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The Effect of Corporate Social Responsibility on Firm Value of Listed Consumer Goods and Industrial Firms in Nigeria

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ABSTRACT: This study examines the effect of corporate social responsibility (CSR) on firm value of listed consumer goods and industrial firms in Nigeria. The study employed panel data from 2014 to 2023 using fixed and random effects regression techniques, with the Hausman test used to determine the appropriate model. Findings reveal that CSR has a positive but selective effect on firm value across both sectors. For consumer goods firms, legal, economic, and security collaboration responsibilities significantly enhance firm value, while philanthropic and ethical dimensions are not significant. In industrial firms, legal, ethical, economic, and security collaboration responsibilities are significant determinants of firm value, whereas philanthropic responsibility remains insignificant. Comparative results show that ethical responsibility is more relevant in industrial firms, while security collaboration has a stronger effect in consumer goods firms. The study concludes that CSR does not uniformly influence firm value; rather, its impact depends on the specific CSR dimension and industry background. Legal compliance, economic performance, and security-related CSR activities consistently drive firm value across sectors, while philanthropic activities do not significantly affect market valuation. The study recommends that firms prioritize legally compliant operations, economic value creation, and strategic security collaboration, while integrating ethical CSR more strongly in industrial operations. Policymakers are also encouraged to strengthen CSR reporting frameworks to enhance transparency and investor decision-making.

KEYWORDS: Legal Responsibility, Philanthropic Responsibility, Ethical Responsibility, Economic Responsibility, Security Collaboration Responsibility

1.1 INTRODUCTION

Over recent decades, the relationship between Corporate Social Responsibility (CSR) and firm value has attracted increasing interest from both scholars and practitioners. In the past, corporate success was largely judged by financial outcomes alone (Chen et al., 2024). However, growing concerns about climate change, environmental decline, and widening social inequality have expanded the criteria for evaluating performance. Investors now place considerable weight on environmental, social, and governance (ESG) factors in addition to profitability. CSR reflects the underlying philosophy of sustainability, while ESG provides measurable indicators used to implement and assess these principles (Soojeen et al., 2019; Le et al., 2021). Drawing from stakeholder theory, firms are expected to address the needs of a broad range of stakeholders rather than focusing solely on shareholders. This perspective suggests that organizations committed to CSR can build trust, strengthen profitability, and ultimately enhance firm value through responsible conduct (Carroll, 1979; Zhang et al., 2022). Carroll's framework identifies four key components of CSR: economic, legal, ethical, and philanthropic responsibilities.

In recent years, the concept of CSR has undergone notable transformation. While Carroll's (1979) model initially outlined four fundamental dimensions, more recent studies highlight the importance of incorporating additional elements such as environmental sustainability, green innovation, and security collaboration (Soojeen et al., 2019; Le, 2022). These developments reflect the reality that firms are now expected not only to comply with regulations and generate profits but also to actively safeguard the environment, utilize technological innovation for societal benefit, and maintain operational stability in environments affected by insecurity. Alongside this evolution, ESG frameworks have emerged as practical tools that translate CSR ideals into quantifiable metrics, enabling organizations to measure performance across environmental, social, and governance domains.

Despite the widespread application of Carroll's model, there is no clear consensus on how each CSR dimension influences firm value. For instance, some studies report a positive association between legal compliance and firm value (Carmona et al., 2024;

Asadi et al., 2022), whereas others find a negative relationship (Nebie & Cheng, 2023). Similarly, while certain researchers observe that philanthropic activities contribute positively to firm value (Vinjamury & Nattuvathuckal, 2024; Okike et al., 2023), contrasting evidence has also been documented (Laghouag et al., 2021). These inconsistent findings highlight the need to expand the traditional framework by integrating emerging dimensions such as environmental sustainability and security collaboration. The environmental aspect focuses on minimizing emissions and conserving resources, while security collaboration, particularly relevant in regions facing instability, entails cooperation with security agencies and local communities to sustain business operations (Farooq et al., 2024). Failure to address these evolving aspects of CSR may erode stakeholder confidence and reduce organizational resilience, whereas their integration can strengthen corporate image, deepen stakeholder relationships, and promote long-term value creation (Uwhejevwe-Togbolo, 2024). Against this backdrop, the present study undertakes a comparative analysis of the effect of CSR on firm value among listed consumer goods and industrial firms in Nigeria, with the objective of extending Carroll's model by incorporating security collaboration.

