



The Effect of Corporate Social Responsibility on Firm Value of Listed Consumer Goods Companies in Nigeria

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Abstract

This study examines the effect of Corporate Social Responsibility (CSR) on firm value among 21 listed consumer goods companies in Nigeria, focusing on legal, philanthropic, ethical, economic, and security collaboration dimensions. The study employed a correlational research design within a longitudinal framework, grounded in the positivist paradigm, using secondary data collected from company annual reports and corporate websites spanning 2014 to 2023. Panel regression analysis was applied to assess the impact of each CSR dimension on firm value, with diagnostic tests confirming no serial correlation ($F = 2.1429$, $p = 0.1201$) and no heteroskedasticity ($F = 0.1938$, $p = 0.9646$), ensuring the reliability of the results. Findings indicate that the legal dimension has a positive but statistically insignificant effect on firm value ($t = 1.1362$, $p = 0.2573$), while the philanthropic dimension significantly increases firm value ($t = 2.4559$, $p = 0.0065$). The ethical dimension shows an insignificant negative effect ($t = -0.9537$, $p = 0.3415$). In contrast, the economic dimension demonstrates a strong and significant positive effect ($t = 5.3585$, $p = 0.0000$), and security collaboration also significantly enhances firm value ($t = 2.7793$, $p = 0.0013$). The study concludes that CSR can enhance firm value when strategically implemented, with philanthropy, economic responsibility, and security collaboration being the most influential dimensions. These findings provide valuable insights for corporate managers, investors, and policymakers on leveraging CSR to strengthen firm value, stakeholder confidence, and sustainable growth.

Keywords: Corporate Social Responsibility (CSR), Firm Value, Consumer Goods Companies, Sustainability

1. Introduction

In recent decades, the relationship between Corporate Social Responsibility (CSR) and firm value has attracted substantial interest among scholars and practitioners. In earlier periods, corporate success was largely measured by financial indicators such as profitability and return on investment (Chen *et al.*, 2024) ^[10]. However, growing global concerns over climate change, environmental degradation, and social inequality have expanded the criteria for evaluating corporate performance. Investors increasingly assess companies using environmental, social, and governance (ESG) indicators in addition to traditional financial metrics. While CSR reflects the underlying philosophy of sustainable and responsible business conduct, ESG provides measurable standards and reporting mechanisms through which these principles are implemented and assessed (Le *et al.*, 2021; Soojee *et al.*, 2019) ^[27, 41].

Academic inquiry into the CSR–firm value nexus dates back to the 1970s, yet empirical evidence remains mixed. A considerable number of studies report a positive association, arguing that socially responsible practices strengthen corporate reputation, attract investment, and ultimately enhance profitability. Conversely, other studies identify nonlinear patterns, including U-shaped and inverted U-shaped relationships, suggesting that the benefits of CSR may vary depending on the level of investment or contextual factors (Ikilidih *et al.*, 2024; Wu *et al.*, 2023) ^[21, 49].

Such inconsistencies may stem from differences in research design, institutional environments, measurement approaches, and the stage of CSR development across firms. Moreover, conclusions drawn from international contexts may not fully apply to firms operating within Nigeria's unique economic and regulatory environment. Stakeholder theory provides a foundational explanation for why CSR may influence firm value. It posits that organizations should address the interests of a broad range of stakeholders, including employees, customers, communities, and regulators, rather than focusing solely on shareholders. By adopting responsible practices, firms can build trust, strengthen stakeholder relationships, and improve long-term financial outcomes (Carroll, 1979; Zhang *et al.*, 2022) ^[6, 50]. Carroll's seminal CSR framework identifies four principal dimensions: economic, legal, ethical, and philanthropic responsibilities. Nonetheless, contemporary developments over the past five years indicate that the CSR concept has expanded beyond these original components. Recent literature emphasizes the inclusion of environmental sustainability, green innovation, and security collaboration as critical elements of modern corporate responsibility (Le, 2022; Soojee *et al.*, 2019) ^[26, 41]. These additions reflect rising expectations for firms to actively safeguard the environment, harness innovation for societal benefit, and maintain operational stability in environments characterized by security challenges. In parallel, ESG frameworks have gained prominence as structured systems for translating CSR values into quantifiable indicators across environmental stewardship, social responsibility, and governance effectiveness.

Despite the enduring relevance of Carroll's model, there is no consensus regarding the individual effects of its dimensions on firm value. Some studies report that compliance with legal responsibilities positively influences firm value (Carmona *et al.*, 2024; Asadi *et al.*, 2022) ^[5, 4], while others document adverse effects (Nebie & Cheng, 2023) ^[30]. Similarly, philanthropic initiatives have been found to enhance firm value in certain contexts (Vinjamury & Nattuvathuckal, 2024; Okike *et al.*, 2023) ^[48, 33], whereas contrasting evidence has also emerged (Laghoug *et al.*, 2021) ^[25]. These divergent findings highlight the necessity of revisiting and extending Carroll's framework to incorporate evolving dimensions such as environmental sustainability and security collaboration. The environmental dimension encompasses initiatives aimed at reducing emissions, conserving resources, and promoting sustainable production practices. Security collaboration, particularly relevant in regions experiencing insecurity, entails cooperation with security agencies and community stakeholders to safeguard business operations (Farooq *et al.*, 2024) ^[16]. Failure to integrate these emerging aspects of CSR may erode stakeholder confidence and weaken organizational resilience, whereas proactive engagement can enhance corporate image, strengthen stakeholder relationships, and promote sustainable value creation (Uwhejevwe-Togbolo, 2024) ^[47].

