ADFJ ISSN 2522 - 3186.

African Development Finance Journal

VOLUME 7 (I)

Sustainability Accounting and Financial Performance of Public Tertiary Educational Institutions in Nigeria: The case of Nasarawa State, Nigeria

Dr. Dauda Ibrahim Adagye

Kumanjock Samuel Nuhu

Dauda Ibrahim Musa

Date Received: January, 04, 2024

Date Published: February, 19,2024

Sustainability Accounting and Financial Performance of Public Tertiary Educational Institutions in Nigeria: The case of Nasarawa State, Nigeria

By: Dauda Ibrahim Adagye (PhD,CNA)[1], Kumanjock Samuel Nuhu[2] and Dauda Ibrahim Musa (CAN)[3]

Abstract
With the growing global concern for sustainability and its impact on financial performance, understanding the interplay between sustainability accounting practices and financial outcomes becomes crucial for organizations, including educational institutions. This research examined the effect of sustainability accounting practice and financial performance of public tertiary educational institutions in Nigeria. Focusing on institutions in Nasarawa State, the study covers all tertiary educational institutions in the state. Anchored on stakeholder and institutional theories, a Pearson correlation coefficient was used to find out if relationship exist between sustainability accounting and financial performance and the multiple regression analysis to determine the effect of sustainability accounting practice and financial performance by testing two null hypotheses. The results revealed that a significant relationship exists between the variables. The regression result as well revealed that sustainability accounting practice represented by Social and Community Development Costs (SCDC) and Human Capital Development Costs (HCDC) have a significant effect on financial performance represented by Operating Margin (OM) and Current Ration (CR) of tertiary educational institutions in Nigeria. The Study concluded that tertiary institutions in Nigeria actually incurred certain identified sustainability costs and confirmed the fact that sustainability accounting attributes significantly influenced financial performance of the institutions. The study recommended that professional/ regulatory bodies should develop a specific standard to regulate and guide sustainability accounting and reporting in public tertiary educational institutions in Nigerian.

Keywords: *Sustainability Accounting, Financial Performance, Tertiary Educational Institution*

Acknowledgements: *We specially thank the Management of Isa Mustapha Agwai I Polytechnic Lafia, and the Nigeria Tertiary Education Trust Fund (TETFund) under which this piece was sponsored to conclusion. We also appreciate management of all the tertiary institutions in Nasarawa State whose data where used for the study.*

Introduction

Nigeria as a nation is at a crucial juncture in its pursuit of sustainable development, with a growing emphasis on combining social, economic and environmental factors. The education sector, and particularly public tertiary institutions, plays a pivotal role in shaping the intellectual capital and socio-economic landscape of the country. Faced with evolving global challenges, there is an increasing recognition that these institutions

[1] *Department of Accountancy, Isa Mustapha Agwai I Polytechnic, Lafia, daudaib22@imap.edu.ng*
[2] *Department of Accountancy, Isa Mustapha Agwai I Polytechnic, Lafia, kumanjock@gmail.com*
[3] *Department of Accounting and Business Administration, Federal University of Kashere, Gombe State. Nigeria, musa.dauda.md@gmail.com*

need to not only excel academically but also adopt sustainable practices to ensure their long-term viability and contribution to national development. In an era where sustainability is increasingly becoming a global imperative, understanding how public tertiary institutions in Nigeria, and specifically in Nasarawa State, are incorporating sustainable accounting practices becomes crucial.

The concept of sustainability accounting has gained prominence as a framework for managing and accounting for an organization’s environmental, social, and economic impact. The field of sustainability accounting, sometimes referred to as environmental accounting or corporate social responsibility (CSR) accounting focuses on incorporating social, economic and environmental factors into an organization’s financial and accounting procedures. It entails measuring, monitoring, and reporting the environmental and social impacts of an organization's operations, goods, and services (Williams, 2015). According to Argento et al. (2019). Sustainability accounting goes beyond traditional financial accounting as it takes into account non-financial factors that may have an impact on an organization’s long-term viability and sustainability.

