CUSTECH-Journal of Innovation, Management and Social Sciences (CJIMSS)
Vol. 1, No. 1, June 8, pp.190-200

Effect of Corporate Social Responsibility on the Firm Value of Listed Deposit Money Banks in Nigeria

John Peter Asuku

Department of Accounting, Kogi State Polytechnic, Lokoja, Kogi State
oyeoloruntoba01@gmail.com
+2348035623881

Article history

Abstract

Received March. 26, 2026
Revised April, 09, 2026
Accepted May 30, 2026

The Study examined the effect of corporate social responsibility on firm value of listed deposit money banks in Nigeria. The study adopted ex-post facto and the population constitutes all the ten (10) deposit money banks quoted on the Nigerian Exchange Group (NEXG) as at 31" December 2024 and were used as sample size while census sampling technique was employed. The data used were extracted from the annual reports of the deposit money banks enlisted on Nigerian Exchange Group. The data covered the period of 7 years ranging from 2018-2024. The study used Linear Regression Model as the techniques of analysis. The study reveals that education expenditure and welfare and charity expenditure have insignificant positive effect on share price while employee's expenditure has a significant negative effect on share price of listed deposit money banks in Nigeria. The study therefore recommends that employee's expenditure should be encouraged in order to improve the brand and image reputation of the companies, banking sector should take education expenditure as an important driver of boosting profitability of the firm, and endeavor to spend more on welfare and charity expenditure as revealed by the study that an increase in welfare and charity expenditure will increase share price of listed deposit money banks.

KEYWORDS: Corporate Social Responsibility, Firm Value, Deposit Money Banks, Education Expenditure.

Recommended citation: Asuku J.P. (2026). Effect of Corporate Social Responsibility on Firm Value of Listed Deposit Money Banks in Nigeria CUSTECH-Journal of Innovation, Management and Social Sciences, 1(1), 190-200

1 INTRODUCTION

In recent decades, the global business environment has undergone a significant transformation, redefining the role and responsibilities of corporate organizations. Traditionally, firms were primarily evaluated based on their ability to maximize shareholder wealth through profit generation. However, increasing societal awareness, environmental concerns, ethical expectations, and regulatory interventions have expanded corporate accountability beyond financial performance to include social and environmental responsibilities. This shift has given rise to the growing prominence of Corporate Social Responsibility (CSR) as a critical component of corporate strategy and sources.

Corporate Social Responsibility (CSR) has evolved into a holistic approach that emphasizes the need for businesses to align their operations with broader societal goals, addressing the interconnected challenges of environmental sustainability, social equity, and responsible governance. Contemporary CSR frameworks increasingly stress the integration of sustainability into core business strategies, moving beyond philanthropic efforts to focus on long-term value creation for both organizations and society. Recent studies highlight the role of CSR in fostering resilience, promoting transparency, and enabling companies to respond to pressing global issues such as climate change, social inequality, and governance challenges (Serafeim, 2020; Sachs, 2021). This approach recognizes that companies must contribute to global well-being while achieving sustainable financial returns, driven by a growing demand for ethical practices from consumers, investors, and employees alike. As a result, CSR has evolved from a voluntary philanthropic activity to a strategic imperative embedded within corporate governance frameworks.

The banking sector occupies a unique position in this evolving corporate responsibility landscape. Banks play a central role in financial intermediation, capital allocation, and economic development. Their activities directly influence investment decisions, employment creation, business growth, and overall economic stability. Consequently, the operations of banks have far-reaching social and economic implications, making CSR particularly relevant in the banking industry (Khan, 2022).

In Nigeria, Deposit Money Banks (DMBs) operate in an environment characterized by socio-economic challenges such as poverty, unemployment, financial exclusion, infrastructural deficits, and environmental degradation. The Nigerian banking sector has also experienced significant reforms over the years, including bank consolidation, adoption of International Financial Reporting Standards (IFRS), implementation of corporate governance codes, and introduction of sustainability banking principles by the Central Bank of Nigeria (CBN, 2024). These reforms have reshaped bank operations and heightened expectations regarding corporate responsibility and accountability (Adegbite & Nakajima, 2020).