Against this backdrop, the present study investigates the effect of CSR on the firm value of listed consumer goods companies in Nigeria. Specifically, it examines the extent to which the legal dimension influences firm value; evaluates

the impact of the philanthropic dimension; assesses the role of the ethical dimension; analyzes the effect of the economic dimension; and determines the influence of security collaboration on the firm value of listed consumer goods companies in Nigeria.

2. Literature Review

2.1. Conceptual Review

This section presents the conceptual review of existing literature that explain details and different perspectives of various extant studies on firm value and corporate social responsibilities as well as its attributes.

2.1.1. Firm Value

Firm value refers to the overall market worth of a company and represents how investors and stakeholders assess its economic strength (Chouaibi & Chouaibi, 2021) ^[11]. It goes beyond book values reported in financial statements by incorporating the market value of equity and debt, while adjusting for cash holdings. This broader valuation measure is commonly described as Enterprise Value (EV), which provides a more comprehensive indication of a firm's true operational worth, particularly in investment decisions, mergers, and acquisitions. Firm value is not static; it changes over time in response to both internal and external influences. Internally, profitability, asset efficiency, and financing decisions play significant roles. Externally, macroeconomic conditions, industry trends, and investor perceptions can also affect market valuation. Since stock prices reflect investor expectations, an increase in share price generally signals higher firm value, whereas declining share prices indicate reduced market confidence (Rossi *et al.*, 2021) ^[35].

2.1.2. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) refers to a company's voluntary commitment to incorporate social and environmental considerations into its operations and stakeholder relationships (Nurunnabi *et al.*, 2020) ^[31]. It requires firms to recognize the broader impact of their activities on communities and the environment and to contribute positively to societal development (Murdifin *et al.*, 2019) ^[29]. CSR aligns with the triple bottom line framework, which emphasizes balancing social well-being (people), environmental protection (planet), and economic prosperity (profit) (Fasua, 2024; Iriyadi & Antonio, 2021) ^[17, 22]. Over time, CSR has developed into a multidimensional concept encompassing philanthropic, legal, ethical, economic, and more recently, security-related responsibilities.

2.1.2.1. CSR as Philanthropy

Initially, CSR was largely understood as corporate philanthropy, where businesses supported community development through voluntary contributions. According to Carroll (1991) ^[7], philanthropic responsibility represents the discretionary aspect of CSR, involving activities such as charitable donations, sponsorship of community projects, educational support, and disaster relief efforts (Carroll, 2021) ^[8];

Olubiyi, 2025. These initiatives enhance corporate reputation

and legitimacy, particularly in developing economies where societal expectations of firms are substantial (Mohammed, 2024).

2.1.2.2. CSR as Legal Responsibility

The legal dimension of CSR emphasizes compliance with laws and regulations governing business conduct (Carroll, 1991, 2021) ^[7, 8]. It serves as the bridge between profit-making objectives and societal expectations of fairness and justice. Legal responsibility requires firms to operate within established regulatory frameworks that safeguard stakeholders and the environment. Beyond statutory compliance, modern interpretations also include adherence to voluntary codes, international labor standards, and environmental guidelines that shape responsible corporate behavior in a globalized economy.

2.1.2.3. CSR as Ethical Responsibility

The ethical dimension extends beyond legal requirements, focusing on what is morally right, fair, and just (Carroll, 1991) ^[7]. CSR from an ethical standpoint involves integrating moral principles into corporate decision-making processes (Igbinovia, 2021) ^[20]. Drawing from Freeman's Stakeholder Theory (1984) ^[18], businesses are expected to consider the interests of all stakeholders, including employees, customers, suppliers, and communities. Ethical engagement fosters transparency, trust, and long-term sustainability, thereby contributing to stronger stakeholder relationships and enhanced firm value (Chouaibi & Chouaibi, 2021) ^[11].

2.1.2.4. CSR as Economic Responsibility

While CSR once appeared separate from profitability, contemporary perspectives recognize its strategic economic role. From this viewpoint, socially responsible actions can strengthen financial performance, improve stakeholder confidence, and promote long-term growth (Štreimikienė & Ahmed, 2021) ^[42]. Although Friedman (1970) ^[19] argued that a firm's primary responsibility is profit maximization within legal and ethical boundaries, modern interpretations acknowledge that responsible business conduct can create competitive advantage and sustainable value.

