European Review in Accounting and Finance | *ISSN 2754-4176*
Published by DEQE Publications| *https://eraf.deqepub.org*
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RESEARCH ARTICLE

Relationship between Corporate Social Responsibility Expense and Firm Value of Oil and Gas Firms in Nigeria

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ABSTRACT

The review set out to examine the association between corporate social obligation expenses and the firm worth of oil and gas firms in Nigeria. An illustration of 5 firms was tried from oil and gas firms recorded on the Nigeria Stock Exchange during the hour of 2012 to 2019. The audit accepted an ex-post facto research plan. Secondary data were assembled from the disseminated yearly monetary reports of the picked firms. A correlation examination was used to separate the data accumulated from the picked firms. The disclosures from the examination suggest that overall prosperity and security expenses distinctly and through and through relationships with the net assets worth of the oil and gas firms in Nigeria. Moreover, tutoring and planning costs vehemently and through and through relating to the net assets worth of the oil and gas firms in Nigeria. Revelations further show that gifts to non-benefit affiliations strongly, yet irrelevant relate to the net assets worth of the oil and gas firms in Nigeria while women and young people decidedly and insignificantly relate to the net assets worth of the oil and gas firms in Nigeria. Taking into account these revelations, it was proposed that oil and gas firm bosses in Nigeria should do general prosperity and security programs in their various spaces of movement as this further creates the net assets worth of their associations. It was moreover recommended that the chiefs should in like manner do educational and getting ready projects, especially through awards to penniless inhabitants of their host organizations. It was moreover proposed that the bosses ought to grow their gifts to non-benefit relationships with accommodating arrangements. It was finally proposed that the chiefs ought to execute women and youth reinforcing programs.

Keywords: Corporate Social Responsibility; Expense; Oil and Gas Firms; Social Responsibility; Firm Value

Introduction

The concept of People, Planet, and Profit which is popularly known as trip bottom-line has gained popularity in the corporate world in recent times. This concept is currently the basis upon which firm performance is measured using three criteria which comprise, economics, environment, and social. The Triple Bottom Line (3P) concept implies that firms should prioritize stakeholder interests rather than shareholders. In private sector firms, the implementation of Corporate Social Responsibility (CSR) is one form of Triple Bottom Line implementation (Muat & Prayogo, 2018). The Corporate Social Responsibility aspect of the triple bottom-line is the subject of primary concern to this study as we examine the relationship between Corporate Social Responsibility expenses and firm value of oil and gas firms operating in Nigeria.

McWilliams & Siegel (2001) describes Corporate Social Responsibility as doing all those activities which are not forced by the law of the countries in which a firm operates its business and which are not for the primary benefits of the firm, but for the benefits of the society. Kusumadilaga (2010) asserts that Corporate Social Responsibility enhances public trust in a firm's products or services. As a result, the reputation of the firm increases in the eyes of society, and people's desire to buy the firm's products also increase. The sales and profit growth will then attract investors because profitability is an important consideration in making investment decisions. Poddi et al., (2009) also state that most of the admired corporations around the World, wonderfully implement Corporate Social Responsibility, and as a result, their financial performance and goodwill are picking up as compared to those firms who are not considering the Corporate Social Responsibility concept as a profit-boosting tool.

Citation: Aneke O. N. & Inyiama O. I. (2022). Relationship between Corporate Social Responsibility Expense and Firm Value of Oil and Gas Firms in Nigeria. *European Review in Accounting and Finance, 6(1), 1-12.*
Accepted: *August 23, 2022; Published: August 31, 2022*

There are several ways through which a firm can implement corporate social responsibility. Castelo & Lima (2006) asserts that some of the ways are maintaining environmental conservation, human resources management, health and safety, relationships with local communities, and establishing harmonious relationships with suppliers and customers. Sohn, Tucker & Ferguson (2020) state that health maintenance is a guiding principle in health care that emphasizes health promotion and disease prevention rather than the management of symptoms and illness. Scanlon (2021) describes **education** as the methods of teaching and learning in schools or school-like environments as opposed to various nonformal and informal means of socialization like rural development projects and education through parent-child relationships. Forester (2019) defines a nonprofit organization as those organizations whose net profit from donations, membership fees or business activities will have shared or benefit any individual. Innovation Center for Community & Youth Development (2019) states that empowerment means having the knowledge, confidence, means, or ability to do things or make decisions for oneself, educated. Empowered women and youths are moving into leadership across all sectors. Chen (2020) defines net asset value as the net value of an entity and is calculated as the total value of the entity's assets minus the total value of its liabilities.

