ANUK COLLEGE OF PRIVATE SECTOR Accounting Journal

VOL. 2 NO. 1 APRIL, 2025

A Publication of College of Private Sector Accounting
ANAN University Kwall, Plateau State, Nigeria.

Published April, 2025.

Web Address: https://www.anukpsaj.com, Email: anukpsaj@gmail.com

Printed by:
MUSSAB Printers,
NB, 9 Muri road by gwari road, Kaduna State, Nigeria.
Phone contact: 07038776658,
Email: meetsuleiman009@gmail.com

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Sequence of Manuscript

I. Title page
II. Abstract (150-250 words)
III. Keywords (3-5)
IV. Introduction
V. Literature Review
VI. Methodology
VII. Results and Discussion
VIII. Conclusion and Recommendations
IX. References (APA 7th Edition)
X. Appendices (if necessary)
XI. Author Biographies (optional)

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TABLE OF CONTENT

1. **Effect Of Digitalised Accounting Practices On Financial Accountability Of Ministries, Departments, And Agencies (Mdas) In Nigeria**
   Abdulrahman Kadir, Mubaraq Sanni, Olusegun Opeyemi Oni …...............................….... 1

2. **The effect of digital accounting techniques training on detection of financial irregularity in deposit money banks in nigeria.**
   Akinola Babatunde Moses, Ngereboa Tamunonimim And Ibrahim Abdullateef ……...… 14

3. **Determinants of Big Data Analytics Adoption Among Firms in the Hospitality Industry in Nigeria**
   Akinyemi adebayo muideen, Dagwom yohanna dang, Abdullahi yau ………................... 26

4. **Moderating effect of agency cost on relationship between capital Structure and value of listed firms in Nigeria.**
   Buhari Adeiza Yusuf and S.A.A Aruwa…... 35

5. **Moderating effect of company income tax on the relationship Between capital structure and financial performance of Listed multinational companies in Nigeria**
   Christopher David Mbatuegwu, Banjamin Uyagu David, Daninya Michael Zeinaba.......... 46

6. **Moderating effect of strong institutions on the relationship Between public reforms and accountability in nigerian federal Ministry of finance and agencies**
   Ogundele Gbenga Oladele, Saidu Ibrahim Halidu, Uyagu David Benjamin, Abdullahi Ya'u Usman…………………………………………………………………………...............… 58

7. **Effect of International Accounting Stanadards Two (ias 2) – Inventory on Firm Performance of listed consumer goods Manufacturing |Companies in Nigeria**
   Dagwom Yohanna Dang, Deshi Nentawe Nengak, Samuel Nmaname Gozuk ....……… 70

8. **Moderating Role of Pension Fund Size on the Relationship between Financial Risk Management and Performance of Tier 3 (small) Pension Funds Administrators (PFAs) In Nigeria**
   Dogo Polycarp, Sunday Mlanga ……………………………………………………......… 85

9. **Forensic accounting as a tool for effective fraud detection and prevention in the Nigerian economy**
   Ejembi Victoria Okoma ……………………………......……………………………… 95

10. **Effect Of Oil Spillage Disclosure on the Annual Report and Financial Statement of Listed Oil Companies In Nigeria.**
    Fom Peter Dauda ……………………………………………………………......…… 100

11. **Effect of Corporate Governance on Financial Performance of Quoted Healthcare Firms in Nigeria**
    Hamid Fatima Talatu ………………………………………….......……………....… 109

12. **Effect of Firm-Specific Sharacteristics on Financial Performance of Listed Agricultural Firms in Nigeria.**
    Joel Adeoye Christopher ………………………………...……………………...…… 118

13. **Determinants of Internal Audit Quality of Selected MDAs In Nigeria**
    Junaidu Shehu and Saidu Ibrahim Halidu …………………………....……………....… 127

14. **Effect of Corporate Social Responsibility Disclosure on Share Prices of Listed Consumer Goods Companies in Nigeria**
    Khadija Udu, Musa Adeiza Farouk, Benjamin Uyagu ……………....……………........ 135

15. **Effect of Corporate Governance Characteristics on Financial Performance of Listed Oil and Gas Firms in Nigeria**
Kwayama Hadassah Jehu …………………………………………………………..........….. 145

16. **Effects of Asset Tangibility and Cash Flow Volatility on Dividend Policy of Listed Manufacturing Firms in Nigeria**
Maimako N. Wodung, Anietie C. Dikki, Abdullahi A. Ahmed, Isma'il T. Idris .....………. 157

17. **Effect of Biometric Technology Application on Fraud Prevention Among Listed Deposit Money Banks in Nigeria**
Makinde Funmilayo Topsy …………………………………………………..........…… 164

18. **Effect of Earnings Quality on Shareholders' Value of Listed Deposit Money Banks in Nigeria**
Musa Inuwa Fodio, Tamunonimim Ngereboa, Nwogbodo Chibueze Otozi ………........... 182

