of social and environmental sustainability practices among the Scandinavians which include Swedish, Danish, Norwegians, and Icelandic firms; they might not substitute for standard factors influencing sustainability practices in other territories of the world. According to an earlier assertion by Prakash (2000), there is an inadequate understanding of varying internal processes that might influence a firm's environmental policies; thus, arguing that the examination of intra-firm dynamics is fundamental to understanding their motivation towards sustainability practices. In a similar opinion, Timo and Annika (2010) asserted that factors that influence a firm to be committed to social and environmental practices may be traceable to dynamic layers of internal, industry-specific, and external influences.

Another case research on sustainability reporting in the Airline Industry by Taskinsoy and Uyar (2017) was primarily aimed at reviewing the historical status of corporate sustainability reporting in Turkish Airlines between 2002 and 2011. Adopting content analysis of the annual reports of Turkish Airlines to investigate the nature and extent of their sustainability reporting, the researchers downloaded annual reports from the companies' official websites. Whereas they observed that some dimensions of sustainability are yearly reported, it was noted that other critically important dimensions started appearing in recent years' reports. For instance, while economic indicators, fleet information, traffic results, passenger services, technical and information technology capabilities are reported regularly; environmental indicators, occupational health and safety, brand investments, sponsorship, and charity activities were just included in the scope of the recent years. The researchers attributed this to some positive key development such as increasing awareness of firms and their stakeholders about sustainability reporting, growing tendency about sustainability reporting in other industries, besides public pressure and call for companies to introduce more environmentally sensitive programs. However, the authors recommended more quantitative information on environmental and human rights dimensions of sustainability reporting, in addition to designing an information system for the data collection on sustainability reporting, and the inclusion of corporate reporting agenda into the priority list of the top-level organizational strategy. The outcome seems a litmus confirmation of an assertion by De Villiers and Vorster (1995), De Villiers (1998), Mitchell and Quinn (2005), Nel and Nienaber (2012), Okafor, Oji and Daferighe(2020), Eyo, Okafor, and Daferighe (2021) that sustainability practices have been attracting growing public concern over the past few decades. Unfortunately, such attention appears globally slow in the aviation industry, especially in emerging economies like Nigeria.

4. Hypotheses Development

4.1. Sustainability accounting practices and performance

The foregoing review of related literature is a practical demonstration of scarce empirical investigation into sustainability accounting practices and the performance of the aviation industry across the world. An earlier analysis of sustainability reports of 13 airports in North America and Europe by Skouloudis, Evangelinos, and Moraitis (2012) revealed that such reporting is not yet popular practice among international airports, despite their use of varying reporting frameworks. Similarly, the current researcher also observed a scarcity of empirical studies on the dynamics and pattern of such nexus in the aviation industry of Nigeria. Although this constraint in literature is generally worrisome, prior studies in other industries found a diverse variety of associations between the variables, ranging from positive, negative, and neutral relationships.

In the broad testing of such relationships, significant positive associations were observed by Karagiorgos (2010) for Greek companies, Fahria and Sahibzada (2016) for manufacturing companies in the United States of America, Odetayo, Adeyemi, and Sajuyigbe (2014) and Emily, Mwalati, Robert, Musiega, and Maniagi (2014) in the banking sectors of Nigeria and Kenya respectively; insignificant positive relationships were noted by Otuo and Abraham (2017) among small and medium-scale enterprises (SMEs) in Ghana. Negative associations were reported by Justyna, Beata, and Przemysław (2017) for financial institutions in Poland and by Folajin, Ibitoye, and Dunsin (2014) for United Bank for Africa (UBA). However, a neutral relationship was observed by Daferighe, Akpanuko, and Offiong (2019) in a study of oil and gas, manufacturing, and construction industries in Nigeria.

Similarly, two comprehensive studies on sustainability reporting and the performance of leading firms in the aviation industry yielded contrasting results. First (case 1), Abdullah, Merv, and Ali (2018) conducted a comprehensive survey of the relationship between sustainability reporting and performance of 284 aviation companies from different continents and listed on the Thomson Reuters EIKON database covering the period of 2006-2015. Adopting GRI reporting framework, their result however revealed an insignificant association between sustainability reporting and the value of firms. This implies that sustainability reporting does not positively impact firms' performance in terms of capital market value. This outcome upholds the view of stockholder theory. Hence, empirically convergent with the argument of Freeman and Liedtka (1991) that investment in CSR does not improve organizational performance; instead, it is capable of decreasing firms' competitiveness as managers may spend resources beyond their expertise.