Statement of the Problem

The importance of corporate social responsibility to firms cannot be overemphasized. Socially responsible firms project more attractive images to both consumers and shareholders alike, which serves to positively affect their bottom lines. It bolsters a firm's image and build its brand. It empowers employees to leverage the corporate resources at their disposal to do good. It also boosts employee morale and lead to greater productivity in the workforce. It equally attracts and retains customers, which is essential to a company's long-term success. Many customers will gladly pay a premium for goods, knowing that part of the profits will be channeled towards social causes near and dear to them.

Despite the importance of corporate social responsibility in promoting firm sales and profitability oil and gas firms operating in Nigeria are yet to fully embrace the concept of corporate social responsibility. Poor management, poor governance, weak legal system environmental degradation, and resource depletion have continued to characterize the operations of oil and gas firms in Nigeria. This has encouraged youth restiveness and crude oil pipeline vandalism in the Niger Delta region. Thus, oil and gas firms are yet to embrace fully the concept of corporate social responsibility as it is practiced in developed economies. It is on this note that the researcher embarked on this study to examine the relationship between corporate social responsibility expenses and the firm value of oil and gas firms in Nigeria.

Objectives of the Study

The primary objective of the study is to determine the relationship between corporate social responsibility and the firm value of oil and gas firms in Nigeria. The specific objectives of the study are to:

i. Ascertain the relationship between public health and safety expenses and net assets value of oil and gas firms in Nigeria.
ii. Appraise the relationship between education and training expenses and net assets value of oil and gas firms in Nigeria.
iii. Analyze the relationship between donations to nonprofit organizations and the net assets value of oil and gas firms in Nigeria.
iv. Explore the relationship between women's and youths' empowerment programs and the net assets value of oil and gas firms in Nigeria.

Research Questions

The following research questions were designed in line with the specific objectives of the study:

i. How do public health and safety expenses relate to the net asset value of oil and gas firms in Nigeria?
ii. What is the relationship between education and training expenses and the net asset value of oil and gas firms in Nigeria?
iii. To what extent does donations to nonprofit organizations relate to the net asset value of oil and gas firms in Nigeria?

What is the relationship between women's and youths' empowerment programs and the net asset value of oil and gas firms in Nigeria?

Statement of Hypotheses

i. Public health and safety expenses do not significantly relate to the net asset value of oil and gas firms in Nigeria.
ii. Education and training expenses do not significantly relate to the net asset value of oil and gas firms in Nigeria.
iii. Donations to nonprofit organizations do not significantly relate to the net asset value of oil and gas firms in Nigeria.
iv. Women and youths' empowerment programs do not significantly relate to the net asset value of oil and gas firms in Nigeria.

Review of Related Literature

Corporate Social Responsibility

Fernando (2021) states that corporate social responsibility is a self-regulating business model that helps a firm to be socially accountable to itself, its stakeholders and the public. Through corporate social responsibility programs, philanthropy, and volunteer efforts, firms can benefit society while boosting their brands. By practicing corporate social responsibility firms can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental. Corporate social responsibility is important and valuable to both the community and the firm as the activities can help forge a stronger bond between employees and corporations, boost morale and help both employees and employers to be more connected with the world around them.

Yiping (2019) says that corporate social responsibility is when firms conduct their business in an ethical way by considering their social, economic, and environmental impact and human rights. If a firm only pays attention to maximizing profits and neglects its social responsibility, it may eventually bring negative events to society. Corporate social responsibility can be related to food safety, environmental pollution, tax evasion, and so on. As a result, the reputation of an enterprise will be seriously threatened while the sustainable development of society will be endangered. Enterprises have gradually realized the importance of social responsibility and are willing to pay costs related to corporate social responsibility. This study adopted, public health and safety, education and training, donations to organizations as well as women and youth empowerment as some of the possible ways of implementing corporate social responsibility.