2.1.2.5. CSR as Security Collaboration

In regions experiencing insecurity or institutional instability, CSR increasingly functions as a tool for security collaboration and risk management. Firms engage in community development and partnerships aimed at reducing conflict and ensuring operational continuity (Tan *et al.*, 2025) ^[45]. In Nigeria, for example, CSR initiatives in areas such as the Niger Delta have been used to mitigate unrest and protect corporate assets (Okwelum, 2022) ^[34]. By addressing root causes of insecurity—such as unemployment and poor infrastructure—companies enhance community stability and safeguard their social license to operate (Mamo *et al.*, 2023) ^[28]. Empirical evidence also suggests that such strategic CSR engagement positively influences firm value, particularly during sensitive corporate events (Pagaddut, 2020) ^[36].

Firm value reflects the market's assessment of a company's overall worth and is influenced by both financial performance and external conditions. CSR, on the other hand, represents a

firm's commitment to social, environmental, legal, ethical, economic, and security responsibilities. Modern perspectives increasingly recognize CSR not merely as philanthropy, but as a strategic mechanism that strengthens stakeholder trust, manages risks, enhances corporate reputation, and ultimately contributes to sustainable firm value.

2.2. Theoretical Review

This section presents the various theories examined in the course of this study.

2.2.1. Dimensional Theory of Corporate Social Responsibility

The framework developed by Carroll (1979; 1991) ^[6, 7] provides a comprehensive theoretical foundation for the conceptualization of Corporate Social Responsibility (CSR) as presented in this review. Carroll's CSR pyramid, comprising economic, legal, ethical, and philanthropic responsibilities; The economic responsibility reflects the role of CSR in enhancing firm performance and value creation, reinforcing the notion that profitability and social responsibility are mutually reinforcing. Similarly, the legal and ethical dimensions explain how regulatory compliance and moral conduct reduce corporate risk, strengthen stakeholder trust, and enhance corporate reputation, all of which are critical determinants of firm value. This perspective is consistent with the stakeholder approach advanced by Freeman (1984) ^[18], which emphasizes that firms that effectively address stakeholder interests are more likely to achieve sustainable growth and improved market valuation.

In addition, the philanthropic dimension of Carroll's model supports the understanding of CSR as voluntary community engagement, which enhances corporate legitimacy and social acceptance, particularly in developing economies such as Nigeria. Extending beyond the traditional CSR pyramid, the inclusion of CSR as security collaboration reflects contemporary realities where firms actively engage in conflict mitigation and community development to ensure operational stability. Although not explicitly identified in Carroll's original model, this dimension can be situated within the ethical and philanthropic responsibilities, as it promotes societal well-being while also serving strategic business interests. Overall, the integration of these CSR dimensions underscores their collective influence on firm value by improving investor confidence, reducing uncertainty, and fostering long-term sustainability.

2.3. Empirical Review

This section presents a review of existing empirical studies that are relevant to the variables employed in this research.

2.3.1. Corporate Social Responsibility and Firm Value

Empirical studies provide mixed but largely supportive evidence on the relationship between CSR and firm value. Chen *et al.* (2024) ^[10] found that CSR engagement significantly improves financial performance among Taiwanese firms, suggesting that responsible practices enhance firm value. In Nigeria, Ikilidih *et al.* (2024) ^[21] reported that CSR expenditure

significantly affects return on assets, though it does not significantly influence return on capital employed among industrial goods firms. Wu *et al.* (2023) ^[49], using Chinese market data, identified a U-shaped relationship between CSR and firm value, indicating that the benefits of CSR may vary depending on the level of engagement. Similarly, Khuong and Anh (2023) ^[24] confirmed a positive CSR–firm value relationship in Vietnam and found that this relationship differs across stages of a firm’s life cycle, being strongest during growth phases. Qonita *et al.* (2022) ^[38] showed that CSR enhances firm value indirectly through corporate reputation, although its direct effect on financial performance was not significant. Overall, these findings suggest that CSR can improve firm value, though the strength and form of the relationship depend on context and mediating factors.

2.3.2. Legal Dimension and Firm Value

Research on the legal dimension of CSR highlights its strategic importance. Carmona *et al.* (2024) ^[5] found that the legal dimension ranked highest in importance among Brazilian firms, though its interaction with ethical responsibility was not directly significant. Asadi *et al.* (2022) ^[4] confirmed that the economic, ethical, and legal dimensions positively influence economic performance, particularly when supported by appropriate business strategies. However, the legal dimension’s impact on market value added was less consistent. Chamberlain *et al.* (2025) ^[9] further demonstrated that firms with strong pre-existing CSR performance experience less negative market reactions during legal or security crises, such as data breaches. These findings indicate that legal responsibility strengthens corporate resilience and protects firm value, especially during periods of risk.

