PRIMARY RESEARCH

Effect of corporate social responsibility on enterprise value of deposit money bank in Nigeria

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Abstract

This study sought to determine the effect of Corporate Social Responsibility (CSR) (i.e., Environmental Expenditure (EE), Community Expenditure (CE), and Employee Expenditure (EmE) on Enterprise Value (EV)), with particular reference to quoted deposit money banks in Nigeria. The study adopted the correlational design, and a population of 21 banks was considered. Out of this population, 15 banks were sampled through the purposive method. Panel regression was used to analyze the data collected from the sampled banks' annual financial reports. Overall, the analysis results indicated that CSR's effect on enterprise value is statistically significant, meaning that corporate social responsibility expenditure has a significant effect or association with an enterprise value (i.e., EV). The study recommended that banks in Nigeria maintain and possibly increase their CSR expenditure rather than reduce or even eliminate it as they seek to cut down on their business cost. This is because of the likely negative effect it might have on their business in the long run as documented by the outcome of this study.

INTRODUCTION

CSR is an integral component of corporate governance, particularly when there is a conflict between the social goal of benefiting society and the corporate goal of maximizing profits (Hang, 2015; Homayoun, Rezaee, & Ahmadi, 2015; Yoo, Lee, & Lee, 2016). This conflict of interest between shareholders goal and societal social goal brings about an initiative that bestowed corporations with some responsibilities (i.e., CSR) which would enhance their positive impacts and minimize their negative effects on society. Considering the conflict of interest concerning the main responsibility of corporations, scholars took to the stage to argue what should be considered the responsibility of corporations. Bessong and Tapang (2012) cited in Handy (2002) opined that "in a free society, there is one and only one social responsibility of corporation, i.e., to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which also means engagement in open and free competition without

deception or fraud." On the other side of the argument, Abdulrahman (2015) are of the view that companies are responsible for all their stakeholders and should therefore take greater responsibility for the society at large and seek to solve social and environmental problems in their market place.

Though corporate social responsibility is applicable to many types of organizations, Achua (2008) opines that banks are most sensitive to CSR because the banking sector includes a diverse group of individuals. Adeleke (2014) suggests that Because of the position occupied by banks in the economy, CSR has become an all-important practice for them since it could build good reputation and enhance trust (Adeleke, 2014; Ketsiri & Pajongwong, 2016; Mohamed & Salah, 2016; García-Sánchez & García-Meca, 2017). In line with Adeleke (2014) position, Achua (2008) posits that banks also need positive reputations to have qualified employees, a large customer base, and many solid investors. This suggests the importance of CSR to corporations in the

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banking industry, hence their practice of CSR. Against the above backdrop, this study undertakes to assess the effect of CSR on enterprise value of quoted deposit money banks in Nigeria, as it seeks to align with either the supporters of the calls for corporations to assume corporate social responsibility aside their assumption of corporate financial responsibility, or those that are oppose to it, adopting the actual expenditure incurred on CSR activities, considering three themes: environment, community and employee, as independent variable, while enterprise value serves as the dependent variable.

Statement of the Problem

The emergence of a newly advocated responsibility (i.e., CSR) for corporations aside their classical motive of profit maximization, brought about heated debate all over the world as to the implication of this responsibility CSR for their value and financial performance generally. Though many research studies were conducted in Nigeria, and in other parts of the world in the quest for finding the relevance of CSR to corporate performance, divergent results were however documented. While the work of Adeneye and Ahmed (2015) Al-Samman and Al-Nashmi (2016), Akanbi and Ofoegbu (2012), Laskar and Maji (2016), Yusoff and Adamu (2016), finds the existence of positive impact of CSR on all the firms performance, Babalola (2012), Islam, Ahmed, and Hasan (2012); finds no significant impact between CSR and corporate performance. These divergent results are perceived to stem from the different methodologies, in terms of measures of CSR and corporate performance, adopted by the researchers involved, and this keeps the debate afloat.

In the light of the above, this study investigates empirically, the effect of incurring CSR expenditure on the enterprise value of deposit money banks in Nigeria, hereafter DMBs, adopting different measures of CSR and enterprise value to determine whether the banks' CSR practice could actually enhance their value and hence, be consistent with the arguments put across by advocates of CSR.

Research Objectives

This research, majorly examined the effect of CSR expenditure on enterprise value of quoted DMBs in Nigeria. Specifically, the following objectives are considered.