Second (case 2), Joonho (2016) investigated the effect of CSR on the performance of 19 airlines selected from publicly traded companies in the United States of America from 2000 to 2012. Using Kld sustainability standard and performance indices from COMPUSTAT standard industry classification (SIC) code, the study indicated that the employees and product dimensions of sustainability reporting positively impacted the capital market value of airline companies as well as positively influenced their profitability. Hence, demonstrating empirical support to stakeholder theory and lending credence to a research outcome by Siltaoja (2006), which was further upheld in a study by McWilliams and Siegel (2010) that sustainability reporting improves organizational performance through a sound relationship with stakeholders.

Amidst sparsely scanty empirical investigation of sustainability reporting in the aviation industry, both studies yielded contradictory results on the value of firms, despite identical use of Tobin's Q firm's valuation model. In addition to the result that the cash flow per share and profitability did not significantly but positively influence sustainability reporting, case 1 also showed that the size and leverage of a firm are also positively and significantly associated with sustainability reporting but unfortunately insignificant with the firm's performance. In partial contrast, case 2 found that size is positively correlated with systematic risk while leverage is negatively associated with profitability and market value of firms. In the light of the finding of size by case 2, the researcher warns that operating as a risk-averse or a low-cost carrier negatively affects profitability. Thus, the researcher recommended a strategic balance between size and leverage. The results in the foregoing integrative analyses suggest inconsistency of opinions about the cost and benefit of corporate social responsibility in the aviation industry.

Drawing from the results of the analyses, however, the controversial trend that characterized this research area in other industries also seems to be trailing the aviation industry. Surprisingly, despite their hyper environmental sensitivity; economic importance; large and increasing community of customers, employees, and influence, besides growing global concern and popularity of sustainability reporting, The analyses lack clear conclusive empirical evidence on the nature and pattern of the relationship between sustainability reporting and the performance of firms in the aviation industry. Adriana and Simon (2017) attributed such divergent views inherent in most CSR studies to

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

researchers' subjectivity and bias in the selection of determinants of CSR and measures of performance. Nevertheless, they suggested standardization of CSR reporting and their mandatory disclosure as a potential remedy.

Standardization and disclosure of such information may not only be beneficial for validating the nexus between CSR and corporate financial performance but could also promote informed economic decisions by stakeholders (Hillman & Keim, 2001). Factoring the heterogeneity of ethical standards and other peculiarities of different territories into the mix of variables for analysis may result in objective and conclusive studies. This implies estimating the impact of CSR on firms operating within the constraint of distinct or similar ethical values. Moreover, Elena, Lijuan, and David (2017) suggested an industry-specific and region-specific stratified research approach as steps toward a cumulative global outlook in this subject area.

An earlier meta-analysis revealed that 59 percent of studies resulted in a positive association between CSR investment and corporate financial performance, whereas 14 percent of the studies showed a negative relationship (Peloza, 2009). As the financial resources, clientele, and customers of most businesses are mainly drawn from external stakeholders, they may be significant enough to influence the performance of companies in a specific industry or territory based on CSR sentiment. The dissatisfaction of any segment of the stakeholders can adversely affect profitability and may compromise the survival of a company. That could be a major pitfall against the profit maximization argument by the proponents of stockholder theory. Besides, the ratio of external stakeholders by far often outweighs that of internal stakeholders, who most of the time double as external stakeholders in their various interests. Thus, the current researcher assumes the popular *apriori* expectation of a positive relationship between sustainability accounting practices and the performance of firms operating in the aviation industry, hence, the following hypothesis.

H1: Sustainability accounting practices are positively related to the performance of aviation firms in Nigeria.

Inferring from the foregoing, being strategically intentional about CSR is more beneficial to all stakeholders, particularly the stockholders (shareholders) than holding on to the profit maximization principle. The value of a CSR strategic firm is likely to be better in stock market outlook than that of similar firms not engaged in CSR practices. CSR towards employees in form of bonuses, compensations, and timely remuneration among others can motivate their commitment to work, which in turn improves the firm's financial performance. Likewise, establishing a strong relationship with suppliers through fair treatment such as prompt payment for credit purchases is capable of attracting several credible suppliers at a bargaining advantage of the end-user firm. CSR activities could also improve the reputation of a firm through the psyche and emotions of their active and potential customers, government, and the general public which may further promote patronage, endorsement, public acceptance, and ultimately financial performance.

It is hence hypothetically concluded that CSR is positively associated with a firm's financial performance. Contributing to the sustainability of the environment, providing for the welfare, safety, and health of the society among others are capable of creating a good image of a firm, especially in a competitive business atmosphere. Moreover, firms will arguably enjoy more than proportionate benefits from engaging in CSR activities than the cost invested in it. Interestingly, the relationship between corporate social responsibility and financial performance appears symbiotic in a pattern. Whereas CSR may enhance the financial performance of firms, improved financial performance, in turn, could motivate more CSR programs for stakeholders. Furthermore, it is important for Companies to critically consider CSR in their strategic decisions because it also shields them from contingent expenses and abnormal losses which arise from public criticisms, agitations, operational sabotage, labor demonstrations and strikes, and lawsuits related to environmental and social hazards (Ehsan, Kaleem, & Jabeen, 2012).