2.3.3. Philanthropic (Discretionary) Dimension and Firm Value

Evidence on the philanthropic dimension also suggests positive implications for firm value. Vinjamury and Nattuvathuckal (2024) ^[48] found that managerial discretion in CSR decisions enhances firm value and financial flexibility. Soni *et al.* (2024) ^[40] identified multiple dimensions of philanthropic CSR in India’s FMCG sector, emphasizing its broad social impact. In Nigeria, Okike *et al.* (2023) ^[33] reported a significant positive relationship between philanthropic CSR and firm value among deposit money banks. Terngu (2021) ^[46] similarly found that philanthropic, ethical, legal, and economic responsibilities significantly improve organizational effectiveness in pharmaceutical firms. However, Laghouag *et al.* (2021) ^[25] observed relatively weaker philanthropic practices in Saudi telecom companies, suggesting variations in implementation across sectors.

2.3.4. Ethical Dimension and Firm Value

Empirical evidence on the ethical dimension of CSR presents nuanced findings. Igbinovia (2021) ^[20] examined whether ethical disclosures, such as those relating to human rights, environmental protection, and safety practices, affect firm

value in Nigeria’s consumer goods sector. The study found that ethical disclosures alone do not significantly influence firm value. However, when combined with strong financial performance, their effect becomes significant. This suggests that investors consider ethical disclosures meaningful only when they are supported by satisfactory profitability, as such disclosures reduce information asymmetry and strengthen market confidence. Chouaibi and Chouaibi (2021) ^[11] similarly reported a positive relationship between ethical and social practices and market valuation among international ESG-listed firms. Their findings show that ethical strengths enhance firm value, particularly when supported by green innovation, while ethical weaknesses diminish it. The results also indicate continuity in firm value over time. In addition, Štreimikienė and Ahmed (2021) ^[42] confirmed that ethical, philanthropic, and sustainability-related CSR dimensions positively contribute to organizational performance. Overall, the literature suggests that ethical responsibility enhances firm value, especially when aligned with financial success and innovation strategies.

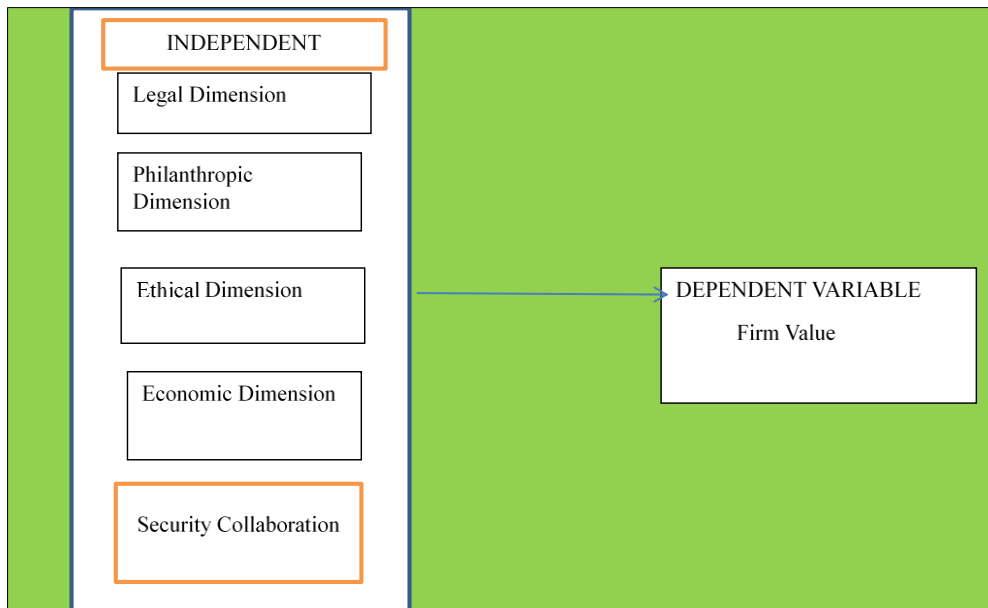
2.3.5. Economic Dimension and Firm Value

Studies examining the economic dimension of CSR emphasize its strategic relevance to value creation. Salihi *et al.* (2024) ^[39] found that environmental governance practices among Nigerian listed firms strengthen green innovation capacity and enhance firm value. Their findings highlight the role of governance structures in promoting sustainable economic benefits. Issa *et al.* (2023) ^[23] investigated sustainability disclosure among Nigerian manufacturing firms and reported that environmental and social disclosures significantly improve firm value, while economic disclosure alone does not show a significant effect. This suggests that broader sustainability commitments may be more influential than purely economic reporting. Dohrmann *et al.* (2025) ^[14] further demonstrated that strong environmental performance positively influences firm value, particularly when executive compensation is linked to ESG targets. Collectively, these findings indicate that the economic dimension of CSR contributes to firm value when integrated with governance, environmental performance, and strategic incentives.

2.3.6. Security Collaboration and Firm Value

Emerging research highlights the growing importance of security collaboration as part of CSR and corporate governance. Tan *et al.* (2025) ^[45] found that effective cybersecurity governance significantly enhances corporate market value by strengthening reputation and investor trust. Zhao *et al.* (2025) ^[51] showed that firms’ cybersecurity investment decisions depend on factors such as vulnerability levels, potential losses, and regulatory constraints, all of which influence firm value. Alsadoun and Albaz (2025) ^[2] reported that cybersecurity risk disclosure positively affects firm value while reducing stock return volatility in Saudi firms. Their findings suggest that transparent security practices improve investor confidence and corporate stability.