The emergence of sustainability accounting attributes to the increasing recognition of the environmental and social challenges faced by businesses and society. It acknowledges the need to account for the use of natural resources, the impact on ecosystems, and the social consequences of business activities. It was in line with this that Ibrahimi and Nym (2019) posited that by adopting sustainability accounting practices, organizations can gain insights into their environmental and social performance, pinpoint areas for improvement, and engage stakeholders in their sustainability initiatives by implementing sustainability accounting practices.

Sustainability accounting helps organizations identify and manage risks associated with environmental and social issues. It enables them to expect regulatory changes, mitigate potential liabilities, and adapt to evolving market expectations. Organizations can align their strategies with the broader goals of sustainable development, leading to long-term financial viability, by incorporating sustainability considerations into their decision-making processes, (Beredugo et al., 2012)

Nasarawa State is in the center of Nigeria. It is home to a cluster of public tertiary institutions, including Universities, Polytechnics and Colleges. These institutions face a myriad of challenges, ranging from limited financial resources to infrastructural deficits, all of which impact their ability to deliver quality education and contribute meaningfully to societal development.

Research Problem

Nigeria's public tertiary educational institutions have a major impact on the nation's socioeconomic and educational advancement. The connection between these institutions' financial performance and sustainability accounting, however, is not well understood. The institutions' capacity to successfully incorporate sustainable practices, optimize their financial performance, and fulfill their social and environmental obligations is hampered by this knowledge gap. The following major concerns are taken into account: inadequate performance measurement and reporting; limited integration into financial reporting; lack of awareness and implementation; and lost financial opportunities. A thorough understanding of sustainability accounting practices as they exist today and how they affect the financial performance of Nigeria's public tertiary education institutions is necessary to address these problems. Through research into these problems, strategies and solutions have been found that can improve financial performance, encourage the adoption of sustainable accounting practices, and guarantee the long-term viability of public postsecondary educational institutions.

Research Objectives

Mainly, the study examined the effect of sustainability accounting on financial performance of tertiary educational institutions in Nigeria, with specific study of institutions in Nasarawa State. Specifically it is to:

(a) Determine the relationship between sustainability accounting practice attributes and financial performance of tertiary educational institutions in Nigeria;

(b) Examine the extent at which sustainability accounting practice affects the Operating Margin (OM) of tertiary educational institutions in Nigeria; and

(c) Investigate the extent at which sustainability accounting practice influences the Current Ratio (CR) of tertiary educational institutions in Nigeria.

Research Question

The following research questions are used as guides in finding solution to the research problem;

(a) Does sustainability accounting practice relate to financial performance of tertiary educational institutions in Nigeria?
(b) To what extent does sustainability accounting practice affects the Operating Margin (OM) of the tertiary educational institutions in Nigeria?
(c) To what extent does sustainability accounting practice influences Current Ratio of the tertiary educational institutions in Nigeria?

Research Hypotheses

For the study, the following null hypothesis were tested at 0.05 level of significance.

H_{01}: Sustainability accounting practice attributes does not significantly relate to financial performance of tertiary educational institutions in Nigeria.

H_{02}: Sustainability accounting practice does not significantly affect Operating Margin (OM) of the tertiary educational institutions in Nigeria.

H_{03}: Sustainability accounting practice does not significantly influence Current Ratio (CR) of the tertiary educational institutions in Nigeria.

Literature Review

Theoretical Framework

Although different theories approaches have been used to anchor sustainability accounting and reporting, this study was anchored on stakeholder and Institutional theories.

Stakeholders Theory

According to Gilbert and Rasche (2008), stakeholder theory clarifies how companies truly take stakeholder interests into account. According to the theory, businesses must take into account the needs of all parties involved, including the environment, communities, suppliers, workers, and customers. The stakeholder theory has historically been regarded as the preeminent and most helpful theory that explains social responsibility practice, according to Daher and Bashatweh (2018). When evaluating an organization within its operating environment, it makes use of the political economy theory. According to Freeman (1985) and Wangombe (2013), the stakeholder theory posits that organizations have a moral obligation to take into account and fairly balance the interests of all stakeholders. Long-term financial success can ultimately be enhanced by addressing the concerns of different stakeholders through the integration of sustainability factors into accounting practices.