19. **Moderating Effect of Financial Performance on the Relationship Between ESG Disclosure and Earnings Management: Evidence From the Industrial Goods Sector of the NGX**
Nkwonta Ifeoma Nnenna ……........………………………………………………… 193

20. **Impact of Environmental, Social, and Governance (ESG) Disclosures on the Financial Performance of Listed Manufacturing Firms in Nigeria**
Ogbu Godwin Otseme, Joseph Femi Adebisi, Salisu Abubakar ……........………………. 205

21. **Effect of Information and Communication Technology (ICT) Software Expenditure on Financial Performance Among Listed Deposit Money Banks in Nigeria**
Okpe James Friday …………………………………………………………………......... 216

22. **Forensic Investigation Techniques and Financial Reporting Fraud in Selected Beverage Firms in Nigeria**
Oluwatosin Adejoke Osanyinbola, Tamunonimin Ngerebo-A ……..........……………... 226

23. **The Influence of Corporate Governance Mechanisms on the Financial Performance of Quoted Fast-Moving Consumer Goods (FMCG) Companies in Nigeria.**
Owie Bright Osarenti ……........………………………………………………………….. 234

24. **Effects of Firm Characteristics on Financial Reporting Quality of Listed Deposit Money Banks in Nigeria**
Oyeboade Olaitan Folasayo ……………………………………………………........…… 243

25. **Do Board Strategies Enhance Electronic Fraud Detection? Evidence From DMBS in Nigeria**
Sadiya Ahmed Almustapha, Musa Adeiza Farouk, Saidu Ibrahim Halidu ………........... 254

26. **Taxation and Corporate Performance: Analyzing the Effective Tax Rate, Marginal Tax Rate, and Earnings Per Share (EPS) of Listed Industrial Goods Companies in Nigeria**
Sani Abdulrahman Bala, Yahaya Alhaji Hassan, Mande Kabiru Dambuwa ……........…… 262

27. **Risk Management and Financial Performance of Listed Financial Service Firms in Nigeria**
Usman Muhammad Adam, Aliyu Abubakar …………………………………........…… 272

28. **Effect of Information Communication Technology (ICT) Costs on Financial Performance of Listed Industrial Goods Companies in Nigeria: the Moderating Role of Firm Size.**
Zainab Abdullahi ………………........…………………………………………………. 284

29. **Impact of Forensic Accounting Techniques on Reducing Procurement Fraud in Listed Manufacturing Companies in Nigeria.**
Idegbesor Umoru, Musa Adeiza Farouk, Suleiman Abubakar ………………........…… 292

30. **Effect of Audit Pricing on Quality of Audit Amongst Deposit Money Banks in Nigeria.**
Habiba Ihiovi ………………………………………………………………........…… 300

EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON SHARE PRICES OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

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ABSTRACT

This study examines the effect of Corporate Social Responsibility (CSR) disclosure on the share prices of listed consumer goods companies in Nigeria from 2015 to 2023. Using data from 28 firms, the study employs content analysis to assess CSR disclosure levels based on the Global Reporting Initiative (GRI) and International Integrated Reporting Council (IIRC) frameworks. Panel regression analysis, supported by the Hausman specification test, confirms that the fixed effect model is appropriate. The results reveal a positive and statistically significant relationship between CSR disclosure and share prices, suggesting that socially responsible firms are valued more highly by investors. These findings align with signaling, legitimacy, stakeholder, and agency theories, indicating that CSR reporting serves as a credible signal of firm quality and accountability. The study recommends improved CSR transparency, regulatory support for standardized disclosures, and greater investor consideration of non-financial indicators. This research contributes to understanding CSR's strategic role in firm valuation within emerging markets.

Keywords: *Corporate Social Responsibility (CSR), Share Prices, Consumer Goods Sector, Firm valuation, CSR Disclosure, Sustainability Reporting*

Introduction

Corporate Social Responsibility (CSR) disclosure has emerged as a cornerstone of corporate governance and sustainability reporting on a global scale. Across both developed and emerging economies, there is a growing expectation for businesses to operate not only profitably but also responsibly, with transparency and accountability in their environmental and social impacts. Internationally, regulatory bodies, investors, and civil society are increasingly demanding that companies disclose non-financial information related to their social and ethical commitments. CSR reporting typically encompasses areas such as labour practices, human rights, environmental stewardship, community engagement, and product responsibility. As such, it serves as a vital communication tool for companies to demonstrate their commitment to sustainable development and to secure their social license to operate.

In Nigeria, CSR disclosure has gained momentum in response to rising stakeholder expectations, increased investor awareness, and evolving regulatory frameworks. The consumer goods sector, in particular, has come under heightened scrutiny due to its extensive interactions with the public and its significant impact on both society and the environment. Given Nigeria's socio-economic challenges such as high unemployment, infrastructural deficits, and income inequality, companies in this sector are increasingly viewed as pivotal agents of national development. Consequently, CSR disclosure is not only a means of enhancing corporate reputation but also a strategic tool for fostering stakeholder trust and long-term business sustainability (Olagunju & Ajiboye, 2022).