2.1.1 Firm Value

Firm value is a core concept in finance and corporate strategy, representing the overall market worth of a company. It reflects how investors and other stakeholders assess the economic strength and future prospects of a business (Chouaibi & Chouaibi, 2021). Rather than relying solely on accounting figures, firm value typically combines the market value of equity, derived from share price multiplied by outstanding shares, with the value of debt, while adjusting for cash holdings. This broader measure, commonly referred to as enterprise value, offers a more comprehensive view of a firm's true operational worth, particularly in investment decisions, mergers, and acquisitions. Firm value is not static; it changes in response to both internal factors such as profitability, asset efficiency, and financing structure, and external influences including economic conditions, industry trends, and market perceptions (Fasua et al., 2022). As a result, it fluctuates over time, mirroring shifts in both firm performance and the wider business environment.

2.1.2 Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to the voluntary integration of social and environmental considerations into a firm's operations and its interactions with stakeholders (Nurunnabi et al., 2020). It requires organizations to recognize the broader impact of their activities and to actively contribute to societal well-being and environmental sustainability. This responsibility is often demonstrated through initiatives such as community development programs, environmental protection efforts, and other socially oriented activities (Murdifin et al., 2019). CSR aligns closely with the triple bottom line framework, which emphasizes three key dimensions: social (people), environmental (planet), and economic (profit) (Iriyadi & Antonio, 2021; Fasua & Fasua, 2025). From an investment perspective, firm value is closely linked to market performance, particularly share price movements. A higher stock price generally signals stronger firm value, while a decline in share price often reflects reduced investor confidence and lower valuation (Rossi et al., 2021).

2.1.2.1 Philanthropy

Philanthropy represents one of the earliest expressions of CSR, rooted in the idea that businesses have a duty to support the communities from which they derive resources. This perspective views corporations as social actors responsible for contributing to societal welfare through charitable actions and community engagement (Carroll, 1991). In Carroll's CSR pyramid, philanthropic responsibility occupies the highest and most discretionary level, extending beyond economic, legal, and ethical obligations. It includes voluntary initiatives such as charitable donations, support for education and healthcare, infrastructure development, sponsorship of cultural activities, and disaster relief efforts (Carroll, 2021; Olubiyi, 2025).

2.1.2.2 Legal Dimension

CSR is widely recognized as a multidimensional concept encompassing economic, legal, ethical, and philanthropic responsibilities (Carroll, 2021). The legal dimension is particularly significant because it connects the pursuit of profit with the obligation to operate within established laws and regulations. It reflects society's expectation that firms conduct their activities in a lawful and fair manner, thereby protecting stakeholders and the environment (Lestari, 2024). Within Carroll's (1991) framework, legal responsibility is positioned just above economic responsibility, emphasizing that adherence to the law is both a civic and moral duty. Laws represent codified societal values, and compliance is therefore not merely procedural but ethical in nature. Extending this view, Blowfield and Murray (2008) argue that the legal dimension also encompasses voluntary standards such as international labor practices and environmental guidelines. Although not always legally enforceable, these frameworks increasingly shape responsible corporate behavior in a globalized economy.

2.1.2.3 CSR as an Ethical Dimension

CSR has evolved from being seen as an optional or philanthropic activity to a fundamental ethical component of business strategy (Igbinovia, 2021). It reflects the extent to which organizations embed moral principles into their decision-making processes, going beyond compliance to embrace fairness, justice, and accountability. Various theoretical perspectives highlight the ethical foundation of CSR. Carroll's (1991) model identifies ethical responsibility as the obligation to do what is right, even when not mandated by law. This dimension is essential for organizations seeking legitimacy and trust among stakeholders. Similarly, Freeman's (1984) stakeholder theory broadens the scope of responsibility by asserting that firms must consider the interests of all stakeholders, including employees, customers, suppliers, and host communities. Ethical engagement, therefore, becomes a strategic necessity that fosters strong relationships and supports long-term organizational success (Chouaibi & Chouaibi, 2021).