Public Health and Safety

Many people are interested in an organization's approach to environmental health and safety management including personnel; customers, clients, suppliers; the community; shareholders; contractors; insurers; and regulatory agencies. Preventing environmental hazards is also crucial to the success of any firm regardless of the scale of operations or industry. The reduction and, if possible, elimination of workplace hazards serves a two-fold purpose. The first is to ensure the safety and protection of the employees working in your firm. The second is compliance with the guidelines set by the Occupational Safety Health Act's (OSHA) General Duty Clause, which states that employers are required to provide a safe workplace for their employees. That is, employees must have a safe working environment that protects them from the effects of environmental hazards, including death and serious personal injury (Wong, 2010).

Health promotion and maintenance is the development of the individual, group, institutional, community, and systemic strategies to improve health knowledge, attitudes, skills and behavior. The primary objective is to positively influence the health behavior of individuals and communities as well as the living and working conditions that influence their health. It is a behavioral social science that draws from the biological, environmental, psychological, physical, and medical sciences to promote health and prevent disease, disability, and premature death through education-driven voluntary behavior change activities (Obikeze & Onwujekwe, 2020).

Education and Training

One of the ways in which firms try to implement corporate social responsibility is to support training and education of the citizens. Scanlon (2021) states that education is concerned with methods of teaching and learning in schools or school-like environments as opposed to various nonformal and informal means of socialization like rural development projects and education through parent-child relationships. Education can be thought of as the transmission of the values and accumulated knowledge of a society. In this sense, it is equivalent to what social scientists term socialization or enculturation. Education is designed to guide people in learning a culture, molding their behavior in the ways of adulthood, and directing them toward their eventual role in society.

Beardwell & Holden (2001) define training as a planned process to modify attitude, knowledge, or skill behavior through learning experience to achieve effective performance in any activity or range of activities. Its purpose is to develop the abilities of the individual and to satisfy the current and future needs of the organization. Harris & Antti (2003) argued that training increases employees' performance which in turn improves productivity positively, and will further check and arrest the several human and financial costs involved with employee turnover. They also argued that training enables enhances the potential in people.

Donations to Nonprofit Organizations

The firm also tries to fulfill its corporate social responsibility to the people through donations to charitable organizations. LaMarco (2019) describes a charitable organization as a type of nonprofit organization that is qualified for tax-exempt status. Such organizations include any organizations that are operated for charitable, religious, literary, educational, or scientific purposes, the development of sports, or the prevention of cruelty to animals. Today, charitable giving is a popular phenomenon around the world with many organizations and funds dedicated to it. The major distinction between charitable organizations and nonprofit organizations is that one subsumes the other. All charity organizations are also nonprofit organizations. However, not all nonprofit organizations are charities. The profit made from nonprofit organizations like donations, business activities, or memberships fees will be used for the benefit of any individual. There are many kinds of nonprofit organizations, like, clubs, homeowners' associations etc. These are usually in the form of mutual benefit corporations because of the fact that they do not benefit members of the general public. A charity, on the other hand, is a special type of nonprofit organization that benefits the general public

Women and Youths Empowerment

Women and youths' empowerment are another way through which firms implement corporate social responsibility. **Rogers** *(2018) described women empowerment as changing the systems, institutions, and mindsets that perpetuate patriarchal hierarchies of power and social order.* The global development sector agrees that the commitment to end poverty, protect the planet, and ensure prosperity for all will only be achieved if development initiatives consider the unique needs, knowledge, and potential of women and girls. This belief sits solidly in Sustainable Development Goal 5, "to achieve gender equality and empower all women and girls," and is a crucial part of work in education, finance, advocacy, and other initiatives contributing to "women's empowerment" all over the world.
On the other hand, Innovation Center for Community & Youth Development (2019) defines youth empowerment as the process whereby young people gain the ability and authority to make informed decisions and implement change in their own lives and the lives of other people. It is a means of encouraging youths to do great things for themselves and also to make a great impact in their own societies. According to the center, youths can be empowered to: identify, utilize and maximize their potentials, develop confidence and self-identity, grow together in accountability, and acquire eagerness to create a change.