The Nigerian capital market exhibits typical features of emerging markets, including volatility, limited investor protection, low transparency, and high information asymmetry. In this setting, voluntary disclosure practices such as CSR have become particularly important. Investors often rely on non-financial information to evaluate the sustainability and ethical positioning of firms. CSR disclosures can therefore influence investor perceptions and expectations, leading to fluctuations in share prices. According to Luo et al. (2023), investment decisions increasingly reflect not just financial projections but also alignment with social and ethical values.

Despite growing attention to CSR, empirical evidence on its influence on share prices in Nigeria is still limited and inconclusive. International studies (Clarkson et al., 2013; Plumlee et al., 2015) have reported that CSR disclosure enhances firm value and reduces information risk. Similarly, Olagunju and Ajiboye (2022) found that CSR disclosure significantly influences earnings per share and share price among listed non-financial firms in Nigeria. However, there remains a lack of consensus on the specific impact of CSR initiatives, especially in the consumer goods sector.

This study seeks to address this gap by examining the effect of CSR disclosure on the share prices of listed consumer goods companies in Nigeria. By focusing on disclosures related specifically to corporate social responsibility, rather than environmental, governance, or intellectual capital elements, this research contributes to a more targeted understanding of how firms' social practices translate into market value. The study aims to provide insights that are relevant for investors, regulators, and corporate managers seeking to improve transparency, stakeholder engagement, and firm valuation through CSR reporting.

Theoretically, the relationship between CSR disclosure and share price is underpinned by several complementary perspectives. From the agency theory standpoint (Jensen & Meckling, 1976), CSR disclosure helps reduce agency conflicts and information asymmetry between managers and shareholders. By voluntarily disclosing CSR initiatives, firms signal a commitment to responsible management and long-term value creation. Stakeholder theory (Freeman, 1984) suggests that meeting the expectations of various stakeholders, including employees, communities, and customers, can enhance corporate legitimacy and support market valuation. Signaling theory further explains that CSR disclosure acts as a positive signal to the market, reflecting the firm's operational integrity and social responsibility (Connelly et al., 2011).

Legitimacy theory provides additional context by emphasizing the firm's need to align its operations with societal norms and values. In this view, CSR disclosure helps firms gain social acceptance, which in turn contributes to increased investor trust and potentially higher share prices (Deegan, 2002). In the Nigerian setting, where corporate transparency is often under scrutiny, CSR disclosure can serve as a strategic tool for legitimacy and investor engagement. Given these theoretical underpinnings and the existing empirical gaps, the current study addresses the question: Does corporate social responsibility disclosure significantly affect the share prices of listed consumer goods companies in Nigeria? Consequently, the study tests the hypothesis*: Corporate social responsibility disclosure has no significant effect on share prices of listed consumer goods companies in Nigeria.*

The study focuses exclusively on CSR disclosure, excluding environmental, governance, and intellectual capital disclosures, to isolate its effect on market valuation. It analyzes annual report data from 28 listed consumer goods companies between 2015 and 2023, using content analysis and panel data regression to assess the relationship.

The findings from this study are expected to provide valuable insights into the value relevance of CSR disclosure in Nigeria. They will inform corporate reporting practices, investment decision-making, and policy development in relation to sustainable and ethical business practices. By contributing to the growing body of literature on CSR and market outcomes in emerging economies, this research underscores the strategic importance of social responsibility disclosure in shaping investor behavior and enhancing firm value.

2. Literature Review

2.1 Concept of Share Prices

Share prices represent the market value of a company's equity and are considered a fundamental indicator of a firm's financial health and investor sentiment. According to Shakil (2020), share prices are influenced by both internal factors, such as earnings, dividends, and company performance, and external factors, including market conditions, economic indicators, and investor perceptions. The theoretical foundation of share prices lies in market efficiency theory, which posits that all available information, including non-financial disclosures like CSR, is reflected in stock prices (Abdelkarim & Almumani, 2018).

In Nigeria, the share price of listed consumer goods companies is highly volatile due to economic instability, regulatory uncertainty, and fluctuations in macroeconomic indicators such as inflation and exchange rates (Osamor & Anene, 2019). Investors often rely on available information to make informed decisions about share ownership, making disclosures—both financial and non-financial—crucial to stock valuation. Market capitalization, derived from share price multiplied by outstanding shares, reflects the total value of a company in the eyes of investors (Abraham & Ofosu, 2018). It serves as a barometer of investor confidence and corporate sustainability. Therefore, understanding the factors that influence share prices, including CSR disclosure, is essential in capital market research.