Institutional Theory

Institutional theory suggests that organizations are influenced by society expectations, values, and norms. Public educational institutions have the freedom to implement norms or practices that are expected in society. Studies on institutional theory in public education have grown over time (Burch, 2007). Theorists divided the theory into formal (law and regulations) and informal (habits, norms, and policies) rules that control, impact, and eventually shape institutions (Meyers & Rowans, 1977; Wehrmeyer, 2001). When examining the intricacies of institutions that function under complex regulatory and budgetary structures from external agencies, such as federal and state government, scholars employ the institutional theory to look at educational policies, practices, and resources (Burch, 2007; Hanson, 2001; Hill, 2012; Meyers & Rowans, 1977). The theory provides an understanding of the pressures and financial and structural obstacles that the management of the institutions faces during the enrollment process. Organizations may use sustainability accounting techniques as sustainability becomes more ingrained in society standards. This is because these practices are not only legitimate but also conform to changing standards, which may have a positive impact on financial performance.

Empirical Review

The relationship between a company's financial performance and sustainability accounting has been the subject of conflicting findings in prior research. The following studies are reviewed:

Osho et al. (2019) looked at how sustainability affected Nigerian universities' financial performance and whether it was useful. Firmly basing the work in stakeholders' and stewardship theories. The results showed that the financial performance of Nigerian universities and their expenditures for corporate social responsibility had a negligible positive correlation. Furthermore, the return on equity of Nigerian universities is not significantly impacted by the total cost of personnel. The study concluded that universities should implement sustainability accounting programs to help them manage their corporate, environmental, social, and economic performance as well as to help them identify, allocate, and measure the environmental and social costs that affect them. The study considered solely the university operations with peculiarities differ from those of other tertiary educational institutions.

Umobong and Gabriel (2018) evaluated the relationship between financial success and corporate social responsibility of quoted firms in Nigeria for 16-year (2005–2015) period. Multiple regression analysis of secondary data was conducted. The findings indicated a statistically significant negative correlation between the cost of community relations and return on assets and capital employed. Higher return on investment and improved financial performance are also expected from these relationships.

Nze, et al. (2016) investigated how corporate social responsibility affected Nigerian listed companies' profits. Secondary data on the firms' financial statements and Nigeria Stock Exchange fact sheets have been collected. The study considered the oil and gas sector in Nigeria, as well as two companies. Using a normal regression analysis, the data of over 10 years have been analysed. Results indicated that CSR significantly and favorably affects the earnings of the companies under investigation.

Onyekwelu and Ekwe (2014) used the Nigerian banking industry to study the relationship between financial performance and corporate social responsibility. An expost facto research design was adopted in the study. The analysis is based on the usual least square regression. The report concluded that the financial performance of organizations depends still on how much corporate responsibility they commit. It called for more emphasis to be placed on CSR by companies in Nigeria.

Singh (2014) examined the effects of corporate social responsibility information on UK businesses’financial performance over a five-year period (2008–2012). In analyzing the data from these surveys, an ordinary Least Square model has been applied. The results showed no significant link between good practice in social responsibility and financial success of undertakings. This means that profitability is not increased when firms in advanced countries make a gesture of Social Responsibility.

Taib and Ameer (2012) investigated the connection between financial performance and corporate sustainability practices in US and UK businesses between 2005 and 2009. A regression model was applied using the data from the Annual Report. The results showed a negative, negligible effect on financial success. Because financial performance of firms is affected by the Community, business ethics indices and environmental indicators which are a component of the study variables. This suggests that advancements in language and computing power will make it easier to select a reporting medium in the future, and that it is best to report on community, diversity, environment, recruitment, and promotion as they happen. Real-time is made possible by the Community relationship's reporting feature.

Olayinka and Temitope (2011) conducted an empirical study in Nigeria to examine the correlation between corporate social responsibility and economic performance. It adopted the following variables; return on equity, return on assets, employee relations, community efficiency, and environment management. The findings indicated that financial performance metrics are positively and significantly impacted by CSR.