2.1.2.4 CSR as an Economic Dimension

The economic perspective of CSR underscores its role in enhancing financial performance and ensuring long-term sustainability. While CSR was once viewed primarily as a moral or charitable obligation, it is now increasingly regarded as a strategic tool that contributes to value creation and competitive advantage (Štreimikienė & Ahmed, 2021). From a traditional viewpoint, Friedman (1970) argued that the primary responsibility of business is profit maximization within legal and ethical boundaries, emphasizing shareholder interests. However, this narrow perspective has been challenged by broader approaches. Freeman (1984) contends that value creation for all stakeholders ultimately drives economic success. Carroll (1991) positions economic responsibility as the foundation of CSR, noting that profitability is essential for fulfilling other responsibilities. Without financial stability, firms cannot sustain legal compliance, ethical conduct, or philanthropic engagement.

2.1.2.5 Security Collaboration

In addition to its social and environmental aspects, CSR is increasingly linked to security collaboration, particularly in regions facing instability or weak institutional frameworks. In such contexts, CSR serves not only as a developmental initiative but also as a strategic approach to managing risk and ensuring business continuity (Tan et al., 2025). Early studies, such as Okwelum (2022), observed that CSR initiatives in areas like Nigeria's Niger Delta often aim to reduce community conflict and protect corporate operations. This highlights the role of CSR in addressing local security challenges. Mamo et al. (2023) emphasize the importance of tackling underlying drivers of insecurity, such as unemployment, inadequate infrastructure, and limited access to education, through sustained corporate investment. By promoting human security and community stability, such efforts strengthen both societal welfare and the firm's long-term operational environment.

2.2 The stakeholder theory

Stakeholder theory, developed by Freeman (1984), underpins this study by explaining that firm value improves when organizations effectively meet the expectations of all stakeholders. In this study, each CSR dimension represents a way firms manage stakeholder relationships: the legal dimension builds regulatory trust, the philanthropic and ethical dimensions enhance reputation and stakeholder goodwill, and the economic dimension ensures profitability as a basis for value creation. The inclusion of security collaboration is particularly relevant in Nigeria, as it helps firms manage risks, maintain stability, and sustain operations. The theory supports the view that these CSR dimensions collectively influence firm value by strengthening stakeholder support and promoting long-term organizational success.

2.3 Empirical Review

This section reviews prior empirical studies on Corporate Social Responsibility (CSR) and its dimensions in relation to firm value to provide evidence-based support for the present study.

2.3.1 Corporate Social Responsibility and Firm Value

Chen et al. (2024) investigated the impact of CSR activities on firm value using data from Taiwanese firms. Their findings revealed that CSR engagement has a significant positive effect on financial performance, supporting the view that socially responsible firms create higher stakeholder value in line with stakeholder theory. Ikilidih et al. (2024), using an ex post facto design and panel regression on Nigerian industrial goods firms (2013–2022), found mixed results. While CSR costs significantly influenced return on assets, they had no significant effect on return on capital employed. Wu et al. (2023), studying Chinese listed firms (2010–2017), applied fixed effects modelling and discovered a U-shaped relationship between CSR and firm value, indicating that CSR may initially reduce value but enhances it beyond a certain threshold. Khuong and Anh (2023) examined Vietnamese firms using panel data techniques and found that CSR positively affects firm value, with stronger effects observed during the growth stage of firms.

2.3.2 Legal Dimension and Firm Value

Carmona et al. (2024), using structural equation modelling on Brazilian firms, found significant interrelationships among CSR dimensions, although legal responsibility showed weak direct linkage with ethical outcomes. Nebie and Cheng (2023) reported a

negative relationship between effective tax rate (a proxy for legal compliance burden) and firm value, suggesting that strict legal obligations may reduce profitability. Sato et al. (2024) found that climate litigation significantly reduces firm value through negative abnormal stock returns, confirming that legal risks are quickly priced into markets. Waheed et al. (2024) revealed that litigation risk negatively affects firm performance, while strong corporate governance moderates and reduces this impact. Li et al. (2024) showed that legal and governance-driven board diversity enhances innovation performance, indirectly improving firm value.

