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COPORATE SOCIAL RESPONSIBILITY AND FIRM VALUE

A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT SCIENCES UNIVERSITY OF BENIN, BENIN CITY. IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD BACHELOR OF SCIENCE (B.Sc.) DEGREE IN BUSINESS ADMINISTRATION.

OCTOBER, 2023

DECLARATION

I hereby declare that:

1. The study is based on research undertaken by me in the Department of Business administration, Faculty of Management Sciences, University of Benin, Benin City, under the supervision of Mr. Lawal B.
2. This work has not been previously submitted for the award of a degree elsewhere.
3. All ideas and views are product of my personal research and where the views of others have been expressed, they have been duly acknowledged.

CERTIFICATION

This is to certify that this project work was carried out by Peace Omoragbon LUCKY with Matriculation Number MGS1808068 and that it is adequate in content and quality in partial fulfillment of the requirement for the Award of Bachelor of Science in Business administration.

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Date	Date

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(Acting Head of Department)

Date

DEDICATION

This research work is dedicated to God Almighty who has been the source of my strength throughout this program upholding me with His right hand of righteousness, for His love, mercies and above all, his grace for making this work a reality. This research is also to my parents (Apostle Dr.lucky and Evang. Mrs P. I. Omoragbon) for their unending love and financial support.

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ABSTRACT

This study examined the impact of corporate social responsibility on the value of firms in Nigeria. The study used a descriptive survey and time series research design on manufacturing firm in Nigeria with secondary data on the following variables; Firm Value (dependent), Community service, Donations and Employment policies (Independent) and profit after tax which is the control variable. Guiness Plc was used as a case study and data of (2013 – 2022) 10 years for the variables were gotten from its annual financial report as submitted to the Nigeria Exchange Group (NGX). Correlation and Panel Least Squares (PLS) regression technique was used to analyze the data with the aid of E-views 10. Correlation, showing how strong the connection that exist between the variables are and regression showing the extent of the impact of each independent variable on the dependent variable (firm value). The findings of the study show that there is a negative and significant impact of corporate community involvement on firm value. Findings of the study also show that there is a negative but insignificant effect of firms' donation on the value of firms in Nigeria likewise employment policies which was found to have a positive but insignificant impact on firm value. The study therefore recommends amongst others that quoted manufacturing firms should enhance their operational activities as this would enable them attain a high level of revenue and assets which could enhance their firm value in return. Also, employment policies should be reviewed periodically and given more attention as this would enhance the value of quoted manufacturing companies.

Keywords: Corporate Social Responsibility, Firm Value, Donation, Community Service and employment policy.

CORPORATE SOCIAL RESPONSIBILITY AND FIRM VALUE

CHAPTER ONE

INTRODUCTION

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1. **Background to the Study**

The Nigerian corporate bodies have then been criticized recently, along with the idea that the anxious drive for profit maximization may be detrimental to society as a whole because of some negative byproducts on the environment, the conditions of workers, and other community developmental efforts. In light of this, corporate social responsibility has been offered as a remedy to this plight. More so, with arguments that it triggers improvement on the bottom line and, as such, is at the crossroads of socially responsible behavior.

Corporate social responsibility (CSR) has grown in importance as a strategic concern since the 2000s. The emphasis on CSR has evolved over time, shifting from philanthropy and ethical responsibility to enhancing organizational performance. According to Zhaoyang, Siyu, and Qingchang (2020), investment in corporate social responsibility (CSR) is "the technique by which the interest of the investors and the understanding of ethical, social, and environmental issues are both achieved while controlling the organizational operations. Although the primary aim of a firm is to make a profit and survive in the course of carrying out business operations, every organization also wants to improve its value. According to Alfianita and Santosa (2022), the welfare of shareholders grows discretely, and it is this firm value that drives shareholders to decide whether to invest in the firm or to look elsewhere. Firm value is the investor's perception of the firms operating well (Dzikir, Syahnur, & Tenriwaru, 2020; Budiantoro, Santosa, & Lapae, 2022). A high firm value may entice investors to make investments in the company. In order to give investors profitable signals, this has led to numerous businesses desiring to go public and exchange their shares on the stock exchange. A company that goes public can boost prosperity by boosting the firm's value, especially through the stock price. This is the major way that prospective investors tend to see firms that have high value. After going public, businesses see an improvement in their operational and financial performance, which raises the value of their stock on the stock exchange (Putri & Budiyanto, 2018; Santosa, Aprilia, & Tambunan, 2020).

According to Okike, Matthew, Ekoja and Samson (2022), firm value is concern with investors' perception of the success level of a firm, it is seen on the constant increase in the price of the share of firm. The further posited that the increase in the price of shares is an indication of the investor's trusts in the firm, and as such, they do not mind paying for the shares and even more, given that they expect a high return on investment over time. It is the value of the company which can be viewed as the investors' judgment of the extent of success of a company which is reflected in the company's stock price (Reschiwati, Syahdina, & Handayani 2020).

Kapur (2020), opined that CSR is a concept in which a company actively integrates social and environmental issues into its commercial activities to coexist peacefully with stakeholders' interest. He also indicates that CSR may also imply increased awareness of environmental and social issues in the regions where businesses operate. On the other hand, corporate responsibility is seen as "actions that appear to further some social good, beyond the interest of the firm and what is required by law," or alternatively, "actions which reduce the extent of externalized social costs" (McWilliams & Siegel 2001; Heal 2005). Firms donate to health and social services, education, environment, disaster relief, and so on but the question is, why would corporations contribute to consumption of public goods from which only consumers receive direct benefits? Why would a profit-maximizing firm be interested in social corporate responsibility by making charitable contributions? This is the questions that bother an average person especially when they see some of this organizations carry out this social responsibility. However, studies on charitable contributions found considerable evidence that corporate social responsibility has a positive impact on shareholders for which this firm value is the major reason they are shareholders of these organizations (Barnea & Rubin, 2010). Gillan, Hartzell, Koch and Starks (2010) have also suggested that low contribution levels of corporate social responsibility can improve a firm's value, yet too much corporate contributions can pull down shareholder wealth. Most academic research has found that companies that are engaged in corporate social responsibility experience greater stock returns due to establishing greater trust among its employees, customers, and shareholders (Fatemi, Fooladi, & Tehranian 2015; and Ferell, Fooladi & Tehranian 2016). The benefits from corporate social responsibility are especially prevalent during times of financial market uncertainty. Investors appear to reward companies that have a history of making charitable contributions with higher stock returns during the financial market crisis of 2008–2009 with between 4 and 7 percentage point returns to companies that exhibited higher corporate social responsibility intensity (Lins, Servaes & Tamayo 2017).