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

4.2. Ethical dimension, sustainability accounting practices, and performance

Considering the obvious environmental cum social hazards and dreadful scientific projections associated with aviation activities, decisions of their operators to sustain a wholesome planet and healthy people ought to be of ethical importance and not be dependent on economic gains. Yim *et al.* (2015) cited in Harrison, Masiol, and Vardoulakis (2015) reported that about 5000 people who live within 20 kilometers of airports are estimated to annually die prematurely due to long-term exposure to aviation-attributable particulate matter (PM2) emission. Again, living within a daytime aircraft noise path with noise at or above 55 decibels was associated with the adverse effect on the quality of life, well-being, and health estimated through life satisfaction, happiness, anxiety, and blood pressure (Lawton & Fujiwara, 2016). Moreover, predictions about global damage to the society estimated nitrogen oxide emission to increase from 2.5 million tons up to 6.1 million tons in 2025 and carbon dioxide (CO_2) emissions to double to 1229 million tons within the same interval as a result of increasing aviation activities (Aviation Environment Federation, 2008).

Therefore, sustainability accounting practices demonstrated through environmental and social concerns are important preconditions for a functional "going concern" principle in all businesses and coincidentally the only condition for "going concern" for the planet "earth". Thus, corporate entities which are assumed to exist into an unforeseeable future time by this principle are arguably the core beneficiaries of all sustainability practices and ought not to sabotage their corporate existence. As long as they still exist, they need a wholesome planet and healthy people to remain in business. Since they are assumed to exist for such an unknown long time, sustainability practices benchmarked on ethics ought to be non-negotiable as the center of their business strategies. Adopting the annual cycle of accrual matching concept to recoup CSR investment may be premature in this context, as a longer cycle of medium to long term strategic range appears a better approach to the cost-benefit appraisal of the ethical dimension of sustainability practices. While the issue of matching the current year's CSR investment with accruable future benefits may be a subject for future studies in Nigeria, developing a testable hypothesis is pertinently more urgent.

In a definition of sustainable business practices, Drucker (2001) asserted that business organizations must show "…concern for the quality of life, that is, for the physical, human, and social environment of modern man and modern community". Similarly, the World Council for Sustainable Development defines CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (World Business Council for Sustainable Development, 2002; Grosbois, 2012).

Against the foregoing background of definitions for sustainability practices, ethical behavior in this context is based on moral norms acceptable than unacceptable by a given society. Thus, the ethical dimension is a critical success factor in the overall Sustainability practices of business entities. The current researcher describes sustainability practices as a modern and expanded concept of business ethics. In fact, an ethical perspective of corporate social responsibility is central to other dimensions such as legal and philanthropy. As such, any organization with environmental and social activities not rooted in ethics (morality and conscience) may be greenwashing or engaging in impression management. LINH and HIEU (2011) however recommended benchmarking ethical standards on specific industry practices derivable from industry leaders across the world as a starting point.

Businesses are not self-sustaining and do not exist in isolation, but with people, materials, and the environment as critical factors. Therefore, the legal status of businesses to sue and be sued in their names by extension underpins their social and moral expectations to be fair, just, equitable, reciprocal, and mutual in their interaction with the natural and social environment. As an important discourse in aviation operations, Edwin (2006) suggested that ethics should be self-imposed, else they need to be externally imposed through appropriate penalties (laws) to preserve and bequeath a wholesome, safe, and healthy planet to posterity.

Considering the international nature of the aviation industry, the negative consequences of their activities are sometimes not internalized in the home countries of the companies. Thus, rendering

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

developing countries more vulnerable to these negative externalities due to weak legal and regulatory frameworks. Hence, the role of the government in mediating between aviation activities and the ethical dimension of CSR in forms of environmental protection and social welfare of the affected. Moreover, Kavali, Tzokas, and Saren (2001) asserted the role of the government as the most influential in enhancing corporate ethics. Therefore, a blend of social contract theory and moral relativism theory provides the premise and holds a reasonable explanation for government intervention in CSR practices.

In addition to the popular societal opinion of the ethical perspective as the mother of all CSR dimensions, the current researcher speculates its positive influence on the performance indices of aviation companies in Nigeria. Even if engaging in sustainability practices is negatively or neutrally associated with performance indicators under normal circumstances, sincerity in people and planet-oriented sustainability practices may positively impact firms' reputation, popularity, patronage, market share, and going concern (survival). Reputation is moreover a catalyst that can trigger a positive reaction in attracting and sustaining a skillful workforce, improving stock prices, promoting viral and unsolicited mass publicity and patronage; Thus, capable of improving profitability, firm's valuation among other performance indicators. To such an extent, CSR can safely assume the status of investment with future value relevance through return on investment accruable to the investing entities.