2.2 Concept of Corporate Social Responsibility Disclosure

Corporate Social Responsibility disclosure encompasses a company's voluntary or mandatory reporting on social initiatives that affect various stakeholders including employees, communities, customers, and society at large. The United Nations Global Compact (2022) defines CSR as a firm's effort to identify and manage its impact on people, covering areas such as human rights, labor practices, community engagement, and product responsibility. Social disclosures are particularly relevant for firms in the consumer goods sector, which often operate in direct contact with end-users and local communities. According to Pulino et al. (2022), CSR reporting reflects how businesses handle social issues through the deployment of inclusive employment policies, ethical marketing, customer safety programs, and community development projects. These activities enhance the firm's social capital, a critical intangible asset that contributes to long-term value creation (Nahapiet & Ghoshal, 1997).

In the Nigerian context, CSR disclosure is predominantly voluntary, but there is growing pressure from investors, regulators, and civil society for companies to improve transparency. Reports such as those by KPMG (2022) and Andersen Digest (2023) highlight that while CSR reporting is growing globally, Nigeria lags behind with relatively low disclosure rates. The slow adoption of integrated reporting frameworks further hinders the potential of CSR information to influence investment decisions.

2.3 Empirical Literature Review

Numerous studies have examined the link between CSR disclosure and firm value across different jurisdictions. De Klerk et al. (2015) assessed corporate social performance and stock prices in UK companies and found that higher CSR disclosure was significantly associated with elevated share prices. The study used a modified Ohlson model and concluded that social disclosure contributes to value-relevant information for investors. Brammer and Pavelin (2004) analyzed voluntary CSR disclosures in large UK firms and observed a positive relationship between firm size, media exposure, social performance, and the extent of CSR disclosure. Their results suggested that firms with more visibility and stakeholder pressure are more inclined to disclose CSR-related information.

Similarly, Veltri et al. (2020) examined Italian public interest entities and found a strong positive relationship between CSR risk disclosures and market valuation. The authors argued that investors appreciate transparency and view CSR disclosures as an indication of responsible management. In another study, Bowerman and Sharma (2016) compared firms in Japan and the UK and found that UK investors positively valued CSR disclosure while Japanese investors showed indifference. Cordazzo et al. (2020), however, found contrasting results. In their study on Italian companies post-EU directive on non-financial disclosures, they reported that while accounting figures significantly influenced share prices, CSR and other non-financial disclosures did not show a statistically significant impact. This raises questions about the consistency and universality of CSR value relevance across different regions and contexts.

In the Nigerian setting, empirical studies also reveal mixed findings. Usman and Amran (2015) studied listed firms on the Nigerian Stock Exchange and reported that CSR activities related to community involvement and human resource development positively influenced corporate performance. However, the study focused on accounting-based measures rather than market-based metrics like share price. Olagunju and Ajiboye (2022) investigated the market impact of CSR disclosures among 112 listed non-financial firms in Nigeria. They found that CSR reporting positively influenced both earnings per share and stock prices. Similarly, Okoye and Onuora (2019) reported that specific elements of social accounting, such as scholarship donations, had a statistically significant effect on share prices of Nigerian banks.

Other studies point to inconclusive or context-dependent findings. For instance, Govindan et al. (2021) found no significant relationship between CSR performance and share price in the logistics sector across both developed and developing countries. This underlines the potential influence of industry characteristics and investor maturity on CSR valuation. These mixed outcomes highlight a gap in literature regarding the isolated effect of CSR disclosure on share prices in emerging markets like Nigeria. Most Nigerian studies either aggregate CSR with other ESG disclosures or focus on performance indicators that are not directly related to market valuation. Thus, this study seeks to contribute by providing more granular insight into the CSR-share price nexus within Nigeria's consumer goods sector.

2.4 Theoretical Framework

The relationship between CSR disclosure and share prices is grounded in several complementary theories. Proposed by Jensen and Meckling (1976), agency theory posits a conflict between managers and shareholders. CSR disclosure reduces agency costs by providing more transparent information about management behavior. It helps align the interests of managers with those of shareholders, especially in contexts where oversight mechanisms are weak. In addition, Freeman (1984) emphasized that firms must consider the interests of all stakeholders, not just shareholders. CSR disclosure serves this purpose by reporting on activities that affect employees, communities, and customers. Stakeholder theory suggests that well-managed relationships with stakeholders contribute to long-term success and higher firm valuation. According to Spence (1973) and expanded by Connelly et al. (2011), firms use CSR disclosures to signal their ethical commitment and sustainability orientation. Investors interpret these signals as indicators of reduced risk and long-term profitability, leading to positive share price reactions. Lastly, the legitimacy theory asserts that firms seek to operate within the norms and values of the society in which they function (Deegan, 2002). CSR disclosure helps companies maintain their legitimacy by demonstrating their contribution to societal goals. Firms that meet or exceed societal expectations are likely to enjoy investor goodwill and enhanced market valuation.