Fan-chin and Nicholas G. (2018) indicated that there are practical reasons companies engage in responsible activities. Some of them include: the tax code provides incentives for companies to engage in charitable giving as doing so reduces their taxable income; engaging in charitable contributions improves the corporate image of the firm; contributions support the communities in which their employees live, which makes the community a better place to live; and corporate giving gives rise to respect from the employees. They also opined that these contributions also serve to increase the popularity of the business, which may increase consumer loyalty to the company. Also, companies involved in social corporate philanthropy receive valuable advertising and marketing from media exposure and positive public attention and recognition.

Statement of the Research Problem

According to Carroll & Shabana (2010) and Kanwal, Khanam, Nasreen, & Hameed (2014), the corporate social responsibility (CSR) idea is concerned about business enterprises having some responsibilities to society beyond earning profits for the shareholders. Islam (2012) also suggested that the notion of business operation has moved away from profit-oriented activities alone to include social welfare, where businesses are not only responsible to their shareholders but also to all their stakeholders, knowing fully well that final consumers constitute stakeholders. In agreement, Krishnan (2012) was of the opinion that the primary aim of business is to improve the quality of life and build leadership that will generate a sense of trust among people, which will increase the firm value of the business and ensure sustainability. The fact that firms tap human and material resources daily from the environment that are used primarily for service delivery to consumers leaves society with some byproducts, especially those caused by the manufacturing industry here in Nigeria.

The effects of this exploration and production done by this manufacturing industry are obviously known to society. More so, firms cannot healthily operate in a society that they ignore. This therefore calls for the duty or social responsibility of these firms in return to society as long as this sector remains a part of it, especially since the firm's value is enhanced. Numerous studies have been conducted on corporate social responsibility by researchers and writers, some of which have been carried out, but none focused on the value of firms in Nigeria. Bardos and Gao (2020) were of the opinion that CSR does not have a positive impact on firm value. Although there are other contracting findings related to this study, Gazzola (2014), Trinh & Le (2015), Kurniasari & Warastuti (2015), and Gherghina & Vintilă (2016) suggested that CSR has a positive impact on firm value, while the study of Zhaoyang, Siyu, and Qingchang (2020) is hanging in the balance.

Islam (2012) opined that corporate social responsibility activities require significant capital expenditure and could consume or water down an organization's profitability. He also found out in his study that some businesses viewed social responsibility as a waste of time and money and thought it was better to ignore the results of effective organizational performance and firm value. It is on this note that the study goes further to investigate whether these activities have any discernible effect on firms' value in Nigeria.

1.2 Research Questions

The following are the research questions for this study:

1. What extent do community service affect firm's value?
2. What degree do firms' donations affect firms' value? and;

3. What is the impact of disability employment policies on firm's value?

1.3 Objectives of the Study

The aim of this study is to establish the impact of CSR on firm value. The following are the objectives of the study:

1. determine the relationship between the community services of the firm and its value.
2. ascertain the relationship between donations of firm and firm's value.
3. examine the impact of disabilities employment policies on firm's value.

1.4 Research Hypothesis

$H0_1$: There is no significant relationship between firms' community service and its value.

$H0_2$: There is no significant effect of firms' donations on its value.

$H0_3$: There is no significant relationship between firms' employment policies and its value

1.5 Scope of the Study

This study is a case study and will be carried out within the context of a large organization, such as a selected quoted company. The study focused on finding out the corporate social responsibility impact on the firm value of the manufacturing industry in Nigeria, with a concentration on Guinness Plc., Nigeria. The data to be used for this study will be collected from published annual reports of manufacturing firms between 2012 and 2022.

1.6 Significance of the Study

The increased importance of firm value today means that this information is critical to investors. However, this firm value is also important to other market participants, as well as to the public and ultimately, engagement in CSR by firms brings about confidence and trust community and other stakeholders of any firm will have on the firm. Hence, the result of this study will be very important to company's management on the need for engagement in CSR to boost their value both in the market and in the eye of the community where they operate and survival is needed. The study will also be important to stake holders of firms, market participant and users of accounting information as it will provide for them superior information that would aid investment decision on firms. Also, Firms and policymakers can use the research results to understand the short run market value implications of CSR efforts

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Prior to today's age, Corporate Social Responsibility (CSR) has been a concept of dominance especially in the corporate world. Many corporations devote significant attention to CSR by apportioning a segment of their annual reports and websites, incorporating CSR into their marketing strategy, and perhaps even considering CSR when setting strategic goals for the organizations. For investors, company value is an important concept because company value is an indicator of how the market views the company and high company value leads to good company performance (Hirdinis, 2019, Markonah, Salim, & Franciska, 2020, Dura, Chandrarin, Subiyantoro, & Asia, 2021). Given the increasingly pervasive nature of CSR, do such activities enhance firm value, or do they satisfy stakeholders at the expense of long-term wealth creation? This chapter therefore seeks to review extant literature in corporate social responsibility and firm value.

2.1 Conceptual Review

Corporate social responsibility

Corporate Social Responsibility (CSR) idea is that business enterprises have some responsibilities to society beyond that of making profits for the shareholders (Carroll & Shabana, 2010; Kanwal, Khanam, Nasreen, & Hameed, 2014). Islam (2012) suggested that the notion of business operation has changed from profit-making activities alone to include social welfarism where businesses are not only responsible to its shareholders but also to all its stakeholders. In agreement, Krishnan (2012) was of the opinion that the primary aim of business is to improve the quality of life and build leadership that will generate a sense of trust among people which will increase the firm value of the business and ensure sustainability. Carroll and Shabana (2010) stated that CSR has become one of the most orthodox and widely accepted concepts in the business world. In Okike, Matthew, Ekoja and Samson (2022), CSR is instituted on four key components, which includes, Economic responsibility, Legal responsibility, ethical responsibility and Philanthropic responsibility according to Carroll (1991). Economic responsibility is the notion that profit motive is the primary objective for setting up a business entity. Okike et al., (2022) posited that Legal responsibility is obeying the law; that is, the society's codification of right and wrong and play by the rules of the game while ethical responsibility involves being moral; that is, doing what is right, just, fair and avoid harm to the society and the environment and Philanthropic Responsibility is being a good corporate citizen that contributes resources to the community for the purpose of improving the standard of living of the people. CSR is increasingly being understood as a means by which companies may endeavour to achieve a balance between their efforts to generate profits and contributing to the societal development efforts (Okike et al., 2022).