For instance, the CSR movement of Air Peace (an Airline company in Nigeria) to freely airlift Nigerians back home during a xenophobic attack involving some Nigerians in South Africa was a philanthropic act rooted in the ethical dimension to rescue lives at the expense of profit(Olugbemi, 2019). Good reputation, growing popularity, and influence, public endorsements, unsolicited publicity across several interpersonal interactions, social media platforms, radio, and television stations practically trailed such CSR strategy by Air Peace. A similar commitment was replicated during the mass lockdown occasioned by the coronavirus pandemic (COVID-19) when the airline was largely engaged by the Federal Government of Nigeria to evacuate her citizens from different parts of the world (Lawani, 2020). The choice and extent of engaging Air Peace for such an assignment by the Government is a mark of public acceptance, if not silent endorsement. Perhaps, benchmarked on track-record of voluntary corporate social responsibility by the company. In their usual corporate norm as disclosed by the reporter, the airline further demonstrated humanitarian CSR in such engagement through concessionary fares, besides airlifting many Nigerians without charging any fare. As part of their CSR commitment during the evacuation exercise, Air Peace also paid 4-day hotel bills including feeding 268 Nigerians to ameliorate their suffering and facilitate their timely airlift from China. Confirming their actions as strategic and not a coincidence, Olajide (2019) stated that Air Peace's long-term commitment was becoming the largest and most profitable and influential airline company in Africa characterized by safety, efficiency, and affordability in their services.

Findings from the case analysis reveal that CSR activities can promote the corporate reputation and may consequently convert into market opportunities, competitive advantage, long-term profitability, and an attractive outlook in the capital market. More so, when demonstrated through an ethical dimension. Moreover, CSR policy benchmarked on ethics demonstrated the highest R-index in an empirical regression of seven CSR dimensions and corporate financial performance (CFP) (Liliana & Dalina, 2018). Hence, lending credence to an earlier assertion by Davis (1973) as cited by Carroll and Buchholtz (1999) that all socially and environmentally responsible actions are not in the long term any contradiction to the mainstream goal of profitability. The researcher suggests that the ethical approach to corporate social responsibility is capable of influencing other dimensions of CSR to determine their multiplicative nexus with financial performance; thus, the following hypothesis.

H2: Ethical dimension significantly and positively influences the pattern of the relationship between sustainability accounting practices and the performance of aviation firms in Nigeria.

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

5. Conclusion

Due to scanty prior research across the world on sustainability accounting practices and the financial performance of the aviation industry, the main objective of the study is to develop testable hypothetical models for further empirical investigation. The researcher depended on the theoretical framework, integrative review, and case analysis capable of furnishing necessary explanatory power for a hypothetical conclusion. Considering the specific lack of related studies in the Nigerian context, the empirical review comprises more studies conducted in other countries, especially in the USA and Europe. Despite a history of dissonance within findings of such prior empirical studies about the impact of sustainability practices on different performance indicators of firms in diverse industries, the critical evaluation of underlying theories, integrative empirical review, and case analysis significantly supported a positive association between SAP and performance of aviation firms in Nigeria. The ethical dimension of SAP is moreover found to be the most rational and impactful approach to the practice. Hence, the researcher concludes that CSR practices and information in their significant ethical dimension may not only improve the relationship of sustainability accounting practices with the financial performance of aviation firms in Nigeria but could also consistently result in a positive firm's reputation. More so, where such practices are mandatory and standardized. As such, the study is a conceptual and hypothetical contribution to the obvious dearth of research on sustainability practices in the aviation industry of Nigeria.

McGuire, Sundgren, and Schneeweis (1988) expounded on the concept of a firm's reputation and asserted that satisfying the expectations of different stakeholders by organizations has the potential to improve their acceptability and reduce the cost of marketing their goods and services, the cost of wooing investors to their stocks and securities, the cost of managing different community agitations alongside the ease of reputation management and accessing loan facilities. The fundamental implication of this assertion is that CSR activities are capable of improving the relationship between companies and their essential constituencies, such as banks, investors, host communities, and governmental agencies.