2.3.3 Philanthropic Dimension and Firm Value

Vinjamury and Nattuvathuckal (2024) found that discretionary CSR spending beyond legal requirements positively influences both firm value and cash flow. Soni et al. (2024) identified multiple dimensions of philanthropic CSR, including altruism, volunteering, and ecological generosity, which contribute to sustainability. Okike et al. (2023), focusing on Nigerian banks, reported a significant positive relationship between philanthropic CSR and firm value, supporting its relevance in emerging economies.

2.3.4 Ethical Dimension and Firm Value

Igbinovia (2021) found that ethical disclosures alone have an insignificant effect on firm value, but become significant when combined with profitability. Chouaibi and Chouaibi (2021) reported a positive relationship between ethical CSR practices and firm value, especially when enhanced by green innovation. Štreimikienė and Ahmed (2021) found that ethical CSR dimensions significantly improve organizational performance through brand image and awareness. Pae and Choi (2011) also confirmed that ethical commitment, supported by governance structures, positively influences firm valuation.

2.3.5 Economic Dimension and Firm Value

Salihi et al. (2024) found that environmental and economic governance positively influence green innovation and firm value creation. Issa et al. (2023) reported that economic disclosure has an insignificant effect on firm value in Nigerian manufacturing firms, unlike environmental and social disclosures. Nguyen et al. (2022) found a positive relationship between CSR economic dimension and firm value in Vietnamese firms. Nogueira et al. (2024) confirmed that the economic dimension of CSR positively affects financial performance and firm sustainability.

2.3.6 Security Collaboration and Firm Value

Tan et al. (2025) found that cybersecurity governance enhances firm market value through improved reputation and investor trust. Zhao et al. (2025) showed that security investment and information sharing significantly influence firm decision-making and value creation under policy constraints. Alsadoun and Albaz (2025) reported a positive relationship between cybersecurity risk disclosure and firm value, although it increases stock volatility in some cases.

Overall, the reviewed studies reveal that CSR generally enhances firm value, although the strength and direction of the relationship vary across dimensions, sectors, and contexts. While philanthropic, ethical, and economic dimensions mostly show positive effects, legal responsibility sometimes exerts mixed or negative impacts due to compliance costs. Emerging areas such as security collaboration are increasingly recognized as important determinants of firm value, particularly in volatile and digital business environments.

3.1. Research design

An ex post facto research design is used to evaluate effect of CSR on firm value of selected listed consumer goods firms and industrial firms in Nigeria. This deals with establishing the relationship among variables using past data. The research design is considered appropriate because the study relies on non-manipulative and secondary data which aid the estimation and realization of the objectives of the study.

3.2 Population and Sample Size of the study

The population of the study consists of 23 listed consumer goods (20 companies) and Industrial (13 companies). The sample size of 24 (12 from consumer goods and 12 from industrial companies) were used on the premise that some companies were dropped out of the entire population because those companies had no complete records of all the data required, for the period under consideration (2014 – 2023). The choice of 12 consumer goods firms and 12 industrial companies is due to the fact that a firm from industrial companies for the reason stated above. Therefore equal sample size of companies was picked randomly from consumer goods companies which met the requirements.

3.3Sources of data collection

The data used in this study were obtained from secondary source: firms' annual reports and corporate websites of quoted Nigerian companies for the period 2014 to 2023 were utilized. This is because yearly reports serve as a regular, trustworthy, and consistent means of communicating with stakeholders. It is also due to data availability, accessibility, and improved result comparability.