Corporate Social Responsibility is a concept of corporate responsibility committed to contributing to sustainable economic development looking at the balance of social, economic and environmental aspects (Rahmantari, Sitiari & Dharmanegara 2019). CSR is an important part of corporate strategy in sectors where inconsistencies arise between corporate profits and social goals, or discord can arise over fairness issues. A CSR programme can make executives aware of these conflicts and commit them to taking the social interest seriously. It can also be critical to maintaining or improving staff morale, to the stock market's assessment of a company's risk and to negotiations with regulators. The payoff to anticipating sources of conflict can be very high – indeed it can be a matter of survival, as societies penalize companies perceived to be in conflict with underlying values (Heal, 2005).

According to Hermawan, Biduri, and Rahayu, (2023), Corporate Social Responsibility (CSR) or corporate social responsibility is a form of participation and contribution to social and other activities within and outside the company with the aim of reducing social inequality in the surrounding area, developing the environment, prospering people's lives, as well as improving and building the economy to make it more sustainable good. Nisa, Paksi, Hutam & Yuni Fadilla (2021) posited that most big corporations are expanding and migrating from regional to global enterprises, thereby contributing to the world economy and ebulliently counting as a larger part of the world's GDP. These big corporations are happily uplifting the living standards of the poorest of the poor and least complex environments where they operate (Nisa et al., 2021; Pfajfar, Shoham, Malecka & Zalaznik, 2022; Signh & Misra, 2022).

Firm Value

From the investor's point of view, firm value is a concept that is very vital as it is an indicator of how the market views the firm and company; a high value means great company performance (Hirdinis, 2019; Markonah, Salim, & Franciska, 2020; Dura, Chandrarin, Subiyantoro, & Asia, 2021). According to Mukhtaruddin, Relasari, and Felmania (2014); Iswajuni, Manasikana, and Soetedjo (2018); Setiany, Syamsudin, Sundawini, and Putra (2020), one of the aims of a company is to increase the number of shareholders and shares held by these shareholders, and this only happens when the firm has a high stock price. The stock price is directly proportional to the value of the company. That is, the higher the stock price of a firm, the higher the value of the firm, and vice versa.

Iswajuni, et al., (2018) postulated that firm value has to do with investors' perception of the success level of a firm and this is replicated on the constant increase in the price of the firm's share. He went further to say that the increase in the price of shares is an indication of the investor's trusts in the firm, as such, they are willing to pay more for the shares given that they expect a high return on investment over time.

The value of the firm can also be defined by market value, because companies improve the prosperity of shareholders by increasing stock prices. Various policies are implemented by management to increase firm value by increasing shareholder and owner prosperity (Bringham & Houston, 2012). Thus, CSR disclosures can increase shareholder wealth and the value of the firm.

Firm value can be enhanced by expectations of higher increase in cash flows, lower chances of cash flow shocks, and lower exposure to adverse macroeconomic conditions. Reschiwati, Syahdina, and Handayani (2020) stated that the value of the company can be viewed as the investors' judgment of the level of success of a company which is reflected in the company's stock price. According to Hermawan, Sari, Biduri, Rahayu and Rahayu (2023), the banks are experiencing pressure from various parties that demand increased attention on environmental, social, and corporate governance issues. They further explained that Communication and openness to shareholders become very important in building firm value as the wealth of shareholders and companies is shown by the price of shares which is a reflection of investment decisions on funding and asset management. Rising stock prices reflect market confidence in the good prospects of the banks concerned in the future and the indicators of company value measurement used to measure the company's ability to create value for investors or shareholders, including: Price Earnings Ratio (PER), Price Book Value (PBV), and Tobin's Q (Hermawan et al., 2023)

Profitability

Profitability is the ability of a company to earn profits in relation to sales, total assets and capital itself, thus for long-term investors will be very important with this profitability analysis (Sari, 2020). Profitability also has an important meaning in maintaining the company's long-term survival, because profitability indicates whether the company has good prospects in the future (Yusuf & Surjaatmadja, 2018 and Sari, 2020).

According to Firmansyah, Husna, & Putri (2021), when a company carries out many CSR activities, firm value of the company will increase. He postulated that when firms carry out many CSR activities, the reaction of the market to this is positive and this cause company's stock price to rise. Likewise, the heated competition in business against current economic developments has led to firms' demands to continue to develop creativity and product innovation, improve performance within the company and expand its business to be more recognized by the public. (Firmansyah, et al., 2021).

High firm value can affect market response; investors will assume that the company has good operational performance and has made the business world only focus on making profits (Hardiyansah, Agustini & Purnamawati, 2021; Kasim, Kuadthong, Jailani, Fauzi, Radha, Leog, 2022; Nisa, Paksi, Hutami, Yuni Fadilla, 2021; Firmansyah, Husna, & Putri, 2021; Putri, Firmansyah & Labadiaet, 2020).

Sunandes (2020) opined that corporate social responsibility (CSR) is a mechanism for an organization or company to integrate social and environmental concerns into its operations and interactions with stakeholders. Companies must pay attention to the impact of their operational activities and participate in maintaining and caring for the surrounding community environment as stakeholders. This can be done by engaging in social activities as a form of corporate social responsibility towards the surrounding environment, which is commonly referred to as CSR (Murdifin et al., 2019) (Hategan, Sirghi, Pitorac, & Hategan, 2018). Companies must be involved in meeting the welfare of stakeholders and contributing to preserving the environment, often referred to as the Triple Bottom Line concept. The triple bottom line reporting concept is a concept that includes three dimensions, including the human dimension (people), the environmental dimension (planet), and the economic dimension (profit) (Irina & Araujo, 2020; Coskun, Arslan, & MihrKisacik, 2017; Żak, 2015).

For investors, company value is an important concept because company value is an indicator of how the market views the company, and high company value leads to good company performance (Hirdinis, 2019). (Markonah, Salim, & Franciska, 2020) (Dura, Chandrarin, Subiyantoro, & Asia, 2021). The stock price will be directly proportional to the firm value of the company, because the higher the stock price in a company, it will also have an impact on the higher firm value of the company, and vice versa, if the share price owned by the company is low, it will have an impact on the low value of the company. Because one of the goals of a company is to increase the firm value of the company by increasing the owners or shareholders (Iswajuni et al., 2018), (Mukhtaruddin et al., 2014; Setiany et al., 2020).