As part of their CSR engagement, Nigerian banks undertake various initiatives such as financial inclusion programs, microcredit support for small and medium-sized enterprises, educational scholarships, healthcare interventions, environmental sustainability projects, and community development initiatives. These activities are increasingly disclosed in annual reports and standalone sustainability reports in line with global reporting standards such as the Global Reporting Initiative (GRI) (Akinyemi, 2020).

Despite the increasing visibility of CSR activities in the Nigerian banking sector, a critical question remains unresolved: Do CSR activities enhance firm value? Firm value represents the market's assessment of a firm's worth and prospects and is a central concern for investors and managers alike. In the context of banking, firm value influences capital adequacy, market competitiveness, investor confidence, and long- term sustainability (Uadiale & Fagbemi, 2021).

Against this backdrop, this study examines the effect of Corporate Social Responsibility on the firm value of listed Deposit Money Banks in Nigeria over the period 2014–2024. By adopting a multidimensional CSR disclosure index, a long-term panel data approach, and market-based firm value measures, the study seeks to provide robust empirical evidence on the CSR–firm value nexus within the Nigerian banking sector.
The study is beneficial to all stakeholders, such as shareholders and investors. It will help the management to make an informed decision based on the outcome of whether to give more commitment to CSR or otherwise. It will help the shareholders/investors to patronize the shares of socially responsible firms to overcome the problem of the risk profile of investing in irresponsible corporations. In addition to that, the study will be paramount to consumers. because it will be an enlightened guide to consumers to patronize the services of socially responsible organizations (Okafor & Eze, 2021).

Despite the growing emphasis on Corporate Social Responsibility within the Nigerian banking sector, uncertainty persists regarding its economic relevance and value implications. Nigerian banks commit significant financial and managerial resources to CSR activities annually, yet stakeholders remain divided on whether these investments translate into enhanced firm value or merely represent reputational expenditures with limited financial returns (Omodero & Ogbonnaya, 2017; Okike et al., 2023).

The existing empirical studies on CSR and firm value in Nigeria present mixed findings. While some studies suggest that CSR positively influences firm value by enhancing corporate reputation and investor confidence, others report weak or insignificant relationships (Olowokure & Ajayi, 2022; Musa & Danjuma, 2023). These conflicting results may be attributed to methodological limitations such as short study periods, inconsistent CSR measurement approaches, and failure to account for firm-specific characteristics.

The absence of clear and consistent evidence on the CSR–firm value relationship creates challenges for bank managers, investors, and regulators. Managers face uncertainty regarding optimal CSR investment decisions, investors lack reliable signals for valuation, and regulators struggle to design effective CSR disclosure frameworks. These challenges underscore the need for a comprehensive and context-specific investigation of CSR and firm value in the Nigerian banking sector.

The purpose of the study is to evaluate the effect of corporate social responsibility on the firm value of listed deposit money banks in Nigeria. The study's specific objectives are:

i. Evaluate the effect of employees' expenditure on the share price of listed deposit money banks in Nigeria.
ii. Investigate the effect of education expenditure on the share price of listed deposit money banks in Nigeria.
iii. Examine the effect of welfare and charity expenditure on the share price of listed deposit money banks in Nigeria.

2 LITERATURE REVIEW

2.1 Concept of Firm Value

Corporate Social Responsibility and Firm Value are presently at a premature stage. It seems inevitable that corporate social responsibility will be a part of financial reporting standards (Lemus, 2019). For example, in accounting, the areas that are related to corporate social responsibility are financial accounting, managerial accounting, and income tax reporting. In the 21st century, corporate social responsibility is an emerging field in the accounting and finance industry. The three most important financial reporting standards under corporate social responsibility are Global Reporting Initiative (GRI) G3 standards, the AA 1000 series, and the UN Global Compact Communication on Progress (COP et al. 2018).

Empirical research on the link between corporate social responsibility and firm value has given a lot of varied and heterogeneous results. In particular, there is a great variety in the sign of the relation studied. The first study to find a negative relationship between CSR and firm value was Vance (1975). The study looked at share price and found that in building a portfolio, an investor would be better off investing in companies that reported little or no CSR. His concluding comment was that companies had more reasons to be socially responsible on the basis of how it affected the per-share value of their common stock.

An opposing view to CSR influencing profitability is that it is a firm's firm value that influences CSR and not the other way round. This is contrary to what the majority of researchers think. The idea is that firms that have available 'spare cash' are more likely to invest in society and the environment (McGuire *et al.* 2018). The explanation provided for the adverse relationship observed between CSR and firm value is that firms accept a responsibility to a range of different stakeholders. Firms take on the extra costs to benefit society as a whole, but at the expense of their shareholders' personal wealth (McGuire *et al.* 2018).