2.4. Conceptual Framework



Source: Author’s Design (2026).

Fig 1: Conceptual Framework

3. Methodology

This study employed a correlational research design within a longitudinal research framework to examine the relationship between CSR and firm value in the listed companies in Nigeria. The choice of a correlational research design is rooted in the positivist paradigm, as the study seeks to quantitatively assess the relationship between CSR and firm value. The population for this study will comprise all twenty-one (21) consumer goods companies listed on the “Nigerian Exchange Group (NGX) as of December 31, 2023. This study relied on secondary data sources, primarily to obtain from the annual reports and corporate websites of the sampled consumer goods companies listed on the Nigerian Exchange Group (NGX) for the period spanning 2014 to 2023.

3.1. Model Specification

In this study, a panel regression model was developed to examine the relationship between CSR and firm value. Additionally, the model was designed to assess the effectiveness of the introduced variables in producing expected outcomes. The independent variables categorized into five key CSR: legal dimension, philanthropic dimension, ethical dimension, economic dimension, and security collaboration. The firm value modelled as a function of these variables, and adapted Okike *et al.* (2023) ^[33] model, which investigated “Impact of Philanthropic Corporate Social Responsibility on Firm Value of Deposit Money Banks in Nigeria” This model was put in simple linear form as follows:

$$TQ = \alpha_0 + \alpha_1 TotDonit + \alpha_2 SchHosDonit + \alpha_3 OtherDonit + \epsilon_{it}$$

Thus, the revised model will be expressed in the following linear form:

$$TobinQ = f(\text{CSR}) \dots \dots \dots (3.1)$$

CSR is decomposed to: (LD, PD, ETD, ECD, SCR)

The model for econometrics is:

$$TQ_{it} = \beta_0 + \beta_1 LD_{it} + \beta_2 PD_{it} + \beta_3 ETD_{it} + \beta_4 ECD_{it} + \beta_5 SCR_{it} + \epsilon_{it} \dots \dots (3.2)$$

Where: TQ = Tobin’s Q, LD = Legal Dimension, PD = Philanthropic Dimension, ETD = Ethical Dimension, ECD = Economic Dimension, and SCR = Security Collaboration Responsibility

I = industry, t=Time, ϵ = Error term, β_0 = Constant/intercept;

$\beta_1 - \beta_6$ = Slope of the independent elements

3.2. Measurement of Variables

Table 1: Summary of Measurement of Variables

S/N	Variable	Definitions	Variables	Measurements/	Apriori Expectation	Sources
1	TQ	Tobin's Q measures firm value based on the ratio of market value to asset replacement cost	Dependent	(Market value of equity + Book value of debt) / Total assets	N/A	Chung & Pruitt (1994); Lin <i>et al.</i> (2020)
2	LD	Legal Dimension reflects compliance with laws and regulations as part of CSR	Independent	Legal Dimension was measured using total taxes and other legal fees paid to constituted authority per year	+Ve	Carroll (1991); Okike <i>et al.</i> (2023)
3	PD	Philanthropic Dimension relates to voluntary contributions to society such as donations, community engagement	Independent	If there are disclosures on donations, community engagement, award (1), otherwise (0).	+Ve	Carroll (1991); Okike <i>et al.</i> (2023)
4	ETD	Ethical Dimension refers to practices that are morally acceptable beyond legal requirements	Independent	Ethical Dimension was measured using total amount spent on ethical issues per year	+Ve	Carroll (1991); Okike <i>et al.</i> (2023)
5	ECD	Economic Dimension represents the responsibility of being profitable and economically viable	Independent	Economic Dimension was measured by sales revenue	+Ve	Carroll (1991); Okike <i>et al.</i> (2023)
6	SCR	Security Collaboration Responsibility reflects firm efforts in supporting public and national security or partnering with agencies for safety	Independent	If there are disclosures on security partnerships, risk management programs, CSR reports, award (1), otherwise (0).	+Ve	Adegbite <i>et al.</i> (2023)

Source: Researcher's Compilations (2026)

4. Data Analysis

This section offers a comprehensive explanation of the various findings in the study

4.1. Descriptive Statistics

Table 2: Descriptive Statistics of Variables

	TQ	LD	PD	ETD	ECD	SCR
Mean	50.57547	5.306271	0.918782	4.410558	6.375916	0.923858
Median	4.741116	5.947369	1.000000	4.400000	6.949388	1.000000
Maximum	2709.144	8.231266	1.000000	5.840000	9.808895	1.000000
Minimum	-2.582148	0.000000	0.000000	2.300000	0.000000	0.000000
Std. Dev.	266.8783	2.110926	0.273866	0.788705	2.484263	0.265901
Skewness	0.375071	-1.588854	-3.066088	-0.499916	-1.684724	-0.196209
Kurtosis	3.449389	4.567624	10.40090	3.568382	5.118329	1.121575
Jarque-Bera	10.09980	103.0579	758.2602	10.85735	130.0241	18.94679
Probability	0.055617	0.000000	0.000000	0.054389	0.000000	0.065813
Sum	9963.367	1045.335	181.0000	868.8800	1256.056	182.0000
Sum Sq. Dev.	13959912	873.3776	14.70051	121.9230	1209.627	13.85787
Observations	197	197	197	197	197	197