Conceptual Review

The conceptual review of sustainability accounting and financial performance in tertiary educational institutions involves examining the relationship between sustainability accounting practices, reporting, and the financial outcomes of these institutions. The following key aspects are considered:

Sustainability Accounting: Sustainability accounting, also known as environmental accounting or social accounting, is a field of accounting that considers the economic, social, and environmental impacts of an organization's activities. It goes beyond traditional financial accounting by incorporating non-financial information to provide a more comprehensive view of an organization's performance. The concept of sustainability accounting is rooted in the broader framework of sustainability, which aims to meet the needs of the present without compromising the ability of future generations to meet their own needs.

According to Elkington (2004), Sustainability was first coined in 1994 by John, the founder of a British Consultancy called Sustain-Ability who argue that companies should be preparing three different bottom lines which consists of three ‘Ps’ profit, people and planet. It aims to measure the financial, social and environmental performance of the business entity over a period of time. This is therefore confirmation of the views that for a sustainable accounting and reporting of entities, the three bottom line of profit, people and planet which by extension made up social, economic and environmental factors remain significant in the life of the entities.

Sustainability accounting in tertiary educational institutions involves applying the principles of sustainability reporting and accounting to assess and communicate the economic, social, and environmental impacts of the institution's activities. Tertiary educational institutions, such as Universities, Polytechnics and Colleges, play a crucial role in shaping future leaders and professionals, and their commitment to sustainability can have a significant influence on students, staff, and the broader community.

Social Community Development Cost: Recently, there has been a growing emphasis on the need for companies to contribute to community environmental sustainability. This has become a major topic of discussion in relation to the degradation of land and social infrastructure amenities (Ironkwe & Success, 2017). Community development costs refer to the expenses incurred by businesses or organizations in order to support the developmental programs and agendas of the host community as a way of giving back to the environment. However, these costs can also be incurred indirectly through various levies such as community development levy, which do not contribute to the growth of the business.

The development of social communities within tertiary educational institutions involves various costs associated with creating and maintaining a supportive and engaging environment for staff and students. These costs can vary based on the size of the institution, its goals, and the specific initiatives it undertakes. Here are some common areas where costs social community development costs may be incurred: Designing and creating spaces for students to gather, collaborate, and socialize, Developing and maintaining recreational spaces such as sports facilities, gyms, and outdoor areas, Organizing social events, workshops, seminars, and other activities to foster community engagement, Promoting inclusivity through events that celebrate cultural diversity, Providing training programs for student leaders who play a role in community development, Offering support services for students facing personal or academic challenges, Facilitating opportunities for students to connect with potential employers or mentors.

It's important for institutions to budget for these costs and allocate resources effectively to ensure the success of community development efforts. Funding may come from various sources, including tuition fees, grants, alumni donations, and partnerships with external organizations.

Human Capital Development Expenses: These expenses cover managing a business's personnel, which includes both staff members and individual clients. This is regarded as an essential resource for producing long-term value. (Onowu & Tonye, 2022). According to Ebipanipre and Confidence (2014), these costs encompass a range of factors that affect workers productivity, including: worker productivity, including benefits, engagement, diversity, incentives and pay. They also include the costs associated with luring and retaining workers in highly competitive markets for particular talent, skills, or education. It deals with labor relations management in sectors with sizable pension liabilities or those that depend on economies of scale and price competition. It addresses product innovation, responsible product design, use, and disposal, managing employee health and safety, and developing a safety culture in dangerous work environments (Agbiogwu, et al. 2016).

In order to improve people's capacities and advance social and economic advancement, human capital development entails making investments in people's education, training and skill development. The degree of education, the type of training and the particular objectives of the development programs can all affect the costs related to human capital development. According to Green (1993), employee training is essential to the development of human capital and that workers who are not properly trained are less competitive. On the other hand, greater productivity and higher pay are associated with a larger stock of human capital (Mincer, 1997). Bates (1990) found a correlation between training and an organization's longevity as well as a higher likelihood of business and economic growth. In addition to inspiring employees and strengthening their dedication, human capital stimulates investment in R & D, which produces new knowledge that benefits the economy and society (Doucouliagos, 1997).

Some key areas where Human capital development costs may be incurred are: Salaries/ Professional Development costs, Curriculum Development/Learning Materials Costs, Research & Development Costs, scholarship and participation in academic conferences and events, etc.