Empirical Review

There have been many studies conducted on CSR and its impact on firm value, but there was inconsistency in the findings, as most proved that there is a positive relationship, while the rest proved either a neutral or negative relationship. Below are the findings of some of the authors:

Nelling & Webb (2009) showed a positive relation when using the least squares regression method and a neutral relation when fixed effects regression was applied.

Kavanagh and Slaughter's (2012) study found a significant positive relationship between level of CSR and firm value. The dependent variables used are the return on equity, return on assets and revenues. The independent variables are employee disclosure, community disclosure, consumer disclosure and environmental disclosure. The control variables used are the size of the firm which was measured by total of assets, the age of the firm which was measured by years since inception, and Industry type which is a binary variable. For the methodology the regression analysis was used, and a sample of 40 firms was collected out of a population of 135 Libyan companies in different industries.

Arsoy, Arabici, and Çiftcioglu (2012) showed a positive relationship between firm value and corporate social responsibility. The variables used are return on assets, return on equity, return on sales, debt/asset ratio, total sales, total assets, number of employees, equity, and profit. Arsoy et al. (2012) use the principal component methodology analysis, which is a multivariate statistical analysis used for exploratory analysis and developing models. The 28 listed companies in the Istanbul Stock Exchange Corporate Governance Index are used as the sample. The result of this study also showed that a company with a high social responsibility index value does not mean that its firm valuation is high.

While Cheung, Jiang, Mak and Tan (2013) showed a positive relation between CSR and firm value. The variables used are Market to book value ratio, Corporate social performance index designed based on the third OECD Corporate Governance principles, Natural log of total assets in the fiscal year end, debt to equity ratio, return on equity, ratio of non-executive director in board of director and percentage of the largest shareholders holds the firm's share. Nuryaman's study (2013) showed that disclosure of CSR activities has a positive impact on firm value. The dependent variables used are return on asset, net profit margin, stock prices; and the independent variables are the corporate social responsibility which is measured using global reporting initiative indicators, growth and firm size, the last two being control variables also.

Munasinghe & Kumara (2013) showed a positive relationship between CSR and firm value. The dependent variables used are return on total assets, return on equity, debt/equity ratio, and CSR score; and the independent variables are community initiatives, workplace initiatives, environment initiatives, and market place initiatives. For the methodology, multiple linear regression analysis was used, and the sample used was 14 plantation companies listed on the Colombo Stock Exchange for a 10-year period. There are some quantitative studies on this relationship that provide an outcome of either a positive or neutral relationship.

Shehu (2013) examined the influence of CSR on the profit after tax of some selected deposit money banks in Nigeria. He found that CSR has a significant effect on profitability. Richard and Okoye (2013) also investigated the impact of corporate social responsibility deposit money at banks in Nigeria. They discovered that social responsibility has a great impact on society by adding to its infrastructure and development. The result of Babalola (2013), who investigated the impact of social audits on corporate performance among Nigerian manufacturing firms, agreed with other researchers (Sehu, 2013; Richard and Okoye, 2013; Lee, 2008; and Abefe-Balogun, 2011), who affirmed that CSR has a positive and significant relationship with organizational performance. Akindele (2011) also examined the extent and role of the retail banking industry in corporate social responsibility practices to help achieve sustainable growth and development in the local communities. It was found that there is a significant relationship between bank profitability and CSR practices.

Olayinka and Temitope (2011) used qualitative research method to examine the relationship between corporate social responsibility and financial performance in Developing Economies. The result showed that CSR has a positive and significant relationship with the financial performance measures. Amole (2012) also used ordinary least square (OLS) model of regression in testing the relationship between CSR and firm's financial performance. The results of the regression analysis revealed that there is positive relationship between banks CSR activities and profitability.

Also, Hossein (2012) examined the link between CSR and economic performance by examining the different impacts of positive and negative CSR activities on the financial performance of hotel, restaurant, and airline companies, theoretically based on positivity and negativity effects. Findings suggest mixed results across different industries, contributing to companies appropriate strategic decision-making for CSR activities by providing more precise information regarding the impacts of each directional CSR activity on financial performance.

Similarly, Emilson (2012) researched the correlation between CSR and profitability using economic value added (EVA). The study shows a low positive correlation between profitability and CSR. But previous research and the practical examples from the selected companies show a strong positive correlation between CSR and profitability. In the same vein, Skare and Golja (2012) investigated the relationship between CSR and financial performance. The authors confirmed that CSR firms, on average, enjoy better financial performance than non-CSR firms.

Similar studies have been done in Asia that found a positive connection between CSR and financial performance (See, Fauzi & Idris, 2009; Cho, *Sang & Chune,* 2019; Bagh*,* 2017). There are also African studies that observed a positive relationship between CSR and financial performance. For example, Mansaray et al. (2017) analyzed the impact of Corporate Social Responsibility Disclosure on Financial Performance of Firms in Africa using multiple linear regression analysis of One hundred and fifty-eight listed companies selected from six African countries (South Africa, Kenya, Nigeria, Morocco, Egypt, and Mauritius) and grouped into six industries. The empirical results showed that unlike for the sales and manufacturing, health, and pharmaceutics, and other industries, CSR disclosure affects the financial performance of firms in the short-run (ROA) negatively for the mining, investment, and transport industries. For long-term (ROE) financial performance, the majority of their results suggest positive but no significant economic benefits for the firms. Conclusively, based on their overall result, they state that there have not been many contributions of CSR on firms' performance in Africa. In a recent study conducted in Ghana, Owusu (2017) examined the relationship between CSR and financial performance of Ghana club 100 members using correlation and multiple regression analyses. The results indicated that CSR has a positive but non-significant effect on the firm's ROE, but firm size showed a significant positive relationship with ROE.

The study on the impact of corporate social responsibilities on financial performance in China revealed findings that CSR performance does have a positive impact on corporate financial performance, especially for profitability (Xie 2019). In India, Abilasha and Tyagi (2019) studied the impact of CSR on the financial performance of the top 10 performing CSR companies using a simple regression model where they found that the impact of CSR on the overall company's financial performance is significantly positive concerning financial ratios like PBT, ROC, ROE, and ROA but individually insignificant. While Maqbooln & Zameern (2018) study on the relationship between corporate social obligation and financial performance show that CSR have a positive impact on the financial performance of the Indian banks.