1. To examine the effect of CSR expenditure on enterprise values of quoted DMBs in Nigeria.

2. To assess the effect of environmental expenditure on enterprise value of quoted DMBs in Nigeria.

3. To determine the effect of community expenditure on enterprise value of quoted DMBs in Nigeria.

4. To analyze the effect of employee expenditure on enterprise value of quoted DMBs in Nigeria.

Research Hypotheses

The following hypotheses were formulated in null form to guide the research in arriving at dependable solution to the research problem.

H1: There is no significant effect of CSR expenditure on enterprise value of quoted DMBs in Nigeria.

H2: There is no significant effect of environmental expenditure on enterprise value of quoted DMBs in Nigeria.

H3: There is no significant effect of community expenditure on enterprise value of quoted DMBs in Nigeria.

H4: There is no significant effect of employee expenditure on enterprise value of quoted DMBs in Nigeria.

CONCEPTUAL CLARIFICATION
The Concept of CSR

Though the concept of CSR has gained lots of acceptance among business management, government and other stakeholders all over the world, and has been popularized by the wave of arguments and studies carried out by different researchers in their quest for ascertaining its place in business generally. In connection with this, divergent views were expressed by a large number of stakeholders, companies and researchers in their explanation of CSR as can be seeing in the array of research and policy literatures relating to CSR. The European Commission (2001) defines CSR as a "concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders as an aftermath of their contributed value and also impacted by organization. Lea (2002) however, views CSR as a means of analyzing the inter-dependent relationships that exist between businesses and economic systems, and the communities within which they are based. Chandler (2001) views CSR as a transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. These definitions suggest that the classical ideology known with the establishment of business has broaden as it is now linked with other responsibility which they are expected to assume which advocate the consideration of the concerns of a broad range of stakeholders other than those of the corporation's stockholders alone.

The Concept of Enterprise Value

Enterprise value basically defines the worth of a company. This worth is either looked at from the perspective of the market or the accounting variables which include items reported in the firm's balanced sheet, i.e., assets and liabilities. Since the value of a firm is considered from different points of view, it therefore has no particular measurement parameter as many definitions have been linked with the concept of value. Damodaran (2016) defines value from three different perspectives as: market value of equity, firm value and enterprise value. He then defines market value of equity as the measures of the difference between the market value of all assets and the market value of debt, and firm value as the sum of the market value of equity and the market value of debt, while enterprise value is referred to as the overall worth of a firm, made up of equity value, assets and liabilities, cash and other easily liquefied investment, which would have effect on the overall value of the firm.

Theoretical Framework

Because CSR is a concept that relates to business, this research adopts the "theory of business", which would provide a deep understanding of the concept. In this connection, it identifies four theories (stockholder theory, agency theory, stakeholder theory and stewardship theory) as bases for determining and explaining the CSR/enterprise value relationship. This is in line with the work Windsor (2006). However, this research is anchored upon the stakeholder theory. The stakeholder theory has been on the idea that stakeholders create, increase, and maintain the value of an organization (Jamali, Safieddine, & Rabbath, 2008) cited in (Adeleke, 2014). He further contends that CSR does specify the responsibilities of organizations, whereas the stakeholder theory designates to whom the organization should be accountable. These positions go to suggest that contemporary business concern should not only be on the shareholders or employees, but on the entire stakeholders of the organization which includes government and communities whom without their continuous participation, the corporation cannot survive as a going concern. We anchored this study on the stakeholder theory because we consider that it is a key process in explaining CSR and Nigerian DMBs' business ideology that indicates a strong element of stakeholder orientation.

Review of Empirical Studies

In our effort to identify the gap that this study sought to fill, we consider the review of some related empirical studies as summarized. Ngwekwe (2009) while relating CSR (independent variable) to Return on Total Assets (ROTA) dependent variable using firms in Nigeria, he finds significant relationship, indicating that the extent of CSR involvement in firms, determines the value of returns on its assets. Oba (2009) examined the impact of CSR on market value of quoted conglomerates in Nigeria. The result showed an insignificant but positive relationship between CSR and companies market value. The work of Lima Crisóstomo, de Souza Freire, and Cortes de Vasconcellos (2011), in trying to identify the relationship between CSR, firm value and financial performance of some companies in Brazil using regression, result showed a negative correlation. This indicates therefore, that the relationship between CSR, firm value and financial performance will not be good for firms' objectives.