Source: Author's computation with E-Views 10 (2026)

Table 4.1 presents the descriptive statistics of firm value (Tobin's Q) and the five corporate social responsibility (CSR) dimensions: legal (LD), philanthropic (PD), ethical (ETD), economic (ECD), and security collaboration responsibility (SCR). Tobin's Q (TQ), which measures firm value, has a mean of 50.58 and a median of 4.74. The wide gap between the mean and the median, alongside an extreme maximum of 2709.14 compared to a minimum of -2.58, points to the presence of significant outliers. This indicates that while the majority of firms recorded moderate values, a

few firms attained exceptionally high market valuations, which inflated the mean. The large standard deviation of 266.88 further demonstrates the high variability of firm value among the sampled firms. Most firms show high levels of compliance in legal, economic, philanthropic, ethical, and security responsibilities. The normality results further imply that while some variables approximate a normal distribution, others depart significantly, which necessitates the use of robust estimation methods in subsequent econometric analyses. There are 200 observations in all.

4.2. Pearson Correlation Matrix Analysis

Table 3: Pearson Correlation Matrix

	TQ	LD	PD	ETD	ECD	SCR
TQ	1					
LD	0.655175	1				
PD	0.633119	0.520041	1			
ETD	0.6091532	0.293744	-0.182761	1		
ECD	0.533434	0.369800	0.595367	-0.1413263	1	
SCR	0.630093	0.6340376	0.440860	-0.219494	0.334259	1

Source: Author's computation with E-Views 10 (2026)

The correlation analysis presented in Table 4.2 reveals the strength and direction of the relationship between firm value, measured by Tobin's Q, and the different dimensions of corporate social responsibility (CSR). The results show that Tobin's Q is positively correlated with all the CSR dimensions. Specifically, firm value has a strong positive correlation with the legal dimension (0.655), suggesting that

compliance with legal frameworks enhances firm performance. Similarly, philanthropic responsibility (0.633) and security collaboration responsibility (0.630) also show strong positive associations with firm value, implying that community-oriented initiatives and active engagement in security collaboration contribute to the improvement of corporate valuation.

Table 4: The Result of Fixed Effects Model

Dependent Variable: TQ				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LD	14.64436	12.88841	1.136243	0.2573
PD	0.091716	0.037345	2.455911	0.0065
ETD	-23.84813	25.00502	-0.953734	0.3415
ECD	1.172403	0.218794	5.358475	0.0000
SCR	0.192066	0.069107	2.779255	0.0013
C	96.22170	151.6391	6.345441	0.0000
Effects Specification				
Period fixed (dummy variables)				
R-squared	0.510762	Mean dependent var	50.57547	
Adjusted R-squared	0.407623	S.D. dependent var	266.8783	
S.E. of regression	3.166618	Akaike info criterion	5.255372	
Sum squared resid	1764.835	Schwarz criterion	5.651170	
Log likelihood	-50.15372	Hannan-Quinn criter.	5.415546	
F-statistic	2.043477	Durbin-Watson stat	2.337058	
Prob(F-statistic)	0.005164			

Source: Author's Computation, 2026

Table 5: Random Effects Model

Dependent Variable: TQ				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LD	12.46568	12.64735	0.985635	0.3256
PD	71.12090	92.91208	0.765465	0.4449
ETD	-23.72548	24.95856	-0.950595	0.3430
ECD	9.931717	10.49519	0.946311	0.3452
SCR	19.51786	84.19229	0.231825	0.8169
C	109.0891	150.7082	0.723843	0.4700
Effects Specification				
			S.D.	Rho
Period random			21.96033	0.0067
Idiosyncratic random			267.2479	0.9933
Weighted Statistics				
R-squared	0.023946	Mean dependent var	47.49077	
Adjusted R-squared	0.001606	S.D. dependent var	266.1475	
S.E. of regression	266.3650	Sum squared resid	13551514	
F-statistic	0.937159	Durbin-Watson stat	2.102518	
Prob(F-statistic)	0.458061			
Unweighted Statistics				
R-squared	0.024016	Mean dependent var	50.57547	
Sum squared resid	13624647	Durbin-Watson stat	1.704079	

Source: Author's Computation, 2026

In order to ascertain the appropriate choice of either of these estimated models, the study employed the use of Hausman Test.

4.3. The Hausman Test

The Hausman Test was carried out to verify if there is a significant discrepancy between the estimates of the fixed effect estimator and that of the random effect estimator. The null hypothesis underlying the test is that fixed effect

estimates do not distinguish significantly from the random effect estimates. The test statistic formulated by Hausman has an asymptotic chi-square distribution.