3.4 Model Specification

This study adapted model from Okike et al. (2023), who investigated "Impact of philanthropic corporate social responsibility on firm value of deposit money banks in Nigeria." To enhance relevance and applicability, this study modified the original model by adding to explanatory variables: economic dimension and security collaboration while dependent variable (Firm value) was retained; The Tobin's Q as a proxy for Firm Value. The inclusion of these refined variables strengthened the model's ability to capture the CSR attributes that significantly used in this study. Thus, the revised model was expressed in the following linear form:

TobinQ = f (CSR)……..(3.1)

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

The model for econometrics is:

$TQ_{it}=\beta_0+\beta_1 LD_{it}+\beta PD_{2it}+\beta_3 ETD_{it}+\beta_4 ECD_{it}+\beta_5 SCR_{it}+ \varepsilon_{it}$……..(3.2)

Where: TQ= Tobin's Q, LD = Legal Dimension, PD= Philanthropic Dimension, ETD= Ethical Dimension, ECD = Economic Dimension, SCR = Security Collaboration Responsibility, i = industry, t = Time, Ɛ = Error term, β_0 = Constant/intercept; and $\beta_1 – \beta_5$ = Slope of the independent elements

3.5 Measurement of Variables

This section analyzed the key variables linking CSR attributes to firm value, offering clear definitions and measurement frameworks. The selection of these variables is grounded in prior research and established theoretical frameworks, ensuring their relevance in assessing the firm value among listed consumer goods companies.

Table 3.1. Summary of Measurement of Variables

S/N	Variable	Definitions	Capacity of Variables	Measurements/Proxies	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 et al. (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 et al. (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 et al. (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 et al. (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 et al. (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 et al. (2023)

Source: Researcher's Compilations (2026)

4.0 ANALYSIS, FINDINGS AND DISCUSSION

4.1 Regression Results

This research made use of Pooled regression (Ordinary Least Square, OLS) technique in analyzing the data of 22 selected listed firms in Nigeria. The pooled OLS regression result assumes that the coefficients and constant estimates are fixed for all cross sectional observations. That is, the OLS is based on the assumption of absence of heterogeneity in cross sectional and time series data. Where ROA = Return on Asset

Objective 1: Determination of the effects of CSR on firm value of selected listed consumer goods firms in Nigeria

Table 4.1 shows the summary of pooled regression results that assess the effects of CSR on firm value of selected listed consumer goods firm in Nigeria.

Dependent Variable: TOBIN_Q
Method: Panel Least Squares
Sample: 2014 2023
Periods included: 10
Cross-sections included: 12
Total panel (balanced) observations: 120

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LD	0.341669	0.097219	3.514435	0.0006
PD	0.359293	0.501965	0.715771	0.4756
ETD	0.135207	0.122359	1.105003	0.2715
ECD	0.125819	0.062478	2.013823	0.0464
SCR	0.104218	0.032667	3.190312	0.0003
C	1.494784	0.706655	2.115295	0.0366

R-squared	0.230563	Mean dependent var	4.333333
Adjusted R-squared	0.196816	S.D. dependent var	0.770609
S.E. of regression	0.690624	Akaike info criterion	2.146263
Sum squared resid	54.37354	Schwarz criterion	2.285638
Log likelihood	-122.7758	Hannan-Quinn criter.	2.202864
F-statistic	6.832060	Durbin-Watson stat	1.983765
Prob(F-statistic)	0.000013		

Source: Authors' computation (2026)

Table 4.1 shows that corporate social responsibility (CSR) has a generally positive effect on firm value (Tobin's Q) among listed consumer goods firms in Nigeria from 2014–2023, although the impact varies across dimensions. Specifically, the legal (LD), economic (ECD), and security collaboration responsibility (SCR) dimensions have positive and statistically significant effects on firm value, indicating that compliance with regulations, strong economic performance, and security-related initiatives enhance investors' valuation of firms.

In contrast, the philanthropic (PD) and ethical (ETD) dimensions, while positive, are not statistically significant, suggesting that charitable activities and ethical disclosures do not significantly influence market value within the study period. The model explains about 23% of the variation in firm value ($R^2 = 0.230563$) and is statistically significant overall (F-statistic $p < 0.05$), indicating that CSR variables jointly affect firm value. The Durbin-Watson statistic (~2) confirms the absence of autocorrelation, supporting the reliability of the results. The findings imply that only certain CSR components, legal, economic, and security-related responsibilities, serve as key drivers of firm value in the Nigerian consumer goods sector.