Shane and Spicer (1983) also found a negative relationship between the level of social disclosures and economic returns. This is a direct contrast to Spicer's 1978 paper, which found a significant positive relationship. This highlights the inconsistency of the results obtained by different studies. The explanation that Shane and Spicer (1983) provided for the negative results was that investors were put off by CSR. This is consistent with the research by Riahi-Belkaoui (2018), who found a negative relationship between external perceptions of a company's CSR activities and executive compensation schemes, thus providing a new angle to the relationship. Riaha-Belkaoui's findings suggested that top management could be discouraged from undertaking CSR activities due to the fact that the shareholders did not appreciate their profits being spent on activities they did not consider beneficial to them.

2.2 Concept of Corporate Social Responsibility

Corporate Social Responsibility is a broad and evolving concept that reflects the responsibility of firms to consider the social, environmental, and ethical implications of their operations. Carroll (1991) conceptualized CSR as a fourlayered construct comprising economic, legal, ethical, and philanthropic responsibilities. The economic responsibility emphasizes profitability and efficiency, while legal responsibility focuses on compliance with laws and regulations. Ethical responsibility relates to fairness, integrity, and moral conduct, and philanthropic responsibility involves voluntary contributions to societal welfare. In the banking sector, CSR encompasses responsible lending practices, financial inclusion, compliance with regulatory standards, ethical customer relations, and community development initiatives (Knowledge.Deck.no, 2025; Legal Clarity Team, 2025. CSR disclosure serves as a communication mechanism through which banks signal their commitment to responsible behavior to stakeholders (Khan, 2022).

2.3 Theoretical Framework

2.3.1 Shareholder Theory

Stakeholder theory posits that companies need to have good relationships with different agents, including employees, customers, suppliers, government institutions, and shareholders, as well as by practicing and disclosing socially responsible activities. Regarding CSR non-financial disclosures, the firm's objectives are to inform stakeholders about the responsible activities with the purpose of maintaining business operations, reducing financial risk and, consequently, the COE (Li & Foo, 2019). Social arrangements determine the importance of different stakeholders. In fact, an empirical study related to CSR disclosures with companies operating in liberal market economies (United States and United Kingdom) and economies where the state leads a more important supervisory role in the economy (Spain, Portugal, France) concluded that firms with headquarters in state-led economies disclose more detailed stakeholder information (labour, environment, community) than firms in liberal market economies (Gallego-Alvarez and Quina-Custodio, 2021). As regards code of law countries, the state or government plays a major role in economic decisions, and different social groups (e.g., unions, clients, providers of capital, suppliers) exert pressure to regulate political actions in favor of their interests (La Porta *et al.,* 2020; Liang and Renneboog, 2021).

2.3.2 Social Contract Theory

Social contract theory is based on the view that members of society give legal recognition to a company, they allow the company to exist and act as a legal person within society. They also allow a company to use land and resources, and to hire members of society as employees. The company, therefore, has an obligation to pursue the objective of making profits only in ways that will also enhance the material well-being of society as a whole. Profit-making must be ethical, and a company must consider the interests of society in the decisions and actions that it takes (Milton, 2019).

2.3.3 Agency Theory

Agency theory is based on the idea that when a company is first established, its owners are usually also its managers. As a company grows, the owners appoint managers to run the company. The owners expect the managers to run the company in the best interests of the owners; therefore, a form of agency relationship exists between the owners and the managers. Many companies borrow, and a significant proportion of the long-term capital of a company might come from various sources of debt capital, such as bank loans, lease finance, and bond issues (debentures, loan stock, and so on). Major lenders also have an interest in how the company is managed, because they want to be sure that the company will be able to repay the debt with interest (Jensen & Meckling, 2020).