Sources of Funding Social and Human Capital Development Costs: The funding for both the social, community and human capital development costs initiatives in tertiary educational institutions is often sourced from a combination of sources, including tuition fees, government grants, endowments, philanthropy, and partnerships with industries/ organization and research organizations. It's essential for institutions to balance these costs to ensure a well-rounded and high-quality educational experience for their students.

Financial Performance: According to Richard (2009), an organization's financial performance is measured by comparing its actual outcomes to its predetermined goals and objectives. It includes earnings per share, profits, return on equity, return on investment, and other aspects of business outcomes. A company's financial performance is not only a measure of its effectiveness, but it also includes measures related to external factors like corporate social responsibility and internal performance outcomes linked to effective operations.

According to Osho et al. (2019), an organization's financial performance is a judgment call based on how well an organization manages the resources from its main line of business to produce income. A financial performance report provides an overview of a business’s financial performance and financial health, assisting different stakeholders and investors in making investment decisions (Eshna, 2019). It is used to determine the overall economic fitness over a specific period of time, even though the financial performance of tertiary institutions - such as universities, polytechnics, and college can vary greatly depending on a number of factors, including government funding, tuition fees, enrollment levels, research grants, and endowments. Performances in terms of money signify the process of executing financial transactions. Financial performance can indicate academic achievement, minimizing information asymmetry and streamlining provider oversight.

According to Montanaro (2013). The ability of a company, whether private or public, to use resources from its main line of business to make money is referred to as financial performance. It also serves as a broad indicator of an organization's overall financial health over a specific time frame. A financial performance report is a synopsis of a business's financial performance (Eshna. 2019). The financial performance report of a business aids different stakeholders and investors in choosing what to invest in.

The financial system in the tertiary educational institutions encompasses financial accounting, research grant accounting and financial and management reporting (Osho, 2017). This means therefore, that tertiary educational institutions cannot do without finance either through internally generated revenue or government subvention which will require management in term of spending within the global village of the institution and the management will be laid upon a competent and qualified chartered accountant that will integrate accounting, auditing and investigate skill (Osho, 2017). In educational institutions, financial performance is crucial for its sustainability, growth, and ability to fulfill its mission.

Measurement of Financial Performance: Financial performance is commonly evaluated using various metrics to assess the extent to which an entity has achieved its financial goals over a specific period. To comprehend the measurement of financial performance, it is crucial to grasp the concept of performance measurement. Performance measurement entails quantifying the efficiency and effectiveness of past actions (Illmer, 2011). More concretely, it entails evaluating how well-managed organizations are in respect to their goals and the value they provide to their stakeholders. Taking a broader perspective, Upadhaya, Munir, & Blount (2014) emphasize that performance measurement encompasses the collection, analysis, and/or reporting of information pertaining to performing individuals, groups, organizations, systems, or components. This can involve examining processes/strategies within organizations or studying engineering processes/ parameters/ phenomena to determine whether the outcomes align with the intended or expected results.

According to BPP Learning Media (2016), as cited in Nnamani et al. (2017), the purpose of performance measurement is to evaluate the effectiveness of something or someone in relation to a plan. This can refer to a variety of entities, such as a machine, factory, subsidiary, or organization, as well as individuals like employees, managers, or groups of people. When applied to financial performance, measuring financial performance involves determining how well an organization has achieved its financial objectives (Nnamani et al., 2017). Financial performance measures typically involve monetary metrics like revenues, costs, profits, return on capital, asset values, or cash flows (Pandey, 2010). For this study, the financial performance is measured using:

(i) **Operating Margin (OM):** The percentage of revenue left over after operating costs are paid is shown by this ratio. An increased operating margin is indicative of effective financial management. Government financing, tuition costs, enrolment numbers, research grants, and endowments are some of the ways that money can be made.

(ii) **Current Ratio (CR):** This ratio assesses how well an institution can use its short-term assets to pay down its short-term liabilities. An above-one ratio indicates strong liquidity.