Firm Value

Wahyudi & Prawesti (2006) firm value as the value given to firms by the management of financial markets and corporate organizations as a company continues to grow. Firm value is the market perception of a firm's performance sustainability that is represented by the market value of shares outstanding. Sujoko (2007) describes firm value as investors' perception of a firm which is often associated with the stock price of the firm. The main goal of management is to maximize firm wealth or firm value; this is very important because it also maximize shareholders' wealth. High stock price indicates high valued for the firm and it increases confidence toward current firm performance and future outlook of the firm.

Sujoko (2007) states that the value of a firm can be increased by increasing firm profitability as higher profitability leads to an increase in firm stock prices. Firm value can also be increased by implementing corporate social responsibility. Corporate social responsibility stimulates sales growth and profitability. Firm value can equally be increased by implementing good corporate governance. Inventors consider good corporate governance a critical factor in investment decision making. Firm value can as well be increased by increasing firm size. This is because large firms do not always experience financial difficulty, rather they have good prospect for future economic growth.

Net Assets Value

Chen (2020) describes net asset value as the net value of an entity and is calculated as the total value of the entity's assets minus the total value of its liabilities. Theoretically, any suitable business entity or financial product that deals with the accounting concepts of assets and liabilities can have a net asset value. In the context of firms and business entities, the difference between the assets and the liabilities is known as the net assets or the net worth or the capital of the firm. The term net asset value has gained popularity in relation to the fund valuation and pricing, which is arrived at by dividing the difference between assets and liabilities by the number of shares/units held by the investors. It is often the case that net asset value is close to or equal to the book value of a firm. Firms considered to have high growth prospects are traditionally valued more than net asset value might suggest. Net asset value is most frequently compared to market capitalization of a firm to find undervalued or overvalued investments.

Theoretical Framework

This study is anchored on the Stakeholders' Theory developed by Edward Freemen in 1984.

Stakeholders Theory

Edward Freeman developed the Stakeholders' theory in 1984. The theory states that the firm success is dependent upon the successful management of all the relationships that a firm has with its stakeholders. Stakeholders are those groups without whose support the organization would cease to exist (Freeman 1983). The theory asserts that, managers must satisfy a variety of constituents (example, employees, customers, suppliers, local community and so on) who can influence the firm's outcomes. Thus, it is not sufficient for managers to focus exclusively on the needs of shareholders, or the owners of the firm. This implies that it is beneficial for the firm to engage in certain environmental activities that non-financial stakeholders perceive important, because without this, these groups might withdraw their support from the firm. In developing the stakeholder theory, Freeman, (1983) incorporates the stakeholders' concept into categories: A business planning and policy model, and a corporate social responsibility model.

In the first model, the stakeholder analysis focuses on developing and evaluating the approval of corporate strategy decisions by groups whose support is required for the firm's continued existence. The stakeholders identified in the model include the owners, customers, public groups, and suppliers. Although these groups are not adversarial in nature, their possibly conflicting behavior is considered a constant in the strategy developed by management to best match their firm's resources with the environment (Degan & Gordon, 1966). In the second model, the corporate planning and analysis extend to include external influences which may be adversarial to the firm. These adversarial groups may include the regulatory environmentalist and /or special interest groups concerned with social issues (Guthrie and parker, 1990). Second, the model enables managers to consider a strategic plan that is adaptable to change in the social demands of non-traditional stakeholder's groups. The stakeholders' theory proposed an increased level of environmental awareness which creates the need for a firm to extend their corporate planning to include non-traditional stakeholders like the regulatory adversarial groups in order to adapt to changing social demands (Trotman, 1999). The main concern of the stakeholders' theory in environmental accounting is to address the environmental cost elements and valuation and its inclusion in the financial statements.

Empirical Review

Rahmawati & Putri (2020) explored the effect of corporate social responsibility on financial performance with earnings management as a moderating variable from 2006 to 2008. Samples A sample of 27 companies listed on the Indonesia Stock Exchange during the period was taken using the purposive sampling method. Ordinary least square regression was adopted in analyzing the data collected from the firms. Result provides evidence that firms that engage in the practice of earnings management have no influence on corporate social responsibility activities. Based corporate social responsibility, it was also ascertained that the activities associated with earnings management practices negatively affect the firm's financial performance in the future during the period.