4.1.2 Fixed and Random Effect Tests

The fixed effect model is based on the assumption that there is heterogeneity among the cross-sectional units such that each selected firm has its own unique intercept. In other words, while the intercepts differ across firms, they are assumed to remain constant over time for each individual firm. This approach helps to control for unobserved firm-specific characteristics that may influence the dependent variable but are not captured in the pooled Ordinary Least Squares (OLS) model. Therefore, the fixed effect estimation is useful for isolating the impact of the explanatory variables by accounting for these time-invariant differences

across firms.In contrast, the random effect model assumes that all firms in the sample share a common mean value for the intercept. Under this specification, the differences among firms are treated as random and are incorporated into the composite error term rather than being modeled explicitly. This implies that the unobserved heterogeneity is assumed to be random and uncorrelated with the explanatory variables.

The summary results of both the fixed and random effect estimations are presented in Table 4.2.

Table 4.2: Summary of Fixed and Random Effects Models Results

Fixed Effects Model – CONSUMER GOODS					Random Effects Model- CONSUMER GOODS				
Dependent Variable = TOBIN-Q					Dependent Variable = TOBIN-Q				
Variable	Coefficient	Std. Error	t-Statistic	Prob.	Variable	Coefficient	Std. Error	t-Statistic	Prob.
LD	0.292021	0.103382	2.824685	0.0057	LD	0.341669	0.097963	3.487730	0.0007
PD	0.451351	0.526612	0.857085	0.3934	PD	0.359293	0.505809	0.710333	0.4789
ETD	0.156719	0.124383	1.259965	0.2105	ETD	0.135207	0.123296	1.096606	0.2751
ECD	0.129294	0.063690	2.030062	0.0449	ECD	0.125819	0.062956	1.998521	0.0480
SCR	0.146975	0.033596	4.374657	0.0000	SCR	0.104218	0.032918	3.165988	0.0001
C	1.553274	0.725391	2.141292	0.0346	C	1.494784	0.712066	2.099221	0.0380
R-Squared			0.280414		R-Squared			0.230563	
F-Statistic			2.922659		F-Statistic			6.832060	
Prob(F-statistic)			0.000893		Prob(F-statistic)			0.000013	
Durbin-Watson stat			1.996006		Durbin-Watson stat			1.983765	

Source: Authors' computation (2026).

Table 4.2 contains the summary of the results of both the fixed and the random effect models for financial sector firms. The decision to use any of the above models and results will be determined by the Hausman test.

H_0: Random effect model is more appropriate

H_1: Fixed effect model is more appropriate

In order to determine which of the hypotheses to accept or reject, the probability of calculated Chi-statistic is compared with the 5% significance level. If Chi-statistic is higher than the 5% level of significance, then the null hypothesis cannot be rejected. The reverse will be the case if it is lesser. Table 4.3 contains the extract from the result of Hausman test

Table 4.3 Summarized Hausman Test Result

Test Summary	Chi-square statistic	Chi-square d.f.	Prob.
Cross-section random	3.913586	5	0.0356

Source: Author's Computation, 2026

Table 4.2 compares the fixed and random effects models in assessing the impact of CSR on firm value (Tobin's Q) for consumer goods firms in Nigeria. Both models show consistent results: the legal (LD), economic (ECD), and security collaboration responsibility (SCR) dimensions have positive and statistically significant effects on firm value, while philanthropic (PD) and ethical (ETD) dimensions are positive but not significant. The fixed effects model has a higher explanatory power (R^2 = 0.280414) compared to the random effects model (R^2 = 0.230563), although both models are jointly significant. The Durbin-Watson statistics (approximately 2) indicate no autocorrelation in both models. The Hausman test result (p = 0.0356 < 0.05) leads to the rejection of the random effects model and supports the use of the fixed effects model as the preferred estimator. This implies that firm-specific characteristics influence the relationship between CSR and firm value. Overall, the findings confirm that legal, economic, and security-related CSR activities are key drivers of firm value in the Nigerian consumer goods sector.