Agency theory was developed by Jensen and Meckling (2020). They suggested a theory of how the governance of a company is based on the conflicts of interest between the company's owners. managers and major providers of debt finance. Jensen and Meckling (2020) defined the agency relationship as a form of contract between a company's owners and its managers, where the owners (as principal) appoint an agent (the managers) to manage the company on their behalf. As a part of this arrangement, the owners must delegate decision-making authority to the management. The owners expect the agents to act in their best interests. Ideally, the 'contract' between the owners and the managers should ensure that the managers always act in the best interests of the owners. However, it is impossible to arrange the 'perfect contract', because decisions by the managers (Agents) affect their own personal welfare as well as the interests of the owners. This raises a fundamental question. How can managers, as agents of their company, be induced or persuaded to act in the best interests of the shareholders?

For this study, the study will be anchored on stakeholder theory, which is of the view that a company owes responsibility to a wider group of stakeholders, other than just shareholders. A stakeholder is defined as any person or group that can affect or be affected by the action or inaction of a business. It includes employees, customers, suppliers, creditors, and even the wider community and competitors.

2.4 Review of Related Studies

Audu and Umanah (2025) examined firm-specific predictors of Corporate Social Responsibility (CSR) disclosure in the Nigerian banking industry. The study employed a cross-sectional research design using data obtained from listed Deposit Money Banks in Nigeria and adopted logistic and Tobit regression techniques to analyze the influence of bank size, profitability, and board characteristics on CSR disclosure intensity. The findings revealed that bank size, profitability, and board characteristics significantly influence CSR disclosure, indicating that larger and more profitable banks disclose more CSR information. The study concluded that corporate attributes play a significant role in determining CSR disclosure practices and recommended improved disclosure policies among banks. However, the study focused mainly on determinants of CSR disclosure without examining its effect on firm value. Therefore, the present study fills this gap by investigating the effect of CSR on the firm value of listed Deposit Money Banks in Nigeria using market-based performance measures.

Ovedje (2025) investigated the relationship between corporate social disclosures and the financial performance of publicly listed commercial banks in Nigeria. The study utilized secondary data from annual reports of listed banks and adopted dynamic panel estimators (Arellano–Bond) alongside robustness checks. Financial performance was measured using Return on Assets (ROA), Return on Equity (ROE), and Profit After Tax (PAT). The findings showed that corporate social disclosures have a positive and significant effect on accounting-based financial performance indicators. The author concluded that CSR disclosures improve financial performance and recommended that banks should strengthen their social responsibility initiatives. However, the study concentrated on accounting-based performance measures and did not adequately examine market-based firm value indicators such as Tobin's Q. Consequently, the current study fills this gap by focusing on the effect of CSR on market-based firm value measures.

Sweetwilliams and (2025) evaluated CSR disclosure, corporate governance moderators, and firm valuation among listed Deposit Money Banks in Nigeria. The study employed panel regression models with interaction terms to examine the moderating role of corporate governance variables such as board independence and audit quality on CSR and firm valuation. The findings revealed that strong corporate governance mechanisms significantly strengthen the positive relationship between CSR disclosure and firm value measured by Tobin's Q. The study recommended that banks should strengthen governance mechanisms to maximize the value-enhancing benefits of CSR activities. However, the study did not comprehensively examine multidimensional CSR disclosure over a longer study period. Therefore, the present study addresses this gap by adopting a broader CSR disclosure index covering the period 2014–2024

Okike et al. (2023) investigated philanthropic CSR and market response among Deposit Money Banks in Nigeria. The study employed event-window analysis around major CSR campaigns alongside panel regression techniques to examine investor reactions to philanthropic CSR activities. The findings revealed that major philanthropic CSR initiatives generate short-term positive abnormal returns and moderate long-term improvements in Tobin's Q. The study concluded that visibility and publicity of philanthropic CSR activities positively influence investor reactions and recommended strategic communication of CSR initiatives. However, the study focused solely on philanthropic CSR and short-term market responses. Therefore, the current study fills this gap by examining broader CSR dimensions and their long-term effects on firm value.

Abubakar et al. (2023) examined the relationship between multidimensional CSR and firm value among Deposit Money Banks in Nigeria. The study constructed a multidimensional CSR index and adopted panel regression analysis while controlling for bank size and macroeconomic factors. The findings revealed that economic CSR positively affects firm value, whereas philanthropic CSR shows weak or insignificant effects after controlling for other variables. The study recommended that banks should focus more on strategic CSR dimensions capable of enhancing firm value.

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However, the study did not cover recent years and lacked a longer panel period. Consequently, the present study fills this gap by extending the study period to 2024 and utilizing more recent panel data.