Methodology

Secondary data was used for the Study. Data were collected from financial statements of tertiary educational institutions in Nasarawa State for a five years period covering 2018 to 2022. Pearson correlation coefficient and Multiple regression analysis model was employed in testing the relationship as well as the effect of sustainability accounting practice on financial performance of tertiary educational institutions in Nigeria with specific focus on institutions in Nasarawa state. All the tertiary educational institutions in Nasarawa state are considered as the population of the study.

Research Variables

This study consider public tertiary institutions as service based organization and therefore adopted the following performance measures as variables of the studies. While, sustainability accounting is represented by Social and Community Development Costs (SCDC) and Human Capital Development Costs (HCDC) as independent variables, financial performance is represented by Net Operating income and Current Ratio as dependent variables.

Model Specification

The following regression models for the relevant hypotheses were a modification of the model specified by Ogbebe (2023). The modified models were used to test for the applicability of the hypotheses on the effect of sustainability accounting on financial performance of the institutions. The general form of the regression is as follows:

Y = a0 + a1X1it + a2X2it + Eit

Where:

Y = is the dependent variable which describes financial performance

X = is the independent variable which signifies the components of sustainability accounting

X_1 = Social and Community Development Costs

X_2 = Human Capital Development Costs

E = is the error term capturing other explanatory variables not explicitly included in the model

a0 = is the intercept of the regression

a1, a2 = coefficients of sustainability accounting indices

The equation is therefore represented as thus, for the two hypothesis:

OMit = a0 + a1SCDCit + a2HCDCit + Eit------------------------------------i (H01)

CRit = a0 + a1SCDCit + a2HCDCit + Eit ---------------------------------- ii (H02)

Where:

OMit = Operating Margin for institution i in period t.

CRit = Current Ratio for institution i in period t.

SCDCit = Social and Community Development Costs for firm i in period t.

HCDCit = Human Capital Development Costs for firm i in period t.

Findings and Discussions

Test of Relationship: The study, as indicated earlier used the Pearson Correlation Coefficients to tests the relations between the variables. Table 4.1 below is the results of the tests for correlation.

H_{01}: Sustainability accounting practice attributes does not significantly relate to financial performance of tertiary educational institutions in Nigeria

Table 4.1. Pearson Correlation Coefficient

	OM	**CR**	**SCDC**	**HCDC**
OM	1.000			
CR	0.6441	1.000		
SCDC	0.7329	0.6886	1.000	
HCDC	0.7619	0.7123	0.5112	1.000

Table 4.1 above showed the Correlation Coefficients values after testing H_{01}: *Sustainability accounting practice attributes does not significantly relate to financial performance of tertiary educational institutions in Nigeria.* The tests as can be seen from the values indicated the existence of strong correlation at 0.05 level of significance, between OM and SCDC (0.7329) as well as between OM and HCDC (0.7619), CR and SCDC (0.6886) as well as CR and HCDC (0.7123). The correlation results as indicated therefore have no Multicollinearity problem as SCDC and HCDC (0.5112) the value indicated is less than 0.75.

Tests of Hypotheses 2 and 3: the two hypotheses are tested using the Multiple Regression Analysis.

H_{o2}: Sustainability Accounting has no significant effect on Operating Margin (OM) of the tertiary educational institutions in Nigeria.

Table 4.2. Regression Output for Hypothesis one.

Variable	Coefficient	Std. Error	t-Statistic	Prob
SCDC	0.6321	0.545521	3.21007	0.0971
HCDC	0.6723	1.186753	3.69281	0.0694
C	4.0121	4.8860	3.96431	0.0812
R-squared	0.7023	Means Dependent Variable		5632.533
Adjusted R^2	0.6234	SD Dependent Variable		4123.182
S.E. of regression	1.8723	Durbin-Watson stat		1.910303
F-statistic	5.2014			
Prob (F-statistic)	0.0312			

The multiple regression results in Table 4.2 above reveal the association between Sustainability accounting attributes and financial performance (OM) of tertiary educational institutions in Nigeria. The results show the R-squared of 0.70 (70%) and the adjusted R^2 is 0.62 (62%). This means that 62% of the systematic variations of OM is jointly explained by the explanatory variables. The probability of the F-Statistics is (0.0312) supports the overall significance of the model.