Mohammed, Tjjani & Ibrahim (2018) examined the effect of environmental cost on the performance of oil and Gas firms listed in Nigeria from 2007 to 2016. Remediation control cost, pollution prevention cost, waste management cost and laws compliance cost were the proxies for environmental cost while profit for the period was the dependent variable and measure of corporate performance. Panel data obtained from the National Petroleum Management Investment Services relating to four oil and gas firms in Nigeria were used to conduct the study. Data were also sourced from the annual reports and accounts of the four firms. Panel data regression analysis was used to analyze the data collected. Findings from the analysis indicate that three out of the four environmental costs used as proxies have significant effect on the performance of listed Oil and Gas firms in Nigeria. In the light of these findings, it was recommended that the amount spent by oil and gas firms in Nigeria on environment remediation control costs should be increased while prevention control should be reduced to a very considerable level as this will go a long way in enhancing the performance of listed oil and gas companies in Nigeria. The amount spent on environmental laws and compliance penalties should also be increased as this will eventually translate into better performance for the listed Oil and Gas firms in Nigeria.

Rehan, Khan & Khan (2018) analyzed the effect of corporate social responsibility on the profitability of Banks in Pakistan from 2006 to 2017. Donations and money spent on staff welfare of the firms were used as proxies for CSR. Earnings per share, return on asset, and return on equity are the independent variables. Income variability, size of firm and expected growth rate were used as the control variables. Eight (8) banks operating in Pakistan were sampled for the study. Panel data from 2006-17 were collected from the financial reports of the selected banks. Results shows that CSR, growth, and size of a firm have positive & significant effect on Return on equity while income variability has a negative effect on Return on equity and return on assets. All variables have a positive effect on Earning per share but income variability have negative effect on Earning per share.
Akinleye & Adedayo (2017) assessed the impact of corporate social responsibility on profitability of multinational firms in Nigeria. A total of 5 multinational firms listed on the Nigeria Stock Exchange was sampled for the study. Secondary data spanning the period from 2010 to 2014 were collected for the study. The study, precisely analyzed the relationship and impact of CSR spending on profit after tax, and also the causal relationship between CSR spending and profit after tax. Correlation analysis, pooled ordinary least square regression, fixed effect and random effect models, granger causality test and post estimation test such as restricted f-test and Hausman test were all employed in the data analysis. Findings show that there is weak negative correlation between CRS spending and profit after tax. Corporate social spending exerts negative insignificant impact on profit after tax, while there is only evidence for unidirectional causal relationship running0 from CSR spending to profit after tax for Oando plc, among all the selected multinational firms.

Khan & Tariq (2017) appraise the impact of corporate social responsibility on financial performance of Islamic and Conventional Banks. Ex-post facto research design was adopted for the study. The independent variables of the study and measures of CSR include are social welfare, Health, Education, public Donation, and environmental protection. On the other hand, return on asset return on equity, earning per share and price earnings ratio are the dependent variable and measures of financial performance. Seventeen (17) banks from Pakistan and Bangladesh comprising of Islamic and conventional banks were selected for the study. Secondary data were collected from respective banks annual reports covering the period from 2010 to 2015. The collected data were analyzed using correlation and regression techniques are used. Overall results suggest that positive and significant relationship exist between CSR financial performance.

Agbiogwu, Ihendinihu & Okafor (2016) explored the impact of environmental and social costs on performance of Nigerian manufacturing firms in 2014. Fifteen (15) food and beverage manufacturing firms listed on the Nigerian Stock Exchange in 2014 were targeted for the study. A sample of ten (10) of the was selected for the study while multiple regression analysis and t-statistics were used to analyze the data collected for the study. Finding indicates that environmental and social cost significantly affect net profit margin, earnings per share and return on capital employed of foods and beverage manufacturing firms in the country during the period. It was recommended in line with the research finding that government should ensure complete adherence of environmental laws by manufacturing companies in Nigeria.

Roger & Chen-Hsun (2017) appraised the influence of corporate social responsibility on firm value: An application of panel smooth transition regression on Taiwan. The study targeted Taiwanese firms listed on the Stock Exchange during the period of 2010 to 2012. Panel smooth transition regression model was used to analyses the data obtained from the firms and to calculate the value transition threshold of CSR, using CSRI as the transition variable. Empirical findings show that the threshold value of CSRI is 13.082, thus, it was concluded that investment in CSR does not contribute to enhancing company value until it exceeds the value transition threshold.