Objective 2: Determination of the effects of CSR on firm value of selected listed industrial firms in Nigeria

Table 4.4: Fixed and random effects model regression results for industrial firms

Dependent Variable: TOBIN_Q

Method: Panel Least Squares
Sample: 2014 2023
Periods included: 10
Cross-sections included: 12
Total panel (balanced) observations: 120

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LD	0.267937	0.094185	2.844803	0.0053
PD	-0.001457	0.440426	-0.003308	0.9974
ETD	0.286746	0.110880	2.586085	0.0110
ECD	0.133178	0.065512	2.032892	0.0444
SCR	-0.198137	0.034286	-5.778799	0.0000
C	1.569981	0.704945	2.227098	0.0279

R-squared	0.245140	Mean dependent var	4.033333
Adjusted R-squared	0.212032	S.D. dependent var	0.960859
S.E. of regression	0.852931	Akaike info criterion	2.568430
Sum squared resid	82.93394	Schwarz criterion	2.707804
Log likelihood	-148.1058	Hannan-Quinn criter.	2.625030
F-statistic	7.404279	Durbin-Watson stat	1.994672
Prob(F-statistic)	0.000005		

Source: Author's Computation, 2026

Table 4.5: Summary of Fixed and Random Effects Models Results

Fixed Effects Model – Industrial Firms					Random Effects Model- Industrial Firms				
Dependent Variable = TOBIN-Q					Dependent Variable = TOBIN-Q				
Variable	Coefficient	Std. Error	t-Statistic	Prob.	Variable	Coefficient	Std. Error	t-Statistic	Prob.
LD	0.257097	0.095156	2.701853	0.0080	LD	0.267914	0.093676	2.860000	0.0050
PD	-0.008383	0.462064	-0.018143	0.9856	PD	-0.001437	0.438090	-0.003280	0.9974
ETD	0.270567	0.114888	2.355050	0.0204	ETD	0.286697	0.110289	2.599514	0.0106
ECD	0.175223	0.069685	2.514488	0.0134	ECD	0.133280	0.065166	2.045222	0.0431
SCR	0.093121	0.035002	2.660449	0.0207	SCR	-0.197871	0.034102	-5.802201	0.0000
C	1.459021	0.722494	2.019423	0.0460	C	1.569690	0.701179	2.238644	0.0271
R-Squared			0.312277		R-Squared			0.245158	
F-Statistic			3.405555		F-Statistic			7.404980	
Prob(F-statistic)			0.000151		Prob(F-statistic)			0.000005	
Durbin-Watson stat			1.906588		Durbin-Watson stat			1.994654	

Source: Author's Computation, 2026

Table 4.6 Summarized Hausman Test Result

Test Summary	Chi-square statistic	Chi-square d.f.	Prob.
Cross-section random	15.58156	5	0.0230

Source: Author's Computation, 2026

The results for Objective 2 show that corporate social responsibility (CSR) has a significant but mixed effect on firm value (Tobin's Q) among listed industrial firms in Nigeria. The pooled regression indicates that legal (LD), ethical (ETD), and economic (ECD) dimensions have positive and statistically significant effects on firm value, while philanthropic (PD) is insignificant and security collaboration responsibility (SCR) has a negative and significant effect.

Comparing models, both fixed and random effects produce similar results for LD, ETD, and ECD (positive and significant) and PD (insignificant), but differ on SCR, which is positive in the fixed effects model and negative in the random effects model. The fixed effects model has higher explanatory power ($R^2 = 0.312277$). The Hausman test ($p = 0.0230 < 0.05$) confirms that the fixed effects model is more appropriate. Based on this, the study concludes that legal, ethical, economic, and security-related CSR activities significantly influence firm value, while philanthropic activities do not, with overall CSR playing an important role in determining firm value in the industrial sector.