Studies was also carried out on the impact of CSR Spending on a firm's financial performance. Findings were that Net profit has a significant relationship with the CSR Spending, whereas EPS and ROA had no impact on CSR spending (Menezes 2019). In Indonesia, Nurdiono, et al. (2019) examined the effect of CSR Disclosure on Corporate Market Performance of Listed Companies (IDX) in Trade Sectors using a multiple regression model. The results revealed that CSR affects Stock Return (SR), Debt Equity Ratio (DER), and Return on Equity (ROE). They, therefore, argued that CSR disclosure showed a positive but non-significant effect on CSR and that it had a negative and non-significant effect on firm market performance also. Besides, CSR exerts a positive and significant effect on DER and ROE. They went further concluding that improving the CSR data disclosed by firms in will improve the firm market performance as proxy by CSR.

Other similar studies have been conducted in other African countries apart from Ghana that support a positive CSR-financial performance relationship. Such works include the ones conducted by Gololo (2016) and Muritala (2013) in Nigeria; Gichohi (2016) in Kenya; and Nyeadi et al. (18) in South Africa. Other studies confirm a definite CSR-financial performance link, such as Crifo et al. (2016) in France; Buckingham (2012) in the UK (Britain); Karagiorgos (2010) in Greece; Mentor (2016) in the USA; Giannarakis et al. (2016); and Jackson and Hua (2009) in the USA.

There are strong beliefs that CSR adoption should lead to the higher financial performance of such firms. Some previous empirical studies have heavily supported this positive link theory between CSR and the financial performance of firms (e.g., Gianvito & Terri, 2012; Mahbuba & Farzana, 2013; Hermawan & Mulyawan, 2014; Awan & Akhtar, 2014; Mawuruntu et al., 2014; Xu & Zeng, 2015; Crifo *et al.,* 2016; Lee & Jung, 2016; Choongo, 2017). This school asserts that CSR is an essential driver of enhancing financial performance. CSR, according to stakeholders and agency theory, exerts a positive influence on financial performance.

Corporate social responsibility on firm value research using different measurement methods and inconsistent results, including that "corporate social responsibility affects firm value" according to research (Fromgantino & Alam 2020). However, the research is inversely proportional to the results that "corporate social responsibility has an effect on firm value," according to Sundanes (2020) and Alfika and Azizah (2020). Meanwhile, other researchers stated that "corporate social responsibility has a positive effect on firm value" (Dewi et al., 2021), which is supported by other researchers who state that "corporate social responsibility has a significant effect on firm value" (Aryanto, 2020).

In the Wirawan et al. (2020) study, CSR disclosures were found to increase firm value. The company gains value from CSR reporting. On the other hand, risk management efforts through ERM negatively influence CSR disclosure. Risk management does not help the company maximize its value to investors, probably because the risk management information is not considered relevant. Thus, enterprise risk management (ERM) is found to weaken the influence of CSR disclosure.

Prior work in the academic literature on corporate social responsibility and its impact on shareholders has found that idiosyncratic volatility (the portion of companies' stock returns that are not explained by the stock market) is positively correlated with aggregate corporate social responsibility. In addition, some researchers believe that corporate social responsibility reduces flexibility to the company in responding to productive shocks and as a result earnings become less predictable hence the rise in idiosyncratic volatility (Becchetti, Ciciretti and Hasan (2015). There is a debate in the literature about this issue as some researchers find at low contribution levels corporate social responsibility has a positive impact on firm value, while this relationship turns negative at high levels of corporate social responsibility expenditures (Barnea and Rubin 2021). This initially positive and then negative shaped relationship between corporate social responsibility suggests an optimal level of corporate social responsibility, a result documented by (Gillan et al., 2020) On the other hand, there is considerable evidence that companies which take a more active role in corporate social responsibility experience higher stock returns by establishing greater trust among employees, customers, and shareholders. While some may question giving a portion of companies profits to charitable causes, these investments provide considerable benefits especially during financial crises. There are numerous studies that have documented the positive benefits from increased social corporate philanthropy. We will highlight a few of those now. Developing a valuation model, prior work finds through model simulation a positive relationship between firm valuation and corporate responsibility. The authors attribute the higher firm valuation to a firm's commitment to social responsibility contributions which can increase the firm's probability of survival, improvement in a firm's intermediate and long run cash flows, and reduce its cost of capital. In addition, the authors also cite a more loyal customer base, more dedicated and committed employees, less likelihood of confrontations with labor unions, consumer advocacy groups or governmental agencies as reasons for higher probability of survival and lower cost of capital.

Others have also found a positive relationship between shareholder value and corporate social responsibility. Using an instrumental variable approach as an identification strategy, they show that firms that are managed effectively have fewer agency concerns (e.g., protection for minorities, strong pay-for-performance incentives, and less cash abundance) are more likely to participate in corporate social responsibility. These results run counter to the belief that corporate social responsibility contributions are a waste of company resources. Hence, the conclusion that corporate social responsibility can be consistent with maximizing shareholder wealth (Ferrell, Liang, and Renneboog, 2016). Other approaches include examining corporate social responsibility in the areas of environment, social, and governance (ESG) sustainability to determine whether investors (short sellers) take into consideration a companies' ESG Jain, Jain, and Rezaee (2016). They find lower valuations, worse future financial performance, lower return on equity and return on assets for firms that have low composite ESG scores. They also find a negative relationship between short selling and ESG composite scores. Hence, their findings suggest that investors (short sellers) are aware and take into consideration corporate social responsibility when making investment decisions. More research has found evidence that corporate social responsibility is positively linked with higher firm value (Chintrakarn, Jiraporn, Jiraporn, Davidson, 2017; Li, Li, and Minor, 2016)

This research has found that corporate social responsibility policies are similar for companies that are located close to one another (Chintrakarn *et. al.,* 2017). Time profitability is the net final result obtained from various policies and decisions made by the company. Profitability is very important for the company not because it continues to maintain its business growth but also strengthens the condition of the company's finances. A company must be in a profitable condition (profitable) to maintain its survival because without these benefits, it is difficult for the company to attract capital from outside. The profitability ratio has the benefit of evaluating the company's profits related to certain assets, sales levels, or investments. So, in this study the moderating variable uses profitability which aims to strengthen or weaken the influence of CSR. (Rashid, 2018)

THEORETICAL REVIEW/FRAMEWORK

The stakeholder, signal, and legitimacy theories are the theories upon which this study is carried out.