Adeneye and Ahmed (2015), Bolanle, Adebiyi, and Muyideen (2012), Fodio, Abu-Abdissamad, and Oba (2013), Servaes and Tamayo (2013) all relates CSR and profitability as proxy for firm value and finds positive significant relationship, however, Bessong and Tapang (2012) identified a negative relationship. Other studies are those of Laskar and Maji (2016) who conducted research on disclosure of CSR and financial performance. The study explains a positive impact of CSR on all the firms performance, Yusoff and Adamu (2016) examines a relationship between CSR activities and financial performance of public listed companies in Malaysia and data taken from annual reports for the time period 2009-2013. The research finds that, Malaysian top-100 companies are found supportive and involved in CSR activities and further found that CSR activities play critical role to enhance financial performance of listed companies.

Considering the various empirical studies reviewed above, the perceived gap in these studies lies in the methodologies adopted by the researchers which are based on dichotomous data, usually derived from CSR rating companies whose CSR themes are not in line with the dimensions of CSR practiced by DMBs in Nigeria, and which did not represent the actual CSR expenditures of the companies involved. This research seeks to close the gap by employing the actual CSR expenditures of DMBs in Nigeria (using three CSR dimensions: Environmental, community and employee expenditure) against Enterprise Value. This is to add to the robustness of the outcome of this research since most studies conducted on the relationship between CSR and financial performance, some of which are reviewed here above, made use of subjective measures of CSR which do not represent actual financial commitment, and which could invalidate the outcome of their test.

RESEARCH METHODOLOGY

For this study, we adopt the correlational research design in order to determine the effect of CSR expenditure on enterprise value of DMBs listed on the Nigerian Stock Exchange (NSE) for a five years from 2012 to 2016. The study consider the entire 21 DMBs operating in Nigeria as at the end of the year 2016 as reported by Central Bank of Nigeria (CBN) via its' website: www.cbn.gov.ng as the study population.

A total of fifteen (15) DMBs listed on the Nigerian stock exchange (NSE) however were sampled. The sampling is arrived at through the use of a non-probability sampling method, specifically the purposive sampling technique. This is because the purpose of the research study is to determine the relationship between CSR expenditure and enterprise value of DMBs quoted on the floors of the Nigerian Stock Exchange (NSE) hence, the banks sampled are the only ones quoted on the NSE as at the time of this study.

This research considers as independent variables, three (3) CSR themes: environmental expenditure (EE)- amount of money expended on aspect of environmental protection and sustainability by the sampled banks as reported in their annual report, community expenditure (CE)- amount of money expended by the sampled banks on aspect of community development, including gifts, donations and other social expenditures, reported in their annual financial statement. and employee expenditure (EmE)- amount of money expended by the sampled banks on welfare of their employee (i.e. salaries, bonuses and pension cost) as reported in their financial statement while the dependent variable is enterprise value (EV)- the measure of value of firm that provides the economic measure of real market value of firm as a whole business.

Data Source/Tool of Analysis

Data are sourced from the annual report and account of sampled DMBs' other sources include: stock exchange report and year-end newspapers. The data collected were analyzed using the panel regression. Similar researches adopted the regression tool of analysis too (Bolanle et al., 2012; Lima Crisóstomo et al., 2011; Fodio et al., 2013).

Model Specification

This study employs panel regression to test the relationship between the dependent variable (EV) and independent variables (EE, CE, EmE) of the study. The model is represented by the equation below:

$$EV = f(EE, CE, EmE) \dots\dots\dots\dots\dots\dots\dots \quad (1)$$

Equation 1 can be written in more detail form as follows:

$$EV_{it} = \alpha_0 + \beta_1 EE_{it} + \beta_2 CE_{it} + \beta_3 EmE_{it} + e_{it} \dots\dots\dots \quad (2)$$

Where:
EV = Enterprise Value.
α_0 = Constant.
EE = Environmehtal expenditure.
CE = Community expenditure.
EmE = Employee expenditure.
e = error term.
i = Cross sectional dimension.
t = Time series dimension.

RESULTS

We analyzed the data collected for this research study using panel regression, and discussed the result as below:

Result of Fixed effect regression

The following table presents the result of fixed effect regression for the evaluation of the effect of CSR on Enterprise value of quoted DMBs in Nigeria. The dependent variable is EV while independent variable (i.e., CSR) represented by CE, EE and EME.