Uadiale & Fagbemi (2012) analyzed the relationship between corporate social responsibility and financial performance of the firms. Return on equity and return on assets were adopted as the independent variables. Forty firms 40 listed on the Nigeria Stock Exchange were sampled for the study. Pearson Product Moment Correlation Analysis was adopted and used the analyze the secondary data collected for the study. Results indicate that CSR has a positive and significant relationship with ROE and ROA. It was recommended in view of this findings that corporate entities in Nigeria should invest in corporate social responsibility activities in its ramification in order to boast their image/reputation and thus increase returns to stakeholders.

Methodology

This study adopted *ex-post facto* researcher design. This means that secondary data as oppose to primary data were collected from the selected oil and gas firms and used to run analysis to determine the findings of the study. The study was conducted in Nigeria oil and gas industry during the period from 2012 to 2019 using firms sampled from the entire population of oil and gas firms listed on the Nigeria Exchange Group during the period. Secondary data as opposed to primary data were used for the study. The secondary data were collected from the published annual audited reports and accounts of the selected oil and gas firms listed on the Nigeria Exchange Group. The target population is the eleven (11) oil and gas firms listed on the Nigeria Exchange Group. The study sampled five (5) oil and gas firms listed on the Nigeria Exchange Group. Only oil and gas firms that displayed their corporate social responsibility expenses in accordance with the variables of the study were considered in selecting the sample. The selected firm are: MRS Oil, Spalt Oil, Eterna Oil, Mobil Oil and Oando. Public health and safety expenses, education and training expenses, donations to nonprofit organizations and women and youths' empowerment programs as the independent variable and proxy for corporate social responsibility and net asset value as the dependent variable and proxy for firm value. Correlation analysis was used to analyze the data collected for the study.

Model Specification

The researcher developed the following model in accordance with the specific variables of the study:

$NASV = \beta_0 + \beta_1(PHSE)$

$NASV = \beta_0 + \beta_1(EDTE)$

$NASV = \beta_0 + \beta_1(DNPO)$

$NASV = \beta_0 + \beta_1(WYEP)$

$NASV = \beta_0 + \beta_1(PHSE) + \beta_2(EDTE) + \beta_3(DNPO) + \beta_4(WYEP) + \varepsilon$

Where:

NASV = Net Assets Value

PHSE= Public Health and Safety Expenses

EDTE = Education and Training Expenses

DNPO = Donations to Nonprofit Organizations

WYEP = Women and Youths Empowerment Programs

β = Beta

ε = error margin

$\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$ = proportionate change in dependent due to change in independent variables

Analyses and Results

Data Presentation

Table 1: Raw Data from the Oil and Gas Firms

FIRM	YEAR	HEALT SAFETY DONATIONS N (000)	EDUCATION TRAINING EXP N (000)	DONATIONS TO NON-PROFIT ORGS N (000)	WOMEN & YOUTHS EMPOWERNMENT EXP N (000)	NET ASSETS N (000)
MRS OIL	2019	200	300	700	510	19,107,616
	2018	200	200	33,798	399	20,720,698
	2017	300	1,150	55,282	2,711	23,109,497
	2016	400	100	169	100	22,163,841
	2015	150	1,105	2,369	1,750	20,977,324
	2014	400	400	669	822	20,218,121
	2013	-	-	-	-	19,609,147
	2012	300	1,800	100	120	19,054,010
SPALT OIL	2019	**21,877**	2,588	40,094	8,131	577,223
	2018	9	68	39	5	526,296
	2017	8	1	85	11	490,225
	2016	-	-	-	-	391,061
	2015	25	47	88	91	272,097
	2014	23,502	512	9	465	259,658
	2013	13	-	-	9	113,715
ETERNA	2019	**-**	5,858	-	2,750	**12,325,110**
	2018	400	1,100	600	2,750	12,699,750
	2017	3,100	3,100	8,167	800	12,108,066
	2016	1,774	100	700	750	10,451,307
	2015	-	1,000	1,450	950	9,261,791
	2014	750	500	1,200	650	8,420,171
	2013	100	-	2,900	500	7,110,709
MOBIL OIL	2019	**500**	13,000	500	3,150	**39,681,613**
	2018	1,750	10,000	6,396	1,000	33,772,776
	2017	1,475	-	650	500	27,358,829
	2016	1,675	7,500	1,400	900	21,457,795
	2015	1,609	5,200	3,450	2,200	15,353,401
	2014	1,500	3,000	2,600	1,000	13,549,450
	2013	2,750	2,550	2,000	750	9,537,631
OANDO	2019	**16,250**	55,500	150,300	2,640	289,330,430
	2018	-	**83,417**	228,169	-	277,166,711
	2017	**-**	236,374	17,410	-	**263,435,780**
	2016	17,457	24,617	103,149	1,030	192,344,479
	2015	-	90,555	3,285	2,000	50,893,926
	2014	8,720	121,837	22,215	10,000	43,610,771
	2013	511	112,320	681	-	162,368,077