Stakeholder Theory

Stakeholder theory is a theory that explains that stakeholders have a very large role in the existence of the company in the environment, namely parties who have an interest in the company because this group is a group that affects and is influenced by the company. Stakeholders are considered very important and affect the course of the company's activities because when doing business, the company will deal directly with many stakeholders according to the broad scope of the company's activities. The existence of good communication and relationships between the company and stakeholders (Stakeholders) the goal is that activities run according to company expectations. These stakeholders are people or groups who can influence or be influenced by various policies, company activities and decisions (Ahyani & Puspitasari 2019). In stakeholder theory, the implementation of CSR is not only faced by the owners or shareholders, but also to the stakeholders who are affected by the existence of the company.

Stakeholder support is the survival of the company because the greater the power of stakeholders in the company, the greater the company's ability to achieve its survival. Stakeholders are sometimes related to creditors and investors, even though stakeholders have broader relationships such as the community, consumers and even the government. For investing funds in the company, stakeholders cannot directly decide, because stakeholders also see the value of the company in the company whether it is good or not (Ahyani and Puspitasari 2019).

Signal Theory

Signaling theory is one of the actions taken by the company's management in providing instructions for investors on how management describes the company's prospects. This theory indicates that the information that has been issued by a company is very important for parties outside the company. Information published as an announcement will later provide a signal for investors in making decisions to invest. In addition, information published by the company is important for stakeholders and investors where if there is good news it is profitable and if it is bad then the information provided by the company is not profitable (N.

P. G. K. Dewi, & Endiana 2021). Profitability can be regarded as a positive signal for investors in knowing the ability of a company that has been achieved during a certain period. Which is the company's income can be obtained from turnover for investors, namely through equity or asset sales. So, profitability can be used as information for investors to find out the level of turnover and the risk that investors get when investing in a company (N. P. G. K. Dewi, & Endiana 2021)

Legitimacy Theory

Legitimacy theory is a theory that provides an overview of the differences in firm values adopted by the company and firm values in society (Rahman 2021). Legitimacy theory or referred to as the legitimacy gap because the company will experience problems if there is a legitimacy gap with the surrounding community. This legitimacy gap arises when the company does not care about the bad impact caused by the company's operational activities on the environment around the company, so that it can cause problems with the surrounding community. Legitimacy gap can be reduced and prevented in one way, namely the need for corporate social responsibility or Corporate Social Responsibility (CSR) by adjusting firm values and operations of the company as well as the environment and the wishes of the community (Matuszak & Różańska, 2020).Stakeholder theory is a theory that explains that stakeholders have a very large role in the existence of the company in the environment, namely parties who have an interest in the company because this group is a group that affects and is influenced by the company (Ahyani and Puspitasari 2019). Stakeholder support is the survival of the company because the greater the stakeholder power in the company, the greater the company's ability to achieve its survival (Ahyani & Puspitasari 2019).

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research methodologies, techniques, and procedures employed in carrying out this study, which is centered on corporate social responsibility and firm value. This chapter covers the following areas: research design, population of the study, and sampling. Size and Technique, Method of Data Collection, Measurement of Variables, Model Specification, and Method of Data Analysis

3.2 Research Design

The research design is a time-series design. The study focuses on entities in the manufacturing industry listed on the Nigerian Exchange Group. This study will take the form of a descriptive survey, and the time period covered is ten (10) years, which is 2013–2022. The choice of these periods becomes necessary so as to adequately make inferences.

3.3 Population of the Study

The population of this study consists of listed firms spread across the manufacturing sectors in Nigeria. The listed firms in Nigeria are entities that have their stock traded on the Nigerian Exchange Group (NGX) as of December 31, 2022. However, the selected firm to be used for this study is Guinness Nigeria PLC, which is among the manufacturing firms listed and traded on the Nigerian Stock Exchange (NGX).

3.3.1 Sampling Size and Technique

The sampling technique employed in this research is a purposive sampling technique. The study used Guiness Nig Plc in Nigeria as a case study. This technique was employed within which this study is to be carried out.

3.4 Method of Data Collection

Secondary data sources would be used to develop a statistical association between corporate social responsibility and firm value. The data for this study would be gathered from Guiness Nig Plc annual reports and financial statements for 10 years (2013–2022).

3.5 Measurement and Operationalization of Variables

S/N	VARIABLES	MEAUREMENT	APRIOR SIGN

1.	Firm Value	This is measured by the firm's net income divided by Shareholder's equity.	-–
2.	Community service	This is measured by the logarithm for the amount expended for community services.	+
3.	Donations	This is measured by the logarithm for the amount for Donations.	+
4.	Employment policies.	Measured by dummy variables, 1 if the firm has employment policies for disabled persons put in place, and 0, if the firm does not have	+
5	Profit after tax (control variable)	This is measured by the logarithm of the amount for profit after tax.	+

3.6 Research Instruments

Secondary data will be extracted from Guiness Nig Plc through a carefully selected company's financial statement. The report used widely used research instruments because it helps researchers obtain needed information with little stress. The report will be formed based on the research objectives.

3.7 Model Specification

In order to examine the impact of corporate social responsibility on the value of firms in Nigeria, the model (which expresses firm value as a proxy by return on equity) as a function of the corporate social responsibility variable is as follows:

Firm Value = f(COMS, DONS, EMPP, FSIZ)

This can be written in explicit econometric form as:

$$\text{Firm Value}_{it} = \beta_0 + \beta_1\,\text{COMS}_{it} + \beta_2\,\text{DONS}_{it} + \beta_3\,\text{EMPP} + \beta_4\,\text{PAT}_{it}$$

+

Where;

Dependent Variable

Firm value = return on equity is a proxy for firm value and the dependent variable for the study.

Independent Variable

COMS = Community Service engaged by the firm

DONS = donations of the firm

EMPP = Employment Policies

Control Variable

PAT = Profit After Tax

= Error Term

't' represents the time dimension

'i' represents the cross-sectional dimension

β_0 = constant

β_1 = Coefficient of Community Service

β_2 = Coefficient of Donations

β_3 = Coefficient of Employment Policies

β_4 = Coefficient of Profit After Tax

3.8 Method of Data Analysis

In this study, we will conduct a descriptive statistic, which will be limited to the mean, standard deviation, maximum, and minimum values. A correlation matrix will be employed to test the correlation between the variables. However, this correlation only explains if there is a positive or negative, strong or weak relationship. This is a limitation on the part of the correlation matrix. Ordinary least squares (OLS) regression will also be employed to empirically analyze the impact of corporate social responsibility on the performance of Guiness Nig Plc in Nigeria. With limitations to the variables: firm value (dependent), independent: community service, donations, employment policy, and profit after tax (PAT) as a control variable. This OLS will give a regression coefficient and indicate the strength and impact of independent variables on the dependent variable. E-views econometric software will be used to analyze the data.