These theories provide a multi-dimensional explanation of why CSR disclosure may affect share prices. In the Nigerian context, where institutional voids and information asymmetries are pronounced, the explanatory power of these theories is especially relevant. The agency theory explains the need for voluntary transparency; stakeholder and legitimacy theories highlight the societal expectations that drive CSR reporting, while signaling theory provides a rationale for market reactions. CSR disclosure has theoretical and empirical foundations for its potential to influence share prices. Empirical literature, while mixed, points toward a generally positive relationship, particularly in contexts where investors value transparency and corporate responsibility. However, inconsistencies across countries and industries suggest that the CSR-share price relationship is context-specific, necessitating studies like this one focused on Nigeria's consumer goods sector.

3. Methodology

This study adopts an ex post facto research design, which is appropriate for evaluating the impact of corporate social responsibility (CSR) disclosure on share prices using historical data. As a non-experimental and observational approach, it relies on pre-existing financial and non-financial information disclosed by companies over a defined period. According to Olagunju and Ajiboye (2022), ex post facto designs are particularly suitable for capital market studies, where key variables—such as share prices and disclosure practices—cannot be manipulated by the researcher. This design enables objective analysis of the relationship between CSR disclosure and firm valuation based on actual corporate behavior.

The population of the study comprises all 28 consumer goods companies listed on the Nigerian Exchange Limited (NGX) as of 31st December 2023. The consumer goods sector was selected due to its substantial societal impact and increasing involvement in sustainability-related discourse (Okoye & Onuora, 2019). Companies in this sector frequently interact with the public, subjecting them to heightened scrutiny regarding their social responsibility practices. Their operations also influence employment, public health, and community development, making CSR disclosure particularly relevant for shaping public and investor perceptions. As Clarkson et al. (2013) highlight, industry-specific factors play a crucial role in determining both the quality of disclosure and the market's response to it.

A purposive sampling technique was employed to select only those consumer goods firms that consistently disclosed CSR information in their annual reports and had corresponding share price data for the period 2015 to 2023. This sampling approach aligns with the methods used by Hassan (2018) and Plumlee et al. (2015), who emphasized the need for verifiable and comparable disclosures across time. The nine-year period was chosen to align with the increasing adoption of global sustainability reporting frameworks in Nigeria, particularly the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI), both of which gained prominence during this period (Tankiso & Oluwamayowa, 2020). Ensuring consistency over this timeframe strengthens the reliability of longitudinal analysis and minimizes potential bias from incomplete or irregular disclosures.

Secondary data were used for this study. CSR disclosure data were extracted from company annual reports and, where available, stand-alone sustainability reports, accessed through official company websites. Share price data were obtained from the Nigerian Exchange Factbook and cross-verified using NGX's historical trading records. Year-end closing share prices (as of 31st December) were used to represent firm valuation, following the precedent set by Wang (2015) and Shakil (2020), who argue that year-end prices reflect investor response to annual performance and disclosure.

To examine the relationship between CSR disclosure and share prices, the study employed panel data regression analysis, which facilitates the simultaneous examination of cross-sectional and time-series dimensions. Specifically, both Fixed Effects (FE) and Random Effects (RE) models were estimated. The Fixed Effects model accounts for time-invariant characteristics of individual firms, helping isolate the effect of CSR disclosure by controlling for unobserved heterogeneity. The Random Effects model, by contrast, assumes that firm-specific effects are random and uncorrelated with the explanatory variables. To determine the more appropriate model, the Hausman test was applied; a significant result would indicate that the FE model is more reliable due to correlation between the firm-specific effects and the regressors. Additionally, the Lagrangian Multiplier (LM) test was used to determine whether the RE model offers an advantage over a simple pooled OLS model. A significant LM result would justify the use of panel data techniques over simpler regression models. The following regression model was specified to test the research hypothesis:

$$SP\_it = \alpha_0 + \beta_1 CD\_it + \beta_2 PR\_it + \beta_3 FS\_it + \beta_4 LEVR\_it + \varepsilon\_it$$

Where:

- SP_it = Share price of firm *i* at time *t*
- CD_it = CSR disclosure index of firm *i* at time *t*
- PR_it = Profitability of firm *i* at time *t*
- FS_it = Firm size of firm *i* at time *t*
- LEVR_it = Leverage of firm *i* at time *t*
- ε_it = Error term

CSR disclosure was measured using content analysis, a qualitative method involving systematic evaluation of narrative disclosures within corporate reports. A structured checklist, based on the GRI and IIRC frameworks, was used to assess the presence and depth of disclosures across key social responsibility themes, including employee relations, human rights, product responsibility, and community development. A composite CSR disclosure index was developed for each firm-year based on the extent and comprehensiveness of these disclosures. This approach is consistent with methodologies used by De Klerk et al. (2015) and Siminica et al. (2020), and focuses on the social dimension of CSR, reflecting the relevance of such disclosures in consumer-facing industries. This aligns with the findings of Miralles-Quirós et al. (2018), who emphasize the market sensitivity to social responsibility initiatives in high-impact sectors.