Dependent variable: EV
Method : Panel Least Squares (fixed effect)
Independent Variables

TABLE 1. Result of Fixed effect regression

Constant (C)	Coefficient	Standard Error	*t*-Statistic	Probability Value
	-95563580	1.23E+08	-0.779851	0.4387
Community Expenditure (CE)	872.2981	261.6871	3.333363	0.0015
Environmental Expenditure (EE)	1027.016	479.0998	2.143637	0.0363
Employee Expenditure (EME)	34.00291	4.785909	7.104798	0.0000
Statistics for model diagnosis				
R-squared	0.915766	*F*-statistic	36.45197	
Adjusted *R*-squared	0.890643	Probability value (*F* stat.)	0.0000	
Durbin-Watson stat	1.654530			

Source: Authors' computation (2017) using Eviews 9

The result of our analysis shows that all the independent variables are positively related to Enterprise value. This is indicated by the positive values of the coefficients of the variables. This implies that the higher the community expenditure, environmental expenditure and employee expenditure, the higher the Enterprise value. In other words, increase in these three variables (CE, EE and EME) would on the average, lead to increase in Enterprise value (EV). Therefore, increase in CSR brings about increase in the Enterprise value of quoted DMBs in Nigeria.

Further, the result reveals that all the variables are significant determinants of Enterprise value of quoted DMBs in Nigeria. The significance is indicated by the values of the standard errors (261.6871, 479.0998 and 4.785909) of the coefficients of the three variables (CE, EE and EME) which are less than halves of the coefficients (872.2981, 1027.016 and 34.00291) respectively. The statistical significant is elaborated under test of hypothesis discussed below. So, CSR is an important factor that determines the Enterprise value of quoted DMBs in Nigeria.

Based on the magnitude of the impact, the result discloses that, on the average, one thousand naira increase in CE and EME will result to about 872 and 34 thousand naira increase in EV respectively. Similarly, a thousand naira increase in EE brings about 1.027 million naira increase in Enterprise value of quoted DMBs in Nigeria. Therefore, CE, EE and EME

(corporate social responsibilities) have enormous effect on the Enterprise value of quoted DMBs in Nigeria.

The explanatory power of the model is shown to be strong as indicated by the R-squared (R^2), 0.915766, which indicates that approximately 91.58% variations in the dependent variable (EV) are explained by the changes in the independent variables (CE, EE and EME) while the remaining 8.32% is captured by error term. Durbin Watson test of 1.65 (approximately 2) shows that there's no serial correlation. The F-statistic 36.45197 with its Probability value 0.0000 indicates that there is over all significance in the model. So, the model has a good fit and the results are not only statistically valid but also intuitively meaningful for drawing policy inferences about the effects of CSR on Enterprise value of quoted DMBs in Nigeria.

Result of Random Effect regression

In addition, the study also adopted the random effect version of the regression model to investigate the effect of CSR on Enterprise value of quoted DMBs in Nigeria, using the same variables of study - EV as dependent while CE, EE and EME as independent variables. The result is as presented in Table 4.

Dependent variable: EV

Method: Panel EGLS (Random effect)

TABLE 2. Result of Random effect regression

Independent Variables	Coefficient	Standard Error	t-Statistic	Probability Value
Constant (C)	16164991	1.02E+08	0.157808	0.8751
Community Expenditure (CE)	857.8599	236.5118	3.627133	0.0005
Employee Expenditure (EE)	1149.908	546.7168	2.103298	0.0390
Employee Expenditure (EME)	29.38233	4.283758	6.859009	0.0000
R-squared	0.702048	F-statistic		55.76446
Adjusted R-squared	0.689458	Probability value (F-stat)	0.000000	
Durbin-Watson stat	1.97098			

Source: Authors' computation (2017) using Eviews 9

Regarding the nature of relationship between the dependent and independent variables, like the fixed effect model, the result of the random effect model also demonstrates that all the independent variables (CE, EE and EME) are positively related to Enterprise value (EV). This means increase in CE, EE and EME lead to increase in EV of quoted DMBs in Nigeria over the period studied. Also, the result reveals that CE, EE and EME are statistically significant because the values of standard errors (236.5118, 546.7168 and 4.283758) of their coefficients are less than halves of the coefficients (857.8599, 1149.908 and 29.38233) respectively. So, CE, EE and EME are significant determinants of EV of quoted DMBs