CHAPTER FOUR

Data Presentation and Analysis

4.1 Introduction

An overview of the data and an analysis of all the data utilized for the study are provided in this chapter. The study's secondary data was taken from the Guinness Plc audited financial statement that was uploaded to the Nigeria Exchange Group's (NGX) computer.

4.2 Presentation of Results

Results for the correlation analysis, ordinal least squares regression, and descriptive statistics are shown. The correlation findings look at the factors employed in the study's univariate connection. It offers some details regarding the absence of multicollinearity as well.

4.2.1 Descriptive statistics

Table 4.1: Descriptive statistics

	ROE	**COMS**	**DONS**	**EMPP**	**PAT**
Mean	0.105878	0.412879	4.377135	0.382353	8.157417

Median	0.076695	0.458333	4.287802	0.382353	8.158801
Maximum	0.379969	0.458333	5.145846	0.382353	8.333770
Minimum	-0.172223	0.208333	4.049489	0.382353	8.025345
Std. Dev.	0.152588	0.101130	0.349890	1.34E-16	0.083096
Skewness	-0.012925	-1.649916	1.106338	2.846050	0.525195
Kurtosis	2.630580	3.722222	3.138678	9.100000	3.139240
Jarque-Bera	0.062856	5.229810	2.252786	31.90458	0.514574
Probability	0.969061	0.073175	0.324201	0.000000	0.773146
Sum	1.164654	4.541667	48.14848	4.205882	89.73158
Sum Sq. Dev.	0.232830	0.102273	1.224229	1.79E-31	0.069050
Observations	10	10	10	10	10

Source: Author's computation (2023) using E-views

The range, minimum, maximum, mid-values, spread, and normalcy of the variables are explained by the descriptive statistics of the variables employed in the analysis, which are shown in Table 4.1.

Return on equity (ROE) has a mean of 0.106 and a median of 0.077, according to Table 4.1. The highest and minimum values of ROE are 0.480 and -0.172, respectively. Additionally, it exhibits some variance from the mean, with a negative skewness of 0.012 to the left and a standard deviation of 0.153. A mean of 0.423 and a median of 0.458 can be found for community service (COMS). The maximum and minimum values of ROE are 0.458 and 0.208, respectively. A mean of 0.423 and a median of 0.458 can be found for community service (COMS). The maximum and minimum values of ROE are 0.458 and 0.208, respectively.

The average amount donated by the company to charity is 4.377, with a standard deviation of 0.350, indicating that there is little variation in the amount given by the company in different years. Donations to charities fluctuated between a maximum value of 5.146 and a minimum value of 4.049. Positive skewness to the right is present. The aforementioned table indicates that the employment policy (EMPP) has a mean of 0.382 and a standard deviation of 1.34, indicating a significant discrepancy between the two. The high difference from the mean is seen in Profit After Tax (PAT), which has a mean value of 8.157 and a standard deviation of 0.083.

4.2.2 Correlation Analysis

To investigate the relationship between the dependent and independent variables, the correlation matrix was used. The correlation matrix demonstrates the relationship between each of the study's variables.

Table 4.2: Correlation Analysis

	ROE	**COMS**	**DONS**	**EMPP**	**PAT**
ROE	1.000000	-0.690002	0.301705	0.120350	-0.395551
COMS	-0.690002	1.000000	-0.703210	0.149071	0.614279
DONS	0.301705	-0.703210	1.000000	-0.310577	-0.474134
EMPP	0.120350	0.149071	-0.310577	1.000000	-0.280108

FSIZ	-0.395551	0.614279	-0.474134	-0.280108	1.000000

Source: Author's computation (2023) using E-views

According to Dwivedi (2008), a correlation coefficient shouldn't be higher than 0.90 because if it is, the independent variables may be accused of showing multicollinearity. A closer examination of the matrix's coefficient results showed that, for the most part, all of the variables' coefficients do not exceed 0.90. This indicates that our model does not have a multicollinearity problem. Multicollinearity between explanatory variables can lead to estimated model coefficients with incorrect signs or implausible magnitudes, as well as biased standard errors of the coefficients. According to Table 4.2, a variable's coefficient of correlation with itself is 1.000. Additionally, the firm's community contribution has a substantial negative association with return on equity, a proxy for firm value, of 0.69. Donations and firm valuation have a 0.302 weakly positive association. The association is, however, rather shaky. The aforementioned table also reveals that the firm's employment practices have a very weakly positive association, whereas profit after tax (PAT), a proxy for firm value, has a weakly negative correlation with ROE of -0.40.

4.2.3 Regression Analysis

Table 4.3: Least Square

Dependent Variable: ROE				
Method: Least Squares				
Date: 08/22/23 Time: 10:25				
Sample: 1 10				
Included observations: 10				

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.077257	4.879661	0.220765	0.831577
COMS	-1.443875	0.606739	-2.379731	0.0489
LOGDONS	-0.157556	0.157170	-1.002451	0.3495
EMPP	2.817441	12.76219	0.220765	0.8316
LOGPAT	0.038543	0.596282	0.064638	0.9503
R-squared	0.542996	Mean dependent var		0.105878
Adjusted R-squared	0.347137	S.D. dependent var		0.152588

S.E. of regression	0.123291	Akaike info criterion		-1.073256
Sum squared resid	0.106404	Schwarz criterion		-0.928566
Log likelihood	9.902906	Hannan-Quinn criter.		-1.164462
Durbin-Watson stat	2.093564			

Source: Author's computation (2023) using E-views

Based on the results of the regression shown in Table 4.3, it was determined that community service (COMS) had a negative relationship with the firm value proxy represented by return on equity (ROE). This relationship was found to be statistically significant when tested at the 5% level of significance, with a calculated t-value of -2.379 and a p-value of 0.0489. Accordingly, it follows that an organization's worth will decline by 1.443 units for every unit it increases its charitable giving. The probability value for the second explanatory variable, firm donations, is 0.349, and it was shown to be statistically insignificant when examined at the 5% level of significance. Negative and weak as a unit rise in firms' donations, its link with company value

The employment policy of firms was found to have a positive relationship with firm value, although it was not found to be statistically significant at the 5% level of significance because it has a prob value of 0.831 and a calculated t-value of 0.220. This information was obtained from the regression result in Table 4.3 above. This suggests that a unit change in the organization's employment policy will result in a 2.817 unit increase in the firm's value.