The dependent variable, share price, was measured using the year-end closing price, consistent with prior studies (Aboud et al., 2018; Okoye & Onuora, 2019). This market-based metric captures investor valuation and reflects the perceived credibility and value of a firm's CSR activities. By linking qualitative CSR disclosures to quantitative share price movements, the study builds upon signaling theory (Connelly et al., 2011) and legitimacy theory (Deegan, 2002), both of which suggest that CSR initiatives serve as signals of firm quality and societal alignment, influencing investor behavior.

To control for firm-specific financial characteristics that may influence share price, the model includes the following control variables:

- Profitability (PR): Measured as Return on Assets (ROA), calculated as Earnings Before Interest and Taxes (EBIT) divided by Total Assets, multiplied by 100%.
- Firm Size (FS): Measured as the natural logarithm of total assets.
- Leverage (LEVR): Measured as the ratio of total debt to total assets, multiplied by 100%.

This methodology enables a robust analysis of the value relevance of CSR disclosures in the Nigerian context, integrating both narrative richness and market valuation to assess how social responsibility efforts influence investor decisions in an emerging market.

Discussion of Results

This section presents and discusses the results of study. It starts with the descriptive analysis, normality test, correlation and regression analysis. Table 1 presents the descriptive statistics for the variables used in the study.

Table 1: Descriptive Analysis

Variable	SP	CD	PR	FS	LE
Mean	98.958	74.815	4.809	17.857	57.828
Standard Dev.	311.331	16.935	7.328	1.791	16.288
Minimum	0.39	25	-15.726	14.369	19.362
Maximum	1,556.5	100	30.784	25.224	97.956

Share Price (SP), CSR Disclosure (CD), Profitability (PR), Firm Size (FS), and Leverage (LE). The mean share price (SP) across the sampled listed consumer goods companies is ₦98.96, with a high standard deviation of ₦311.33. This substantial dispersion indicates a wide variation in the market valuation of the firms, reflecting the presence of both low-priced and high-priced stocks within the sector. The minimum and maximum values of ₦0.39 and ₦1,556.50, respectively, reinforce this disparity, showing the coexistence of small-cap and large-cap firms in the sample.

The mean score for CSR Disclosure (SD) is 74.82, with a standard deviation of 16.94. This suggests that, on average, firms have a moderately high level of CSR disclosure, though there are notable differences across firms. The minimum CSR disclosure score is 25, while the maximum is 100, indicating that some companies are comprehensive in their reporting, while others provide minimal information. This variability in CSR transparency may be linked to differences in firm strategy, stakeholder engagement, or regulatory compliance.

Profitability (PR), measured as return on assets or a related indicator, has a mean of 4.81 and a relatively high standard deviation of 7.33. The wide spread from a minimum of -15.73 to a maximum of 30.78 suggests that while some firms are experiencing losses, others are generating significant returns, which is consistent with the heterogeneous performance of firms in the Nigerian consumer goods sector. Firm size (FS), likely measured as the natural logarithm of total assets or revenue, has a mean of 17.86 with a range from 14.37 to 25.22. This shows moderate variation in firm scale, with the majority of firms clustered within a narrow size range. Leverage (LE), possibly expressed as a percentage of debt to total assets or equity, averages 57.83%. This implies that, on average, firms in the sample are moderately leveraged, although some companies have relatively low (19.36%) or high (97.96%) debt exposure, as shown by the minimum and maximum values.

The Shapiro-Wilk test assesses whether a given dataset is normally distributed. The null hypothesis of the test states that the data is normally distributed, and a p-value less than 0.05 indicates a rejection of this hypothesis. Table 2 presents the results of the Shapiro-Wilk normality test for the study variables.

Table 2: Normality Test (Shapiro-Wilk)

Variable	Z	Probability
SP	9.813	0.000
SD	3.815	0.000
PR	2.556	0.000
FS	4.732	0.000
LE	0.630	0.264

For Share Price (SP), the test yields a z-value of 9.813 with a p-value of 0.000, indicating a significant departure from normality. This is not surprising, considering the high variability in share prices as seen in the descriptive statistics. Similarly, CSR Disclosure (SD), Profitability (PR), and Firm Size (FS) all have p-values of 0.000, which also suggest that these variables are not normally distributed. These deviations from normality may be attributed to the inherent skewness often present in financial and disclosure data, especially in emerging markets like Nigeria (Hassan, 2018; Olagunju & Ajiboye, 2022). In contrast, leverage (LE) has a z-value of 0.630 and a p-value of 0.264, indicating that it is normally distributed, as the p-value is above the 0.05 threshold. This suggests that leverage ratios among the sampled firms are more symmetrically distributed compared to the other variables.

The overall result of the normality test indicates that most of the study variables are not normally distributed. While normality is a desirable property for parametric tests, its violation does not invalidate the use of panel regression models, especially when the sample size is large and robust estimation techniques (such as panel-corrected standard errors) are used. Moreover, panel data techniques such as fixed effects and random effects models are relatively robust to non-normality, especially when heteroskedasticity and autocorrelation are controlled for (Clarkson et al., 2013; Plumlee et al., 2015).