Having estimated the Hausman Test Hypothesis:

H_0 : Random effect model is appropriate

H_1 : Fixed effect model is appropriate

The rule is that if the probability value of the Chi-Square Statistics is statistically significant, we accept fixed effects model, otherwise, the random effects model is appropriate.

Table 6: Extract from the Hausman Test Result

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	23.7550	5	0.0445

Source: Author's Computation, 2026.

The Hausman specification test was conducted to determine the most appropriate panel regression estimator between the fixed effects model (FEM) and the random effects model (REM). The result, as shown in Table 4.6, presents a Chi-square statistic of 23.755 with a probability value of 0.0445. Since this probability is less than the 5% significance threshold, the null hypothesis (that the random effects model is appropriate) is rejected in favour of the alternative hypothesis. Consequently, the fixed effects model is considered more consistent and efficient for the analysis.

Based on this outcome, the fixed effects estimation results presented in Table 4.5 are interpreted. The findings reveal that three CSR dimensions, philanthropic responsibility (PD), economic responsibility (ECD), and security collaboration responsibility (SCR), exert significant positive effects on firm value as measured by Tobin's Q. Specifically, PD has a coefficient of 0.092 ($p = 0.0065$), showing that philanthropic engagements, such as community projects and donations, significantly enhance firm valuation. ECD records a coefficient of 1.172 ($p = 0.0000$), indicating that economic responsibility, particularly profit orientation and operational efficiency, contributes strongly to firm performance. Similarly, SCR demonstrates a positive and significant effect with a coefficient of 0.192 ($p = 0.0013$), implying that firms actively involved in security collaboration benefit from improved corporate value.

On the other hand, the legal dimension (LD) has a positive

but statistically insignificant effect (coefficient = 14.64, $p = 0.2573$), suggesting that mere compliance with legal frameworks does not significantly drive firm value within the sampled firms. The ethical dimension (ETD) surprisingly shows a negative but insignificant coefficient (-23.85, $p = 0.3415$), implying that ethical practices, though essential, may not directly translate into higher firm value in the short run.

The model diagnostics further strengthen the reliability of the fixed effects results. The R-squared value of 0.511 indicates that approximately 51% of the variation in firm value is explained by the CSR dimensions. The adjusted R-squared of 0.408 confirms a reasonably good fit after adjusting for the number of predictors. The F-statistic (2.043, $p = 0.005$) shows that the model is jointly significant, while the Durbin-Watson statistic (2.34) suggests no problem of autocorrelation in the residuals.

The Hausman test justifies the use of the fixed effects model. The results show that philanthropic, economic, and security collaboration responsibilities significantly and positively influence firm value, while legal and ethical responsibilities are not statistically significant predictors. This implies that CSR activities with direct socio-economic and security relevance tend to be more valued by stakeholders and have a stronger impact on firm valuation than compliance-based or ethical declarations.

4.4. Post-Estimation

Table 7: Serial Correlation LM Test

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	2.142913	Prob. F(2,192)	0.1201
Obs*R-squared	4.366924	Prob. Chi-Square(2)	0.1127

The results of the Breusch-Godfrey Serial Correlation LM Test, as presented in Table 4.5, show an F-statistic value of 2.142913 with a corresponding probability value of 0.1201, and an Obs*R-squared value of 4.366924 with a probability value of 0.1127. Both probability values are greater than the 5% significance level, indicating that the null hypothesis of no serial correlation cannot be rejected. This implies that the residuals from the regression model are not serially

correlated, meaning the error terms are independent over time. Consequently, the model is free from the problem of serial correlation, suggesting that the estimated coefficients are efficient and unbiased. The absence of serial correlation further confirms that the model is appropriately specified and that the statistical inferences, such as t-tests and F-tests, drawn from the regression results are reliable and valid for interpretation.

Table 8: Heteroskedasticity Tes

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	0.193799	Prob. F (5,194)	0.9646
Obs*R-squared	0.993998	Prob. Chi-Square (5)	0.9630
Scaled explained SS	3.265281	Prob. Chi-Square (5)	0.6592

The result of the Breusch-Pagan-Godfrey Heteroskedasticity Test as shown in Table 4.6 reveals an F-statistic value of 0.193799 with an associated probability value of 0.9646. Similarly, the Obs*R-squared value is 0.993998 with a probability value of 0.9630, while the Scaled Explained SS

value is 3.265281 with a probability value of 0.6592. Since all the probability values are greater than the 5% significance level, the null hypothesis of homoskedasticity cannot be rejected. This indicates that the variance of the residuals is constant across observations, implying the absence of

heteroskedasticity in the model. The result therefore suggests that the model satisfies the assumption of constant error variance, meaning that the estimators obtained from the regression are efficient, consistent, and unbiased. Consequently, the model's inferences and statistical conclusions are reliable and can be used confidently for policy or decision-making purposes.