Source: Annual Reports and Financial Statements.

Data Analysis

Five oil and gas firms were selected for the study. Secondary data were collected from the selected firms. The data collected for this study were analyzed using Correlation Analysis and the results are presented in tables 2.

Table 2: Pearson Product Moment Correlations Matrix

		NASV	PHSE	EDTE	DNPO	WYEP
NAAV	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	100				
PHSE	Pearson Correlation	.521**	1			
	Sig. (2-tailed)	.029				
	N	100	100			
EDTE	Pearson Correlation	.489	.610**	1		
	Sig. (2-tailed)	.040	.000			
	N	100	100	100		
DNPO	Pearson Correlation	.242	.114**	.183**	1	
	Sig. (2-tailed)	.187	.392	.155		
	N	100	100	100	100	
WYEP	Pearson Correlation	.165**	.709**	.545**	.158**	1
	Sig. (2-tailed)	.112	.000	.010	.101	
	N	100	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

SOURCE: SPSS output

Test of Hypotheses

Table 2 presents the result of correlation analysis which was used to test the null hypotheses formulated for the study. If the correlation coefficients are replaced in the equation, the model can be defined as: $NASV_t = 0.521PHSE_t + 0.489EDTEt + 0.187DNPO_t + 0.165WYEP_t + Ɛ_t$

Decision Rule:

Level of significance (α) = 0.05. Reject the null hypothesis if the significant value in the correlation coefficients is less than the level of significance (0.05), otherwise accept the null hypothesis. In line with this decision rule, we test of the four null hypotheses formulated for the study.

Test of Hypothesis One:

H_0: Public health and safety expenses does not significantly relate with net asset value of oil and gas firms in Nigeria.
From correlation analysis in table 2, the significant level of public health and safety expenses is 0.029, which is significant at 0.05 level of significance (0.029<0.05). Thus, we reject the null hypothesis and accept the alternative that public health and safety expenses significantly relate with net asset value of oil and gas firms in Nigeria.

Test of Hypothesis Two:

H_0: Education and training expenses does not significantly relate with net asset value of oil and gas firms in Nigeria.
The table also disclosed that the significant level of education and training expenses is 0.040, which is again significant at 0.05 level of significance (0.040<0.05). Thus, we reject the null hypothesis and accept the alternative that Education and training expenses significantly relate with net asset value of oil and gas firms in Nigeria.

Test of Hypothesis Three:

H_0: Donations to nonprofit organizations does not significantly relate with net asset value of oil and gas firms in Nigeria.

It could also be observed that from the table the significant level of Donations to nonprofit organizations is 0.187, which is not significant at 0.05 level of significance (0.187>0.05). Therefore, we accept the null hypothesis that Donations to nonprofit organizations does not significantly relate with net asset value of oil and gas firms in Nigeria.

Test of Hypothesis Four:

H_0 Women and youths' empowerment programs does not significantly relate with net asset value of oil and gas firms in Nigeria.

The correlation table also indicates that the significant level of Women and youths' empowerment programs is 0.112, which is not significant at 0.05 level of significance (0.112>0.05). In view of this, we accept the null hypothesis that Women and youths' empowerment programs does not significantly relate with net asset value of oil and gas firms in Nigeria.