Table 3: Correlation Analysis

Variable	SP	SD	PR	FS	LE
SP	1.000				
SD	0.402	1.000			
PR	0.478	0.266	1.000		
FS	0.207	0.192	0.080	1.000	
LE	0.329	0.286	0.052	0.174	1.000

The correlation analysis in Table 3 shows the pairwise relationships among the study variables: Share Price (SP), CSR Disclosure (SD), Profitability (PR), Firm Size (FS), and Leverage (LE). The results indicate that CSR Disclosure (SD) is positively correlated with Share Price (r = 0.402), suggesting that firms with higher CSR transparency tend to experience better market valuation, consistent with the findings of De

Klerk et al. (2015) and Miralles-Quirós et al. (2018). Similarly, Profitability (r = 0.478) and Leverage (r = 0.329) also show positive associations with Share Price, implying that more profitable and moderately leveraged firms are likely to command higher share prices. Firm Size has a weaker but positive correlation with Share Price (r = 0.207), suggesting that larger firms may enjoy modest valuation advantages. All correlation coefficients are below 0.5, indicating the absence of strong multicollinearity and supporting the inclusion of these variables in the regression model without the risk of redundancy or distortion.

Table 4: Multicollinearity Test (VIF)

Variable	VIF	Tolerance Value
SD	1.19	0.839
PR	1.08	0.928
FS	1.06	0.946
LE	1.11	0.903

The multicollinearity test results presented in Table 4 assess whether high intercorrelations exist among the independent variables—CSR Disclosure (SD), Profitability (PR), Firm Size (FS), and Leverage (LE)—which could distort regression estimates. The Variance Inflation Factor (VIF) values for all variables are well below the commonly accepted threshold of 10, with SD at 1.19, PR at 1.08, FS at 1.06, and LE at 1.11. Corresponding Tolerance values, which are the inverse of VIF, also exceed the minimum acceptable level of 0.1, confirming the absence of harmful multicollinearity. These results imply that each independent variable contributes unique explanatory power to the regression model and that their individual effects on share price can be reliably estimated. This aligns with previous studies such as Fatemi et al. (2017) and Aboud & Diab (2018), which emphasized the importance of controlling for multicollinearity to ensure the robustness of panel data regression models. To determine the appropriate panel estimation technique, the study conducted the Hausman specification test, which assesses whether the Fixed Effect (FE) or Random Effect (RE) model is more consistent. The test result favored the Fixed Effect model, implying that corporate social responsibility and control variables are correlated with the explanatory variables. This justifies the use of the Fixed Effect estimator to obtain unbiased and consistent results.

Table 5: Regression Analysis (Panel Corrected Standard Errors)

Variable	Coefficient	Z	Probability
Constant	-821.832	-5.888	0.000
SD	3.871	3.88	0.000
PR	17.096	5.19	0.000
FS	16.406	2.62	0.008
LE	4.430	3.87	0.000
R-Squared		0.373	
Wald Chi2		75.42	
Probability		0.000	

The regression results presented in Table 5 examine the effect of Corporate Social Responsibility (CSR) disclosure and selected firm characteristics on share prices of listed consumer goods companies in Nigeria, using panel-corrected standard errors. The model shows an R-squared value of 0.373, indicating that approximately 37.3% of the variation in share prices is explained by the independent variables: CSR Disclosure (SD), Profitability (PR), Firm Size (FS), and Leverage (LE). The Wald Chi-square statistic (75.42) is statistically significant at the 1% level ($p = 0.000$), suggesting that the overall model is a good fit for the data.

CSR Disclosure (SD) has a positive and statistically significant coefficient ($\beta = 3.871$, $p < 0.01$), indicating that firms with higher CSR transparency tend to have higher share prices. This finding supports the signaling and legitimacy theories and is consistent with empirical results from Clarkson et al. (2013) and Olagunju and Ajiboye (2022), who found that non-financial disclosures enhance market value. Similarly, Profitability (PR) has a strong positive effect on share prices ($\beta = 17.096$, $p < 0.01$), affirming that financially healthy firms are rewarded by the market. Firm Size (FS) and Leverage (LE) also have positive and significant effects ($\beta = 16.406$, $p < 0.01$ and $\beta = 4.430$, p < 0.01, respectively), suggesting that larger and moderately leveraged firms enjoy higher valuations. Thus, the null hypothesis is rejected, and we conclude that CSR disclosure has a significant and positive effect on share prices in the Nigerian consumer goods sector.