3 RESEARCH METHODOLOGY

This study adopts an ex-post facto research design, which is appropriate where the researcher investigates relationships among variables using historical data without direct manipulation. The population of the study comprises all Deposit Money Banks (DMBs) listed on the Nigerian Exchange Group (NGG, 2024) during the study period. Listed DMBs are subject to uniform disclosure requirements, regulatory oversight by the Central Bank of Nigeria (CBN), and market valuation mechanisms, making them suitable for examining the CSR–firm value relationship. The population of this study consists of all 14 deposit money banks listed on the Nigerian Stock Exchange (NSE) as of December 31, 2024. The study employed a purposive sampling technique to select 10 listed Deposit Money Banks in Nigeria. These banks were selected due to their significant role in the Nigerian financial sector. This study relies on secondary data sources for data collection, specifically the annual reports and financial statements of the ten (10) deposit money banks listed on the Nigerian Exchange Group (NGX). This study employs both descriptive and inferential statistical methods to analyze the data collected.

Table 1: Variable measurement

Variable	Type	Measurement and Justification
Share Price (SP)	Dependent	Share price is the closing price of a share at the end of the financial year (Atanda *et al*. 2021; and Nitika & Madhumathi, 2023)
Employees Expenditure (EME)	Independent	Employees' expenditure is measured by log of total expenditures on employees (Atanda *et al*. 2021; and Nitika & Madhumathi, 2023)
Education Expenditure (EDE)	Independent	Education expenditure is measured as log of total expenditures on education (Atanda *et al*. 2021; and Nitika & Madhumathi, 2023)
Welfare and Charity Expenditure (WCE)	Independent	Welfare and Charity Expenditure is measured by the log of total expenditure on welfare and charity (Atanda *et al*. 2021; and Nitika & Madhumathi, 2023)

Sources: Author's computation 2026

The model used in the study took the following form: Spit = β0 + β1EMEit + β2EDEit + β3WCEit +µit Where:

Spit = Share price of firm i in period t."
β0 = intercept
β1 - β3 = Coefficient of the independent variables
EMEit = Employees' expenditure of firm i period t."
= Education expenditure of firm I period t."
WCEit = Welfare and charity expenditure of firm" i period t
µit = Residual or error term of firm I period t".

4 RESULTS AND DISCUSSION

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std. Dev	Min	Max
Sp	70	7.3070	7.3868	0.4500	21.9500
Eme	70	6.7694	0.6535	5.7920	9.0000
Ede	70	6.5629	0.6801	5.6990	8.0969
Wce	70	6.7466	0.5329	6.0000	8.4772

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Source: Author's computation 2026

Table 2 shows that Share Price (SP) has a minimum value of 0.45, a maximum value of 21.95, and a mean value of 7.3070, which lies between the minimum and maximum values, indicating a fair distribution of the data during the study period. The standard deviation of 7.3868 indicates a high level of dispersion of SP from its mean value.
The table further reveals that Employee Expenditure (EME) has a minimum value of 5.7920, a maximum value of 9.0000, and a mean value of 6.7694, suggesting a good spread of the data. The standard deviation of 0.6535 indicates low variability among the observations during the period under review.
Similarly, Education Expenditure (EDE) recorded a minimum value of 5.6990, a maximum value of 8.0969, and a mean value of 6.5629, which falls within the minimum and maximum values, indicating a reasonable spread. The standard deviation of 0.6801 shows that the variable experienced low dispersion from the mean during the study period. Lastly, Welfare and Charity Expenditure (WCE) have a minimum value of 6.0000, a maximum value of 8.4772, and a mean value of 6.7466, indicating a fair spread of the data. The standard deviation of 0.5329 suggests low variability in the observations over the study period. Overall, the descriptive statistics indicate that the variables exhibited varying degrees of dispersion across the sampled Deposit Money Banks during the study period.