in Nigeria. The values of the coefficients show that the independent variables have huge impact on Enterprise value. For instance, the result reveals that on the average, one thousand naira increase in CE and EME brings about 858 and 29 thousand naira increase in EV while a thousand naira increase in EE brings about 1.150 million naira increase in Enterprise value of quoted DMBs in Nigeria respectively. Therefore, the random effect model reveals that CE, EE and EME, CSR have huge effect on the Enterprise value of quoted DMBs in Nigeria. The R-squared (R^2), 0.702048, of the random effect model indicates that approximately 70.20% variations in the dependent variable (EV) are explained by

the changes in the independent variables (CE, EE and EME) while Durbin Watson test statistic, 1.97 (approximately 2) shows that there's no serial correlation. Also, the *F*-statistic 55.76446 with its Probability value 0.0000 indicates that the model has over all significance. So, the model has a good fit and the results are statistically valid for policy con-

clusions regarding the effects of CSR on Enterprise value of quoted DMBs in Nigeria.

Result of Hausman Test
Presented in the Table 3 below is the result of the study's Hausman test to determine the choice of statistical model diagnosis.

TABLE 3. Hausman test result

Hausman Chi-Sq. Statistic	Chi-Sq. Degree of F reedom	Probability Value
3.661871	3	0.3004

Source: Authors' computation (2017) using Eviews 9

Statistics for model diagnosis contained in the regression results show that both the fixed effect models and random effect models used in this study have good fit and are statistically viable for policy inferences. Therefore, Hausman test was employed to make a choice of preferable model. The null hypothesis of the test is that a random effect model is better than the fixed effect model.

The null hypothesis is rejected when the probability value (*p*-value) of the chi-square statistic is less than a chosen level of statistical significance (which is choosing to be 5% i.e., 0.05). Based on the outcome of our Hausman test, chi-square statistics is 3.661871 and the *p*-value is 0.3004 at 3 degree of freedom. Since the *p*-values are greater than 5% level of significance, the null hypothesis is not rejected and the results of the random effect model is indicated to be preferable to that of the fixed effect for policy recommendations. In other word, both results are good but that of random effect model is shown to be better for policy inferences about the effect CSR on Enterprise value of quoted DMBs in

Nigeria.

Test of Hypotheses
In order to test our null hypotheses, we employed the t-test statistics contained in the random effect regression results. This is because the Hausman test indicates that the random effect is better. The decision rule to that effect however, is that if the *t*-statistics at 5% level of significance is greater than the critical *t*-statistics in absolute terms, reject null hypothesis otherwise do not reject (accept) null hypothesis. Meanwhile, the minimum value of significant *t*-statistics at 5% level of significance is ±1.96. so, instead of making reference to the statistical table for the value of critical *t*-statistics, the ±1.96 is used as a reference point. Thus when the estimated *t*-statistics is greater than ±1.96, the null hypothesis is rejected, and if otherwise, we do not reject null hypothesis. The values for *t* statistics of the variables are presented in Table 3
Dependent variable: EV

TABLE 4. Hausman test result

Independent Variables	*t*-statistics of the coefficients of the random effect model	Minimum value of significant *t*-statistics at 5%.
Community Expenditure (CE)	3.627133	±1.96
Employee Expenditure (EE)	2.103298	±1.96
Employee Expenditure (EME)	6.859009	±1.96
Over all (CSR)	4.19648	±1.96

Source: Authors' computation (2017) using Eviews 9

H1: There is no significant effect of CSR expenditure on enterprise value of quoted DMBs in Nigeria. The *t*-statistics of overall (CSR), 4.19648, is obtained by taking the average *t*-statistic of the three variables (CE, EE and EME) representing CSR in the model. It is used in testing H1. Since, 4.19648 is greater than 1.96, the estimated *t*-statistics is statistically significant and the null hypothesis is rejected. Therefore, we accept the alternative hypothesis that there is significant effect of CSR expenditure on enterprise value

of quoted DMBs in Nigeria.
H2: There is no significant effect of environmental expenditure on enterprise value of quoted DMBs in Nigeria. The *t*-statistic (2.103298) of the coefficient of EE is greater than 1.96. hence at 5%, the variable EE is statistically significant and the null hypothesis is rejected. So, environmental expenditure has significant effect on enterprise value of quoted DMBs in Nigeria.
H2: There is no significant effect of community expendi-

ture on enterprise value of quoted DMBs in Nigeria. The *t*-statistic of CE is used to test H2. The result indicates that the *t*-statistic (3.627133) is greater than 1.96. Thus we reject the null hypothesis and conclude that community expenditure has significant effect on enterprise value of quoted DMBs in Nigeria.