This finding aligns with a growing body of international and Nigerian empirical literature that supports the value relevance of CSR disclosure. For example, De Klerk et al. (2015) found that social disclosures in the UK capital market were positively associated with share prices, as investors increasingly value transparency and social accountability. Similarly, Miralles-Quirós et al. (2018) discovered that social and governance disclosures significantly influenced share prices of companies operating in environmentally sensitive industries in Brazil. In the Nigerian context, Olagunju and Ajiboye (2022) reported a significant positive effect of environmental and social disclosures on the share prices and earnings per share of non-financial firms, underscoring that investors in emerging markets like Nigeria are increasingly responsive to non-financial disclosures.
In contrast, a few studies have found a weaker or insignificant relationship between CSR and market valuation. For instance, Cordazzo et al. (2020), in their study of Italian companies, observed that investors still placed greater emphasis on financial information compared to non-financial disclosures. Their findings suggest that in some developed markets, CSR disclosures may not yet have universal value relevance unless integrated into broader corporate performance indicators. Similarly, Govindan et al. (2021) found no significant effect of CSR performance on share prices in the logistics sector, suggesting that industry characteristics and stakeholder expectations might moderate the CSR-market value relationship. The results of this study are also consistent with several theoretical perspectives. From the signaling theory viewpoint, CSR disclosures serve as credible signals of a firm's ethical standards, managerial competence, and long-term strategic orientation. The positive market reaction observed in this study implies that Nigerian investors interpret CSR transparency as a sign of lower firm-specific risk and greater long-term viability (Connelly et al., 2011). This enhances investor confidence and leads to higher share prices.

According to legitimacy theory, firms disclose CSR information to gain or maintain societal approval, especially in environments where formal regulation is weak or public trust in corporations is low. Nigeria's socio-economic setting—marked by community activism, income inequality, and environmental challenges—makes CSR activities particularly salient. As Deegan (2002) posited, the act of CSR disclosure may enhance a firm's legitimacy, thereby attracting investment and increasing firm value. Agency theory further explains that CSR disclosure reduces information asymmetry between managers (agents) and shareholders (principals). By voluntarily revealing socially responsible actions, managers demonstrate accountability, which mitigates agency costs and leads to greater shareholder trust. Jensen & Meckling (1976) argue that transparency mechanisms like CSR disclosure can align managerial actions with shareholders' interests, particularly when disclosure is voluntary and performance-based.

Finally, stakeholder theory also supports the observed relationship. CSR disclosure addresses the concerns of a broad range of stakeholders, including communities, employees, regulators, and investors. By responding to these stakeholder demands, firms build goodwill, which can translate into long-term value appreciation. Freeman (1984) emphasized that effective stakeholder management contributes not only to reputational benefits but also to financial outcomes, which is reflected in higher share prices.

Conclusion

This study examined the effect of Corporate Social Responsibility (CSR) disclosure on the share prices of consumer goods companies listed on the Nigerian Exchange over the period 2015 to 2023. Grounded in agency theory, signaling theory, stakeholder theory, and legitimacy theory, the research focused on how social disclosures related to employee welfare, community engagement, human rights, and product responsibility influence market valuation. Employing content analysis to assess CSR disclosure levels and panel data regression techniques to analyze the data, the findings reveal a statistically significant and positive relationship between CSR disclosure and share prices. This indicates that companies demonstrating greater transparency in reporting their social responsibility practices tend to enjoy higher market valuations.

The positive association uncovered in this study suggests that investors in the Nigerian capital market respond meaningfully to non-financial information, particularly social disclosures. In a context where corporate governance and financial transparency are still evolving, CSR disclosure functions as a vital mechanism for gaining legitimacy and signaling ethical intent. The results affirm signaling theory's proposition that voluntary disclosure conveys positive signals to the market regarding managerial integrity and long-term sustainability. Likewise, the findings support legitimacy theory, indicating that firms can enhance societal acceptance and investor confidence through responsible and transparent practices.

Furthermore, the study confirms the applicability of stakeholder theory within emerging markets. Firms that effectively address the interests of multiple stakeholders are more likely to be perceived favorably by investors. Considering Nigeria's socio-economic challenges—including poverty, inequality, and infrastructural deficits—socially responsible corporate behavior emerges as a critical differentiator in investment decisions.

Based on these findings, several recommendations are proposed. First, corporate managers should deepen and broaden their CSR reporting. Aligning disclosures with established frameworks such as the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC) will help companies meet both global best practices and local stakeholder expectations. Transparent and well-structured CSR reporting can enhance investor perception while strengthening stakeholder relationships and corporate reputation.

Second, regulators such as the Financial Reporting Council of Nigeria (FRCN) and the Nigerian Exchange (NGX) should consider instituting more robust guidelines—or even mandatory standards—for CSR disclosure. Such measures would standardize reporting practices, improve comparability, and elevate the overall quality of non-financial reporting in Nigeria.

Third, investors and financial analysts are encouraged to incorporate CSR metrics into their valuation models and investment decisions. This study demonstrates that CSR disclosures provide valuable insights into firm performance and strategic orientation that extend beyond traditional financial indicators.

Ultimately, CSR disclosure is not only a moral and ethical obligation but also a strategic tool for enhancing share price and attracting investors in Nigeria's emerging market environment. Companies that invest in social responsibility and communicate their efforts effectively are more likely to earn legitimacy, build investor trust, and achieve superior market valuations.

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