4.5. Discussion of Findings

The first objective examined the effect of the legal dimension on the firm value of listed consumer goods companies in Nigeria. The findings revealed a positive but statistically insignificant relationship, as indicated by a p-value of 0.2573 and a t-statistic of 1.136243, both exceeding the 5% significance threshold. Consequently, the null hypothesis was accepted. This suggests that although improvements in legal responsibility may correspond with increases in firm value, the effect is not strong enough to be statistically meaningful. The result aligns with Carmona *et al.* (2024) ^[5] but differs from Asadi *et al.* (2022) ^[4]. The implication is that legal compliance is perceived as a mandatory obligation rather than a source of competitive advantage and therefore does not significantly drive firm value.

The second objective assessed the influence of the philanthropic dimension on firm value. The results showed a statistically significant positive effect, with a p-value of 0.0065 and a t-statistic of 2.455911, both within the 5% significance level. Thus, the alternative hypothesis was supported. This indicates that increased philanthropic activities are associated with higher firm value among listed consumer goods firms in Nigeria. The finding is consistent with prior studies such as Carmona *et al.* (2024) ^[5], Vinjamury and Nattuvathuckal (2024) ^[48], Laghouag *et al.* (2021) ^[25], and Okike *et al.* (2023) ^[33]. A likely explanation is that philanthropic initiatives enhance corporate reputation, strengthen stakeholder confidence, and improve public perception, thereby contributing to greater market valuation. The third objective investigated the effect of the ethical dimension on firm value. The findings revealed a negative but statistically insignificant relationship, with a p-value of 0.3415 and a t-statistic of -0.953734, both above the 5% significance level. Accordingly, the null hypothesis was accepted. This suggests that higher ethical engagement does not significantly influence firm value and may even be associated with a slight decline, though not in a meaningful statistical sense. The result supports the findings of Carmona *et al.* (2024) ^[5] and Igbinoia (2021) ^[20], but contrasts with Asadi *et al.* (2022) ^[4] and Laghouag *et al.* (2021) ^[25]. One possible reason is that in environments characterized by weak institutional enforcement, ethical practices may not be fully recognized or rewarded by investors.

The fourth objective examined the economic dimension and its effect on firm value. The results indicated a strong and statistically significant positive relationship, as evidenced by a p-value of 0.0000 and a t-statistic of 5.358475. The alternative hypothesis was therefore accepted. This implies that greater emphasis on economic responsibility significantly enhances firm value. The finding is consistent with Carmona *et al.* (2024) ^[5], Asadi *et al.* (2022) ^[4], Salihi *et al.* (2024) ^[39], and Issa *et al.* (2023) ^[23], though it differs from Arif and Handayani (2024) ^[3]. The positive effect may be attributed to the fact that economic responsibility reflects profitability, financial stability, and long-term sustainability, which are key determinants of market valuation.

The fifth objective explored the impact of security collaboration on firm value. The findings showed a statistically significant positive relationship, with a p-value of 0.0013 and a t-statistic of 2.779255, both below the 5% significance level. This led to the acceptance of the alternative hypothesis. The result indicates that enhanced security collaboration contributes positively to firm value. The finding aligns with Igbinoia (2021) ^[20] but contrasts with Zhao *et al.* (2025) ^[51]. A plausible explanation is that effective security collaboration strengthens organizational resilience, minimizes operational risks, and protects corporate assets and stakeholders, thereby improving investor confidence and overall firm value.

5. Conclusion and Recommendations

The study examined the effect of corporate social responsibility (CSR) on the firm value of listed consumer goods companies in Nigeria using five dimensions: legal, philanthropic, ethical, economic, and security collaboration. The findings indicate that not all CSR components influence firm value in the same way. Legal responsibility showed a positive but insignificant effect, suggesting that compliance is viewed as a basic obligation rather than a value-enhancing strategy. Philanthropic activities had a significant positive impact, demonstrating that community engagement and social contributions improve corporate reputation and market valuation. Ethical responsibility exhibited an insignificant negative relationship with firm value, implying that ethical practices may not be immediately rewarded by investors. In contrast, the economic dimension had a strong positive and significant effect, highlighting the importance of profitability and efficient resource management. Security collaboration also significantly improved firm value, reflecting the importance of risk management and operational stability in Nigeria's business environment.

The study concludes that CSR enhances firm value when it is strategically aligned with profitability and risk management, although the market responds differently to each CSR dimension. Based on these findings, the study recommends that consumer goods companies in Nigeria integrate CSR into their core business strategies rather than treating it as a mere obligation. Greater emphasis should be placed on philanthropic initiatives, sustainable profitability, and effective security collaboration, as these significantly enhance firm value. Companies should also go beyond minimum legal compliance and improve transparency in ethical disclosures to strengthen investor confidence. Policymakers are encouraged to reinforce regulatory and institutional frameworks to ensure that ethical practices are properly recognized in the market. By adopting these measures, firms can improve corporate valuation, strengthen stakeholder relationships, and promote long-term sustainability.

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