6. Recommendations

The researcher recommends creating job titles for sustainability managers in aviation firms to professionally manage the dynamics and seeming volatile nature of CSR by avoiding its pitfalls with performance. Their function among other things may include a focus on identifying and exploiting viable CSR opportunities with significant societal impact for their organizations, developing cost-effective tools and timing strategies for implementing the programs, and full participation in generating sustainability reports. This simply implies that such managers are expected to demonstrate professionalism in selecting only cost-effective and viable CSR programs, choosing the best timing and duration for each program, ensuring a significant positive impact of the programs on both the society and their organizations, in addition to expert knowledge on when to withdraw from each program.

In this early stage of CSR in Nigeria, particularly in the aviation industry, such activities may be of value relevant in terms of corporate financial performance. Thus, should be seen as a qualified investment for adequate budgetary provision, considering its potential capacity to yield indirect financial returns.

Since aviation companies may be investing large sums of money in branding and advertisement to enhance their corporate image and improve turnover, investing a fraction of such sum in CSR could return more than proportionate unsolicited publicity, patronage, and a positive reputation.

The Government and aviation regulatory agencies should motivate or mandate aviation firms, especially airlines to be quoted on the Nigerian Stock exchange (NSE) and to engage in a basic threshold of sustainability practices. While listing will ensure a reliable databank for future empirical investigation of related hypotheses, enforcing a minimum threshold of CSR practices may serve the purpose of mitigating their obvious negative externalities on the environment and society.

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

Aviation companies should be sincere with their "going concern" practices by adopting an ethical approach to CSR activities. In addition to preserving a wholesome planet and a healthy society for their future businesses, CSR could mean using fewer resources to buy into the psyche and emotions of the society as a strategy for long-term competitiveness, good reputation, and improved performance.
Nigerian Civil Aviation Authority (NCAA), Nigerian Airspace Management Agency (NAMA), Federal Airports Authority of Nigeria (FAAN), National Emergency Management Agency (NEMA), and Financial Reporting Council of Nigeria (FRCN) should collaborate to integrate or revise the aviation laws, regulations, and financial reporting to reflect the current realities and predictions about environmental degradation, pollution, and health hazards related to aviation operations. However, in as much as it seems rationale to protect the entire ecosystem against avoidable degeneration and hazardous practices, the regulatory authorities also need to understand the implication of different rules on the performance and survival of various categories of aviation firms. This knowledge may guide the regulatory threshold for different categories of firms without negative implications on economic activities in the industry.

7. Suggestions for Further Studies

Arising from the conclusion and recommendations are the following suggestions for further empirical investigation. Most previous researchers have identified the concept of sustainability practices as a favorable bargain for the society and the environment with little or no emphasis on the going concern principle' of business organizations. It will be pertinent to empirically investigate the extent of benefit by different constituencies from a wholesome planet and healthy population. Which constituency benefits more; members of the society with limited life expectancy or businesses which are established to exist for an unforeseeable future?
In addition to the linear estimate of the nexus between CSR practices and the performance of aviation firms as largely adopted by reviewed empirical studies, it is necessary to determine other forms of associations that may exist between the variables in the short and the long-range of time. At this stage of few related studies in the aviation industry, an early application of a wide variety of possible measures of such relationship could result in a more generalizable conclusion by reducing the incidents of contradictory and controversial outcomes trailing similar studies in other sectors.

Conflict of Interest: The author declares no conflict of interest.

REFERENCES

Abdullah, S., Merv, K., & Ali, U. (2018). Sustainability Reporting in the Aviation Industry: Worldwide Evidence. *Sustainability Accounting, Management and Policy Journal*, 9(4), 362-391.

Adriana, G. & Simon, C. (2017). Corporate Social Responsibility and Financial Performance Relationship: A Review of Measurement Approaches. *Economic Research- Ekonomska Istraživanja*, 30(1), 676-693.

Al Amosh, H. & Mansor, N. (2018). Sustainability and Corporate Reporting: A Review on Environmental and social Accounting Disclosure: A Conceptual Paper. *International Journal of Accounting, Finance, and Business*, 3(8), 78-87.

An, Y., Sharma, U., & Harun, H. (2013). A Mini-Review of the Chinese Market: from 1978 to 2010. *Corporate Ownership & Control*, 10(2), 700-707.

Aviation Environment Federation (AEF) (2008). Unpublished Report Forecasts Huge Increase in Aviation's Global Environmental Impacts. http://www.aef.org.uk/?p=245 (Retrieved on 23rd October 2019).

Brammer, S. & Millington, A. (2003). The Effect of Stakeholder Preferences, Organizational Structure, and Industry Type on Corporate Community Involvement. *Journal of Business Ethics*, 45(3), 213-226.

Brenda, S., André, C., Jorge, M., & Franziska, F. (2014). A Comparison of Approaches to Integrating Sustainability into the Enterprise Architecture of Voluntarily and Mandatorily Reporting Companies. Proceedings of the 28th Enviro Info Conference. 10th-12th September 2014. Oldenburg, Germany.