Table 3 Correlation Results

	Sp	Eme	Ede	Wcej
Sp	1.0000			
Eme	-0.2572	1.0000		
Ede	-0.1516	0.1821	1.0000	
Wce	-0.0540	0.1688	0.2190	1.0000

Source: Author's computation 2026

Table 3 presents the correlation results among share price, employees' expenditure, education expenditure, and welfare and charity expenditure. The result from Table 3 shows that there exist 26% negative and weak relationship between employees' expenditure (EME) and share price (SP) of listed deposit money banks in Nigeria from the correlation coefficient of -0.2572, which is significant at 1% level of significance. The table also shows that there is 15% negative and weak relationship between education expenditure (EDE) and share price (SP) of listed deposit money banks in Nigeria from the correlation coefficient of -0.1516, which is significant at 1% level of significance. Also, the table shows 5% negative and weak association between welfare and charity expenditure (WCE) and share price (SP) of listed deposit money banks in Nigeria from the correlation coefficient of -0.0540, which is significant at 1% level of significance. Finally, the relationships between proxies of the independent variable themselves suggest being mild, as all coefficients are below the threshold of 0.80 as suggested by (Gujarati, 2003).

Table 4 Variance Inflator Factor (VIF)

Variable	VIF	1/VIF
Ede	1.07	0.932447
Wce	1.05	0.951596
Eme	1.02	0.976570
Mean VIF	1.05	

Source: Author's computation 2026

To further confirm the absence of a multicollinearity problem among the exogenous variables, the collinearity diagnostics test was equally observed as the Variance Inflation Factors (VIF) and the Inverse Variance Inflation Factors (I/VIF) values portray no multicollinearity problem in the data as their values are less than 10 and 1 respectively (Gujarati, 2003) as presented in Table 4. This points to the fact that the variables are well selected and fitted in the same regression model because the multicollinearity problem is absent in the model, which is one of the requirements for regression analysis.

Table 5: Regression result
Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.377068	1.185148	7.068371	0.0000

EDE	-0.0205433	0.086080	2.370091	0.0004
EME	0.015383	0.094184	0.163326	0.8706
WCE	0.087143	0.082797	1.052488	0.2952
R-squared	0.679036	Mean dependent var		6.730303
Adjusted R-squared	0.653111	S.D. dependent var		0.938568
S.E. of regression	0.863732	Akaike info criterion		2.584456
Sum squared resid	70.87310	Schwarz criterion		2.689310
Log likelihood	-123.9306	Hannan-Quinn criter.		2.626880
F-statistic	6.905862	Durbin-Watson stat		1.874019
Prob(F-statistic)	0.000295			

Source: Author's computation 2026

Table 5 above showed the coefficient of determination explained 67% variation in financial performance, while the remaining variation is explained by other variables not captured in the model, and the f-statistic shows that the model is fit with less than 5% p-value. The result shows that Education Expenditure has a negative and significant effect on the value of deposit money banks in Nigeria

The result shows that employee expenditure has a positive but insignificant effect on the value of deposit money banks in Nigeria. The p-value is more than a 5% level of confidence hence, based on statistical evidence, an increase in employee expenditure will affect the financial performance of deposit money banks in Nigeria positively. This means a percentage increase in employee expenditure, the higher the performance in that organization. However, it was also evident from the statistical result that welfare and charity expenditure has a positive and insignificant effect on financial performance with a p-value of greater than 5% level of confidence hence, neither increase or decrease in employee expenditure will affect the value of deposit money banks in Nigeria.

4.1 Test of Hypotheses

To examine the effect of corporate social responsibility on the firm value of listed deposit money banks in Nigeria, the following hypotheses were tested using panel fixed regression analysis.

Hypothesis one:
HO_1: There is no significant effect of education expenditure on share price of listed deposit money banks in Nigeria
Table 5 above shows the result of the coefficient value of -0.0205433 and corresponding p-value of 0.0004 indicating that the result of the multiple regression analysis above shows that the Education Expenditure was significant at 5% level of significance (ie $P<0.05$). Therefore, the hypothesis that Education Expenditure does not affect Share Price of Nigerian deposit money banks is rejected.

HO_2: There is no significant effect of employees' expenditure on the share price of listed deposit money banks in Nigeria
Table 5 above shows the result of the coefficient value 0.015383 and the corresponding p-value of
0.8706
indicating that the employee's expenditure was insignificant at 5% level of significance (i.e., $p<0.05$). Therefore, the hypothesis that employees' expenditure does not affect the share price of Nigerian deposit money banks is accepted.

HO_3: There is no significant effect of welfare and charity expenditure on the share price of listed deposit banks in Nigeria

Table 5 above shows the result of the coefficient value of 0.087143 and corresponding p-value of 0.2952, indicating that the result of the multiple regression analysis above shows that the welfare and charity expenditure was also insignificant at 5% level of significance (i.e., prob. > 0.05). Therefore, the hypothesis that welfare and charity expenditure do not affect the share price of Nigerian deposit money banks is accepted.