The SCDC and HCDC were found to have positive relationships with Coefficient of 0.6321 and 0.6723 respectively, t-Statistic = 3.21007 and 3.69281 respectively and a p-value of 0.0971 and 0.0694 respectively at 0.05 level of significance. It indicates therefore, that an increase of one unit of SCDC and HCDC would lead to a 0.6321 and 0.6723 respectively increase in OM. This indicates that the relationship is significant. Hence, SCDC and HCDC have a significant effect on OM. The H_{01} which states that Sustainability Accounting (SCDC & HCDC) has no significant effect on Operating Margin (OM) of the tertiary educational institutions in Nigeria is rejected at 0.05 level of significance because the P values of SCDC & HCDC at 0.0971 and 0.0694 respectively are all less than one.

Ho₃: Sustainability Accounting has no significant influence on Current Ratio (CR) of the tertiary educational institutions in Nigeria.

Table 4.3. Regression Output for Hypothesis two.

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob**
SCDC	0.9105	0.51890	2.62012	0.0510
HCDC	0.5819	1.24162	3.14460	0.0633
C	1.5391	1.10031	4.65215	0.0000
R-squared	0.6120	Means Dependent Variable		5102.102
Adjusted R^2	0.5028	SD Dependent Variable		4027.342
S.E. of regression	1.6992	Durbin-Watson stat		1.444296
F-statistic	5.7731			
Prob(F-statistic)	0.0138			

The results in Table 4.3 above reveal that a significant effect exist between Sustainability accounting attributes and financial performance (CR) of tertiary educational institutions in Nigeria. The results show the R-squared of 0.61 (61%) and the adjusted R^2 is 0.50 (50%). This means that 50% of the systematic variations of CR is jointly explained by the explanatory variables. The probability of the F-Statistics is (0.0138) supports the overall significance of the model.

The SCDC and HCDC have positive relationships with Coefficient of 0.9105 and 0.5819 respectively, t-Statistic = 0.51890 and 1.24162 respectively and a p-value of 0.0510 and 0.0633 respectively at 0.05 level of significance. It indicates therefore, that an increase of one unit of SCDC and HCDC would lead to a 0.9105 and 0.5819 respectively increase in CR. This indicates that the SCDC and HCDC have a significant effect on CR. The result reject H_{02} which states that Sustainability Accounting (SCDC & HCDC) has no significant influence on Current Ratio (CR) of the tertiary educational institutions in Nigeria at 0.05 level of significance because the P values of SCDC & HCDC at 0.0510 and 0.0633 respectively are all less one.

The findings of the hypotheses demonstrated that there was a significant relationship between the sustainability accounting expenditures, as represented by Social and Community Development Costs (SCDC) and Human Capital Development Costs (HCDC), and the financial performance, as represented by Operating Margin (OM) and Current Ration (CR) of tertiary educational institutions in Nigeria. The outcome aligns with the research conducted by Nnamani et al. (2017), which demonstrated that sustainability reporting had a noteworthy and favorable impact on the financial performance of the companies under investigation. On the other hand, it deviates from the conclusions drawn by Osho and Akinola (2019), who investigated the impact of sustainability accounting on the financial performance of Nigerian universities. The inconsistency could be caused by the different variables that were employed in the research.

Conclusions and Recommendations

The study examined the effect of Sustainability Accounting practice on financial performance of tertiary educational institutions in Nigeria. In the study, sustainability accounting is represented by Social and Community Development Costs (SCDC) and Human Capital Development Costs (HCDC) as independent variables while financial performance is represented by Operating Margin and Current Ratio as dependent variables. Survey research design where secondary data derived from financial statement of all tertiary institutions in Nasarawa State were collated and analyzed. The Study concluded that tertiary institutions in Nigeria took into cognizance without any special consideration on sustainability practice, the significance of sustainability accounting practice as they actually incurred certain identified sustainability costs, and confirmed also the fact that sustainability accounting practice attributes significantly influenced financial performance of the institutions. From the conclusion drawn, the study recommended that Specific standard be developed by professional/regulatory bodies to regulate and guide sustainability accounting and reporting practice in public tertiary educational institutions in Nigerian as a context that would provide insights for policymakers, institutional administrators, and stakeholders in the education sector.

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