Objective 3: Comparative Analysis

The third focus of this research is to compare the effect of CSR on firm value of listed of consumer goods firms with those of industrial firms in Nigeria. This comparison is made in Table 4.7

Table 4.7: Comparative between consumer goods and industrial firms' results

Fixed Effects Model – Consumer goods Firms				Fixed Effects Model- Industrial Firms			
Dependent Variable = TOBIN-Q				Dependent Variable = TOBIN-Q			
Variable	Coefficient	Prob.	Remarks	Variable	Coefficient	Prob.	Remarks
LD	0.292021	0.005	Positive, significant	LD	0.257097	0.008	Positive, significant
PD	0.451351	0.393	Positive, insignificant	PD	-0.008383	0.985	Negative, insignificant
ETD	0.156719	0.210	Positive, insignificant	ETD	0.270567	0.020	Positive, significant
ECD	0.129294	0.044	Positive, significant	ECD	0.175223	0.013	Positive, significant
SCR	0.146975	0.000	Positive, significant	SCR	0.093121	0.020	Positive, significant
R-Squared			0.280414 < 30%	R-Squared			0.312277 >30%
F-Statistic			2.922659	F-Statistic			3.405555
Prob(F-statistic)			0.000893	Prob(F-statistic)			0.000151
Durbin-Watson stat			1.996006	Durbin-Watson stat			2.100857

Source: Authors' computation (2026)

Table 4.7 shows that CSR affects firm value in both consumer goods and industrial firms, but with some differences across sectors. The legal (LD), economic (ECD), and security collaboration responsibility (SCR) dimensions are positive and statistically significant in both sectors, indicating they are key drivers of firm value. Philanthropic responsibility (PD) is insignificant in both sectors, suggesting it does not influence firm value. However, ethical responsibility (ETD) differs: it is insignificant in consumer goods firms but positive and significant in industrial firms, indicating greater relevance in the industrial sector. In terms of model performance, the industrial firms' model has slightly higher explanatory power ($R^2 = 0.312277$) compared to consumer goods firms ($R^2 = 0.280414$), and both models are statistically significant with no autocorrelation issues. Overall, the results suggest that while some CSR components consistently influence firm value across sectors, others, like ethical responsibility, have sector-specific importance.

4.3 Discussion of Findings

The study examined the effect of corporate social responsibility (CSR) on firm value of listed consumer goods and industrial firms in Nigeria. Overall, the findings reveal that CSR has a positive but selective impact on firm value, depending on the specific CSR dimension and industry context. For consumer goods firms, the results show that legal responsibility (LD), economic responsibility (ECD), and security collaboration responsibility (SCR) are significant positive drivers of firm value. This implies that investors reward firms that comply with regulations, demonstrate strong economic performance, and engage in activities that enhance operational security. However, philanthropic (PD) and ethical (ETD) dimensions were found to be statistically insignificant, suggesting that these CSR activities do not strongly influence investor valuation in the sector.

In the industrial sector, legal (LD), ethical (ETD), economic (ECD), and security collaboration responsibility (SCR) all significantly influence firm value, while philanthropic responsibility remains insignificant. Notably, ethical responsibility becomes significant in industrial firms, indicating that stakeholders in this sector place greater value on ethical conduct due to higher operational risks, environmental exposure, and regulatory scrutiny. The comparative analysis further reveals sectoral differences. While both sectors respond positively to legal, economic, and security-related CSR activities, industrial firms show stronger sensitivity to ethical responsibility. Consumer goods firms, on the other hand, show a stronger response to security collaboration initiatives. Philanthropy remains consistently irrelevant across both sectors, suggesting that it is not a key determinant of market valuation in Nigeria.

5.0 CONCLUSION

The study concludes that corporate social responsibility has a significant but dimension-dependent effect on firm value among listed firms in Nigeria. Specifically, legal compliance, economic responsibility, and security collaboration consistently enhance firm value across both consumer goods and industrial sectors. Ethical responsibility is only significant in industrial firms, while philanthropic activities do not significantly influence firm value in either sector. The study also concludes that firm value is more strongly explained by CSR practices in industrial firms compared to consumer goods firms, indicating sectoral differences in how CSR is valued by investors. Therefore, CSR is not a uniform value driver; its impact depends on both the type of CSR activity and the industry context.

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