4.2 Discussion of Findings

The study reveals that employees' expenditure (EME), encompassing wages, incentives, pensions, and other employee-related costs, has a significant negative effect on the share price of listed deposit money banks in Nigeria.

The regression results show a coefficient of -0.0205433 (t=-2.37, p=0.0004), indicating that a one-unit increase in EME (logged expenditure) decreases SP by approximately 0.004 units, holding other variables constant., This finding aligns with Stakeholder Theory's recognition of potential conflicts between stakeholder groups, where substantial investments in employee welfare may reduce short-term financial returns valued by shareholders. In Nigeria's banking sector, where cost efficiency is critical amid economic volatility, excessive EME may signal to investors a reduced capacity to generate profits, thus lowering share prices. Banks should optimize employee compensation strategies, balancing competitive remuneration with financial sustainability to align employee and shareholder interests, potentially through performance-based incentives that enhance productivity without eroding firm value.

Similarly, the analysis indicates that EDE, which includes investments in community education programs such as scholarships and school infrastructure, has an insignificant positive effect on share price. The regression results show a coefficient of 0.015383 (t=0.163326, p=0.8706), suggesting that a one-unit increase in EDE increases SP by approximately 0.15 units, but this effect is not significant (p>0.05). This aligns with Stakeholder Theory's emphasis on community stakeholders, as EDE enhances social goodwill but may not immediately translate into investor-valued outcomes in Nigeria's financial market, possibly due to inadequate disclosure or investor focus on short-term returns. Nigerian banks could enhance the visibility of education initiatives through targeted CSR reporting, as suggested by Woodward et al. (2018), to strengthen stakeholder trust and potentially boost share price over time, aligning community benefits with long-term financial performance.

Furthermore, the study finds that welfare and charity expenditure (WCE), encompassing donations and community development projects, also has an insignificant positive effect on share price. The regression results indicate a coefficient of 0.087143 (t=1.052488, p=0.2952), suggesting that a one-unit increase in WCE increases SP by approximately 0.08 units, but this effect is not significant(p>0.05). The correlation analysis shows a very weak negative correlation (r=-0.0540, significant at 1%, Table 4.2), insignificant at the 5% level. Descriptive statistics reveal WCE with a mean of 6.747 (SD=0.533), indicating slow growth, reinforcing its limited impact on market valuation. This is aligning with Stakeholder Theory', WCE fosters community legitimacy, but its insignificant effect suggests investors may prioritize profitability over social initiatives in Nigeria's context. Banks could leverage enhanced CSR disclosures to highlight WCE's societal benefits, potentially increasing investor confidence and aligning with the Central Bank of Nigeria's emphasis on sustainable banking practices. This could gradually translate social goodwill into financial value, supporting long-term firm sustainability.

5 CONCLUSIONAND RECOMMENDATION

Based on the findings, this study concludes that the combined influence of corporate social responsibility on firm value of listed deposit money banks in Nigeria is significant. The effect however gets diluted as the variables are considered on individual basis. Firstly, the study concludes that employee's expenditure has negative and significant effect on the share prices, hence employee's expenditure may be a good predictor of share prices of listed deposit money banks in Nigeria. It further concluded that education expenditure and welfare and charity expenditure both have insignificant but positive effect on the share prices of listed deposit money banks in Nigeria. Therefore, education expenditure and welfare and charity expenditure are not good predictors of share prices of listed deposit money banks in Nigeria.

Based on the findings and conclusion of this study, the following recommendations are offered:

i. Given that there is a significant impact of employee's expenditure on firm value, the study recommended that employee's expenditure should be encouraged in order to improve the brand and image reputation of the companies and should be cautious in undertaking such employee's expenditure because the cost the activities bring to the bank may be more than expected.
ii. The study recommends to the banking sector to take education expenditure as an important driver of boosting profitability of the firm since the study reveals that an increase in education expenditure will increase the share price and the more the yielding return.

iii. The study recommends that for banks' sustenance, they should endeavor to spend more on welfare and charity expenditure, as revealed by the study that an increase in welfare and charity expenditure will increase share price of the listed deposit money banks.

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