Carroll, A. & Buchholtz, A. (1999). Business and Society: Ethics and Stakeholder Management. 4th (Ed.). South-Western Ohio, United States of America: Thomson, 21p.

Daferighe, E., Akpanuko, E., & Offiong, P. (2019). Social Accounting Practices and Profitability of Companies in Nigeria. *Archives of Business Research*, 7(5), 233-246.

De Villiers, C. (1998). The Willingness of South Africans to Support More Green Reporting. *South African Journal of Economic and Management Sciences*, 1(1), 145-167.

De Villiers, C. & Vorster, Q. (1995). More Corporate Environmental Reporting in South Africa. *Meditari Accountancy Research*, 3(1), 44-66.

Drucker, P. (2001). The Essential Drucker: The Best Sixty Years of Peter Drucker's Essential Writings on Management. New York, United States of America: Harper, 39p. Ratner, S. (2011). Corporations and Human Rights: A Theory of Legal Responsibility. *Yale Law Journal*, 111(3): 443-545.

Ebiringa, O., Yadirichukwu, E., Chigbu, E., & Ogochukwu, O. (2013). Effect of Firm Size and Profitability on Corporate Social Disclosures: The Nigerian Oil and Gas Sector in Focus. *British Journal of Economics, Management & Trade*, 3(4), 563-574.

Edwin, D. (2006). Corporate Social Responsibility in Aviation. *Journal of Air Transportation*, 11(1), 2000-2006.

Ehsan, S., Kaleem, A., & Jabeen, S. (2012). Exploring the Interaction between Financial Performance and Corporate Social Responsibility in Pakistani Firms. *Journal of Basic Applied Science*, 2(10), 10431-10439.

Elena, M., Lijuan, Z., & David, C. (2017). Issues in Sustainability Accounting Reporting. *Accounting and Finance Research*, 6(3), 64-71.

Emily, M., Mwalati, S., Robert, E., Musiega, D., & Maniagi, G. (2014). Effect of Corporate Social Responsibility on Organisation Performance; Banking Industry Kenya, Kakamega County. *International Journal of Business and Management Invention*, 3(4), 37-51.

Eyo, V., Okafor, U., & Daferighe, E. (2021). Social and Environmental Responsibility Accounting Practices and Financial Performance of Quoted Oil and Gas Firms in Nigeria. *European Journal of Business and Management*, 13(12), 63-71.

Fahria, T., Sahibzada, H., & Abdul, B. (2016). The Impact of Environmental Reporting on Firms' Performance. *International Journal of Accounting & Business Management*, 4(2), 184-199.

Folajin, O., Ibitoye, O., & Dunsin, A. (2014). Corporate Social Responsibility and Organizational Profitability: An Empirical Investigation of United Bank for Africa (UBA) PLC. *International Journal of Academic Research in Business and Social Sciences*, 4(8), 205-214.

Freeman, R. & Liedtka, J. (1991). Corporate Social Responsibility: A Critical Approach. *Business Horizons*, 34(4), 92-98.

Friedman, M. (1970). The Social Responsibility of Business is to Increase Its Profits. New York Times Magazine, United States .33p.

Griffin, J. & Mahon, J. (1997). The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-five Years of Incomparable Research. *Business and Society*, 36(1), 5-31.

Grosbois, D. (2012). Corporate Social Responsibility Reporting by the Global Hotel Industry: Commitment, Initiatives, and Performance. *International Journal of Hospitality Management*, 31(3), 896-905.

Harrison, R., Masiol, M., & Vardoulakis, S. (2015). Civil Aviation, Air Pollution, and Human Health. *Environmental Research Letter*, 10(4), 1-4.

Hillman, A. & Keim, G. (2001). Shareholder Value, Stakeholder Management, and Social Issues: What's the Bottom Line? *Strategic Management Journal*, 22(2), 125–139.

Joonho, M. (2016). Effect of Corporate Social Responsibility on Airlines. *International Journal of Transport Economics*, 43(1-2), 105-121·

Jucan, C. & Jucan, M. (2010). Dimensions and Challenges of Social Responsibility. *Annales Universitatis Apulensis Series Oeconomica*, 12(1), 238-247.

Justyna, F., Beata, Z., & Przemysław, G. (2017). The Relation between the CSR and the Accounting Information System Data in Central and Eastern European (CEE) Countries – The Evidence of the Polish Financial Institutions. *Accounting and Management Information Systems*, 16(4), 490-521.

Kang, K., Lee, S., & Huh, C. (2010). Impacts of Positive and Negative Corporate Social Responsibility Activities on Company Performance in the Hospitality Industry. *International Journal of Hospitality Management*, 29(1), 72-82.