The firm's profit after tax, the fourth explanatory variable, was also found to be statistically insignificant when used as a control variable. Despite having a positive connection as a whole, growing the firm's size will raise its worth by 0.038.

According to the model's output in Table 4.2.3, the coefficient of determination (R2) for firm value was 0.5429, meaning that 54.3 percent of changes in the dependent variable (firm value) were explained by the characteristics of the firms (community service, charitable giving, and employment policies), while 46.7 percent were unaccounted for and were thus included in the error term. When the degree of freedom was corrected, the adjusted R-squared displayed a value of 0.347, indicating that 64.3 percent of the systematic variations were captured by error terms and 34.7 percent were explained by the identified company characteristics. The Durbin-Watson stat of 2.093 shows that there is no autocorrelation in the residuals from the regression analysis above.

4.3 Research Hypothesis Testing

Research Hypothesis One

H_0: There is no significant relationship between firms' community service and firm value.

Findings in table 4.3 show that the calculated t-value of -23797 and a p-value of 0.0489 is the company's service to the community which is statistically significant at 5%. The null hypothesis is rejected due to this. We then conclude that there is a significant relationship between firm's community service and firm value.

Research Hypothesis Two

H_0: There is no significant effect of firms' donations on firm's value.

Since the regression results show that business donations to charities have a computed t-value of -1.0024 and a p-value of 0.3495, which is higher than the typical 5% level of significance, the null hypothesis is not rejected. As a result, we draw the conclusion that corporate giving has no discernible impact on company value.

Research Hypothesis Three

H_0: There is no significant relationship between firms' employment policies and it performance

The study's findings reveal that the firm's employment practices have a t-statistic of 0.2207 and a p-value of 0.8316, which indicate that they are statistically insignificant. The null hypothesis, according to which there is no meaningful connection between a firm's employment policy and its value, is not something we reject. This implies that there is no relationship between corporate value and employment policy.

4.4 Discussion of Findings

The study's findings show that a company's community service has a negative influence on the firm's worth since each additional unit of community service causes the firm's value to drop by 1.4438. Additionally, there is a 0.69 significant negative association between the business's community service and return on equity, a proxy for corporate value. This result contradicts Okoro's (2018) research, which found that the company's community contribution had a negligible effect on the entity's worth.

The study's findings also indicate that donations and business worth only very little positively correlate. The results also show that charitable contributions made by businesses had computed t-values of -1.0024 and p-values of 0.3495, both of which are higher than the typical 5% level of significance. This shows that there is no discernible impact of corporate giving on company value. This is consistent with Jonson's (2017) findings, which showed a slight but positive correlation between donations and business valuation.

Findings also demonstrate a very weak positive link between the business's employment practices and profit after tax (PAT), a proxy for firm value, and a modest negative correlation between ROE and PAT of -0.40. According to the study, the firm's employment practices have a t-statistic of 0.2207 and a p-value of 0.8316, both of which indicate that they are statistically insignificant. As a result, employment rules have no effect on the value of the business. This result agrees with Erandson's (2019) findings.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The purpose of this study was to assess the impact of company attributes on firm value in Nigeria. Data was acquired from the Nigeria Exchange Group for Guinness Plc. to support the study, and three hypotheses on firm qualities and firm growth among Nigerian enterprises were offered. To investigate the connection empirically, E-View Version 10.0 was used.

The empirical investigation yielded the following specific findings: there is a negative and significant impact of corporate community involvement on firm value. This was partially evident in the findings of Okoro (2018), whose study revealed that there is a negative but insignificant impact of the company's community service on its performance as an entity; the study findings also show that there is a negative but insignificant effect of firms' donations on firm value, which was also in line with the findings of Jonson (2017); employment policies were found to have a positive but not significant impact on firm value, as seen in the findings of Okoro (2018).

Overall, this study shows no influence of CSR on business value, as seen in the studies of Brammer, Brooks, and Pavelin (2006) and Fu, Wang, and Jia (2012). However, results from Abilasha and Tyagi (2019) and Xie (2019) on deposits, money banks, restaurants, and hotels in Nigeria show a favorable influence of CSR on business value. Other studies that found a favorable influence include Knoll (2002), Brooks & Pavelin (2006), and Fu, Wang, & Jia (2012).

5.2 Conclusion

Academics and practitioners are equally interested in the link between a firm's CRS and its financial performance. The presence or absence of clear proof of a link is a critical problem for management. If socially responsible actions offer value to the company, the company may be encouraged to pursue them. The purpose of this research is to look at the influence of corporate social responsibility on business value. Our method is based on the audited annual report of Guinness Plc, which can be obtained on the Nigerian Stock Exchange (NGX) for the years 2013 to 2022.

The variables in question were return on equity, community service, donations, and employment practices. Community service, donations, and employment practices were used to assess corporate social responsibility, with company size serving as a control variable and return on equity serving as a measure of business value. Finally, contributions and employment policies have a little influence on business value, whereas community service has a big but negative impact.

5.3 Recommendations

Based on the findings of the study, these recommendations are made.

1. In regard to the research findings of this study indicating that firm size has a positive and insignificant relationship with firm value, it means that firm size has little or no effect on firm value. Based on these findings, it is recommended that quoted manufacturing firms enhance their operational activities, which could enable them to attain a high level of revenue and assets, which could enhance their firm value.
2. Based on the research findings stating that employment policies have a positive and insignificant relationship with firm value, this implies that employment policies have little or no effect on firm value. It is recommended that employment policies be reviewed periodically and given more attention, which could enhance the firm value of quoted manufacturing companies.
3. In regards to the research findings stating that community service has a negative and significant relationship with firm value, it implies that community service can only have a substantial impact on firm value when it is improved upon. It is recommended that the board of directors of quoted manufacturing attach a high level of importance to policies concerned with community service.

5.4 Suggestions for Further Study

The research suggests that more research be done on other manufacturing firms in the industry, as well as in service industries such as hotels, banks, pharmaceutical companies, transportation companies, and others other than the manufacturing industries. The proposed study could still use the same variables used in this study, or it could use other variables to measure corporate social responsibility and firm value.

The study also suggests that market indicators, rather than accounting indicators, be used to gauge financial success because indicators are subjective. We can therefore draw conclusions about the influence of CSR on firm financial performance.