Discussion of the Results of Test of Hypotheses

Results from the Correlation Analysis as indicated in Table 2.4.1 show that the Coefficient of Public Health and Safety Expenses is 0.521, which is positive and also significant at 0.05 level of significance (0.029<0.05). In the light of these results, it can be said that public health and safety expenses in Nigeria positively and significantly relate with Net assets value of the oil and gas firms in Nigeria. This result can be compared with the findings of: Iqbal et al. (2012) who found concluded that corporate social responsibility has no effect on financial performance. Uadiale & Fagbemi (2012) who found that corporate social responsibility has a positive and significant relationship with ROE & ROA.

Results from the Correlation Analysis also show that the Coefficient of Education and Training Expenses is 0.489, which is positive and significant at 0.05 level of significance (0.040<0.05). Based on these results, it can be stated that Education and Training Expense positively and significantly relate with Net Assets Value of the oil and gas firms in Nigeria. This result is also comparable with the findings of: Okafor (2018) who found that good environmental practices positively impact business value of firms.

The results from the Correlation Analysis further indicate that the Coefficient of Donations to Nonprofit Organizations is 0.242, which is positive, but not significant at 0.05 level of significance (0.187>0.05). Based on these results, it can be stated that Donations to Nonprofit Organizations positively and insignificantly relate with Net Assets Value of the oil and gas firms in Nigeria. This result is in line with the empirical studies conducted by: Agbo, et al (2017) found that donation and medical expenses are negatively related with return on assets. Mohammed, et al (2018) who observed that environmental costs have significant effect on the performance of listed oil and gas firms in Nigeria.

The results from the Correlation Analysis equally disclose that the Coefficient of Women and Youths Empowerment is 0.165, which is positive, but not significant at 0.05 level of significance (0.112>0.05). In view of these results, it can be stated that Women and Youths Empowerment positively, but insignificantly relate with Net Assets Value of the oil and gas firms in Nigeria. This result is can be compared with the findings of: Mwangi et al. (2013) who concluded that there was a significant positive relationship between corporate social responsibility practices and financial performance. Rehan, Khan & Khan (2018) who observed that CSR have positive effect on Earning per share but income variability has negative effect on Earning per share.

Summary of Findings

In view of the data analysis, the findings and discussions, the findings from the study are summarized thus:

i. That public health and safety expenses positively and significantly relate with net asset value of the listed oil and gas firms in Nigeria.
ii. That education and training expenses positively and significantly relate with net asset value of the listed oil and gas firms in Nigeria
iii. That donations to nonprofit organizations positively and insignificantly relate with net asset value of the listed oil and gas firms in Nigeria.
iv. That women and youths' empowerment programs positively and insignificantly relate with net asset value of the listed oil and gas firms in Nigeria.

Conclusion

This study set out to investigate the relationship between corporate social responsibility expenses and firm value of oil and gas firms in Nigeria. A sample 5 oil and gas firms listed on the Nigeria Stock Exchange was taken for the study. The selected firm are: MRS Oil, Spalt Oil, Eterna Oil, Mobil Oil and Oando. Secondary data were obtained from the sampled firms covering the period of 2012 to 2019. The data were analyzed using correlation analysis. Based on the results of the analysis, this study concludes that public health and safety expenses positively and significantly relate with net asset value of the listed oil and gas firms in Nigeria, that education and training expenses positively and significantly relate with net asset value of the listed oil and gas firms in Nigeria, that donations to nonprofit organizations positively and insignificantly relate with net asset value of the listed oil and gas firms in Nigeria, that women and youths' empowerment programs positively and insignificantly relate with net asset value of the listed oil and gas firms in Nigeria.

Recommendations

We hereby make the following recommendations in the light of the findings, discussion and conclusion of the study:

i. Oil and gas firm managers in Nigeria should implement public health and safety programs in their various areas of operation as this improves net assets value of their firms. This can be achieved by investing in public health infrastructure and programs.
ii. The managers should also implement educational and training programs as this also significantly improves their firm's performance. Scholarship should be awarded especially to indigent citizens of their host communities.
iii. The managers should equally increase their donations to nonprofit organization with humanitarian agenda. This will go a long way in improving the net assets of the oil and gas firms.
iv. Finally, the managers should implement women and youth empowerment programs as this also improves their firms' net assets value. Women and Youths empowerment programs could be in the form skill acquisition, sponsorships and awareness programs among others.

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