Karagiorgos, T. (2010). Corporate Social Responsibility and Financial Performance: An Empirical Analysis on Greek Companies. *European Research Studies Journal*, 13(4), 85-108.

Kavali, S., Tzokas, N., & Saren, M., (2001). Corporate Ethics: An Exploration of Contemporary Greece. *Journal of Business Ethics*, 30(1), 87-104.

Korschun, D., Bhattacharya, C., & Swain, S. (2014). Corporate Social Responsibility, Customer Orientation, and the Job Performance of Frontline Employees. *Journal of Marketing*, 78(3), 20-37.

KPMG (2015). Currents of Change: The KPMG Survey of Corporate Responsibility. KPMG International, https://home.kpmg.com/.../kpmg-international-survey-of-. (Retrieved on 13th October 2019).

Lawani, M. (2020). Denial of Landing Right: FG Commends Air Peace for Engaging Another Airline to Evacuate Stranded Nigerians from the UK. Vanguard News, https://www.vanguardngr.com/2020/07/denial-of-landing-right-fg-commends-air-peace-for-engaging-another-airline-to-evacute-stranded-nigerians-from-uk/. (Retrieved on 10th November 2020).

Lawrence, S., Botes, V., Collins, E., & Roper, J. (2013). Does Accounting Construct the Identity of Firms as Purely Self-Interested or as Socially Responsible? *Meditari Accountancy Research*, 21(2), 144-160.

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).

Lawton, R. & Fujiwara, D. (2016). Living with Aircraft Noise: Airport Proximity, Aviation Noise and Subjective Wellbeing in England. *Transportation Research Part D: Transport and Environment*, 42(462), 104– 118.

Lee, K. & Shin, D. (2010). Consumers' Responses to CSR Activities: The Linkage between Increased Awareness and Purchase Intention. *Public Relations Review*, 36(2), 193–195.

Lee, S. & Park, S. (2010). Financial Impacts of Socially Responsible Activities on Airline Companies. *Journal of Hospitality and Tourism Research*, 34(2), 185-203.

Lee, S., Seo, K., & Sharma, A. (2013). Corporate Social Responsibility and Firm Performance in the Airline Industry: The Moderation Role of Oil Price. *Tourism Management*, 38, 20-30.

Liliana, N. & Dalina, D. (2018). Empirical Study Towards Corporate Social Responsibility Practices and Company Financial Performance: Evidence for Companies Listed on the Bucharest Stock Exchange. *Sustainability*, 10, 31-41.

Ling, T. & Hauck, J. (2016). The Ethics Model: Comprehensive, Ethical Decision Making. Paper presented at the 2016 American Counseling Association Conference. 3rd April 2016. Montréal, Québec.

Linh, N. & Hieu, P. (2011). Impacts of Corporate Social Responsibility on the Financial Performance of the Firms. 1-38.

Lynes, J. & Andrachuk, M. (2008). Motivations for Corporate Social and Environmental Responsibility: A Case Study of Scandinavian Airlines. *Journal of International Management*, 14(4), 377-390.

McGuire, J., Sundgren, A., & Schneeweis, T. (1988). Corporate Social Responsibility and Firm Financial Performance. *Academy of Management Journal*, 31, 854-872.

McWilliams, A. & Siegel, D. (2010). Creating and Capturing Value: Strategic Corporate Responsibility, Resource-Based Theory, and Sustainable Competitive Advantage. *Journal of Management*, 3(5), 1480-1495.

Mitchell, C. & Quinn, N. (2005). Environmental Reporting Disclosure in South Africa: A Comparative Study of the Expectations of Selected Groups of Preparers and Users. *Meditari Accountancy Research*, 13(2), 17-33.

NCAA (2019). List of Foreign and Domestic Airlines. https://ncaa.gov.ng. (Retrieved on 26th October 2019).

Nel, R., & Nienaber, G. (2012). Tax Design to Reduce Passenger Vehicle CO2 Emissions. *Meditari Accountancy Research*, 20(1), 39-51.

Odetayo, T., Adeyemi, A., & Sajuyigbe, A. (2014). Impact of Corporate Social Responsibility on Profitability of Nigeria Banks. *International Journal of Academic Research in Business and Social Sciences*, 4(8), 252-263.

Okafor, U., Oji, R., & Daferighe, E. (2020). Environmental and Social Accounting Practices, and Financial Performance of Cement Companies: Empirical Evidence from Nigeria. *European Journal of Business and Management*, 12(20), 60-72.

Olajide, S. (2019). Air Peace Becomes Official Airline of Interswitch One Africa Music Fest. Punch Newspaper. https://punchng.com/air-peace-flies-with-one-africa-music-fest/. (Retrieved on 26th October 2019).

Olugbemi, B. (2019). Onyema Air Peace and the National Career. Business Day. https://businessday.ng/columnist/article/onyema-air-peace-and-the-national-carrier/. (Retrieved on 26th October 2019).

Otuo, S. & Abraham, A. (2017). Corporate Social Responsibility and Firm Performance of Ghanaian SMEs: Mediating Role of Access to Capital and Firm Reputation. *Journal of Global Responsibility*, 8(1), 47-62.

Oyetunde, O. & Akande, O. (2014). Societal Perception of the Corporate Social Responsibility of Lafarge Cement Nigeria Plc. *International Journal of Managerial Studies and Research*, 2(8), 56-67.

Peloza, John. (2009). The Challenge of Measuring Financial Impacts from Investments in Corporate Social Performance. *Journal of Management, Southern Management Association*, 35(6), 1518-1541.

Prakash, A. (2000). Greening the Firm: The Politics of Corporate Environmentalism. Cambridge, United Kingdom: Cambridge University Press, 40p.

Ratner, C. (2011). Cultural Psychology and Cross-cultural Psychology: The Case of Chinese Psychology. *Online Readings in Psychology and Culture*, 2(1), 105-108.

Rudari, L. & Johnson, M. (2015). Sustainability Reporting Practices of Group III U.S. Air Carriers. *International Journal of Aviation, Aeronautics, and Aerospace*, 2(2), 1-19.

Seyhani, K. & Vildan, D. (2015). Airport Corporate Sustainability: An Analysis of Indicators Reported in the Sustainability Practices. 3rd International Conference on Leadership, Technology and Innovation Management. Social and Behavioral Sciences, 181, 158 – 170.

Siltaoja, M. (2006). Value Priorities as Combining Core Factors between CSR and Reputation: A Qualitative Study. *Journal of Business Ethics*, 68(1), 91-111.

Skouloudis, A., Evangelinos, K., & Moraitis, S. (2012). Accountability and Stakeholder Engagement in the Airport Industry: An Assessment of Airports' CSR Reports. *Journal of Air Transport Management*, 18(1), 16-20.

Sylva, W. & Umoh, G. (2018). Promoting Resilience of the Nigerian Aviation Industry through Management Information System Capability: A Conceptual Model. *European Journal of Business and Management*, 10(14), 67-78.

Taskinsoy, J. & Uyar, A. (2017). Sustainability Reporting in the Airline Industry: The Case of Turkish Airlines (THY). Sustainability and Management: An International Perspective. United Kingdom: Taylor & Francis Group, 137p.

Teather, R. (2003). Corporate Citizenship: A Tax in Disguise. Ludwig von Mises Institute. http://mises.org/daily/1280 (Retrieved 12th October 2020).

Timo, A. & Annika, K. (2010). Application of CSR Programs in the Air-Line Industry. BSc Research. Saimaa University of Applied Sciences, Department of Business Administration.

Tsai, W. & Hsu, J. (2008). Corporate Social Responsibility Programs Choice and Costs Assessment in the Airline Industry-A Hybrid Model. *Journal of Air Transport Management*, 14, 188-196.

Umoren, A., Isiavwe-Ogbari, M., & Atolagbe, T. (2016). Corporate Social Responsibility and Firm Performance: A Study of Listed Firms in Nigeria. A paper presented at ICAN 2nd Annual International Academic Conference on Accounting and Finance, Lagos Airport Hotel. 18th - 20th May 2016. Lagos.

Warburton, N. (2013). Philosophy: The Basics. 5th (Ed.). New York, United States of America: Routledge, 70p.

Washington, H., Taylor, B., Kopnina, H., Cryer, P., & Piccolo, J. (2017). Why Ecocentrism is the Key Pathway to Sustainability. *The Ecological Citizen*, 1(1), 35–41.

World Business Council for Sustainable Development (2002). Sustainable Development Reporting: Striking the Balance. Hertfordshire, United Kingdom: Earthprint, 7p.

Yim, S., Lee, G., Lee, I., Allroggen, F., Ashok, A., Caiazzo, F., Eastham, S., Malina, R., & Barrett, S. (2015). Global, Regional and Local Health Impacts of Civil Aviation Emissions. *Environmental Research Letter*, 10(3), 1-13.

Zhu, Q., Yin, H., Liu, J., & Lai, K. (2014). How is Employee Perception of Organizational Efforts in Corporate Social Responsibility Related to their Satisfaction and Loyalty towards Developing Harmonious Society in Chinese Enterprises? *Corporate Social Responsibility and Environmental Management*, 21(1), 28-40.

Published by *Research & Innovation Initiative Inc.*, registered with the Michigan Department of Licensing & Regulatory Affairs, United States (Reg. No. 802790777).