H4: There is no significant effect of employee expenditure on enterprise value of quoted DMBs in Nigeria. Testing H4, the *t*-statistic of EME which is about 6.859 (greater than 1.96) indicates the rejection of null hypothesis. Therefore, we accept the alternative hypothesis and conclude that employee expenditure has significant effect on enterprise value of quoted DMBs in Nigeria.

Results Summary

In summary, the findings from the study's fixed effect panel regression analysis indicated that the three proxies of the independent variables (EE, CE and EmE) have significant effects on the dependent variable (EV) with coefficient of 872.2981, 1027.016 and 34.00291 respectively. This is because the values of standard errors: 236.5118, 546.7168 and 4.283758, respectively, of the coefficients are less than halves, with P-values of the variables 0.0015, 0.0363 and 0.0000 respectively, been less than our chosen alpha level ($\alpha = 0.05$).

In the same vain, the outcome of the study's random effect regression also indicated that both EE, CE and EmE do have significant effects on the dependent variable (EV) as indicated by the coefficients of the independent variables in Table 2.

The R-squared (R^2), 0.702048, of the random effect model indicates that approximately 70.20% variations in the dependent variable (EV) are explained by the changes in the independent variables (CE, EE and EME) and the results are statistically valid for policy conclusions regarding the effects of corporate social responsibility (CSR) on Enterprise value of quoted DMBs in Nigeria.

For the combine effect, the random effect regression model shows a coefficient of determination (i.e., R^2) of 0.702048. In other words, 70.20% of the variation in EV could be explained by these CSR variables combined. Also, the model was statistically significant with the *F*-Statistic standing at 55.76446, *p*-value 0.0000 indicating that the model has over all significance, while Durbin Watson test statistic, 1.97 (approximately 2) shows that there's no serial correlation.

DISCUSSION

The findings of our research effort which revealed that there is significant effect of combine CSR proxies (EE, CE

and EmE) on EV is supportive of the stakeholder theory as it favors the banks' assumption of corporate social responsibility alongside that of corporate financial responsibility. This finding corroborated the outcome of Fodio et al. (2013) who documented significant relationship between combine CSR proxies and firm value (Tobin's Q) of firms in the Nigerian financial sector, and the findings of Abdulrahman (2015) who also discovered significant effect of combine CSR proxies on financial performance of quoted conglomerates in Nigeria. Also corroborated by the result of this study is the outcome of other related studies (Adeneye & Ahmed, 2015; Homayoun et al., 2015; Oba, 2009) who also documented positive relationship between combining CSR proxies and firm value measured in various ways. However, contradicting this research finding are the outcomes of studies by Lima Crisóstomo et al. (2011) who documented negative correlation between CSR proxies and firm value of companies in Brazil, measured by Tobin's Q; Windsor (2006) who discovered a negative relationship between CSR and firm financial performance; Teoh, Welch, and Wazzan (1999) who found no relationship at all between CSR and financial performance; Aupperle, Carroll, and Hatfield (1985) who also documented no relationship between CSP (Independent variable) and risk adjusted return on asset (Dependent variable).

The research findings regarding each independent variable on the dependent variable documented that both all the independent variables, environmental, community and employee expenditures demonstrated significant positive influence on EV. Though this discovery corroborated the discoveries made by Abdulrahman (2015) who also found significant relationship between community and employee and environmental CSR and firm value (Tobin's Q), it however contradicts the findings of Semenova, Hassel, and Nilsson (2010) as they documented significant but negative effect of social index (community development and employee welfare) on firms' market value, while environmental index was reported to have significant positive effect on market value of the Swedish Six 300 companies, and that of Fodio et al. (2013) who found positive relationship between community and employee CSR with Tobin's Q (firm value), while environmental CSR proved insignificant in determining Tobin's Q.

CONCLUSION

Despite notable display of acceptance, the financial commitment of Nigerian DMBs' on CSR has not been impressive as argued in many quarters. This is because only a negligible percentage of their income is adjudged to be committed to

the CSR cause which is perceived to be bad for the society as a whole, for the environment, for workers conditions and other community developmental efforts. Nigerian banks' spending on CSR may have some form of value relevance to them. This explains the necessity with which CSR activities should be embarked upon by the banks, considering that the value of a business in the market is an indication that the business is doing well. This, in the our opinion has the capacity to boost the banks' business, their reputation, and in turn contributes to their bottom-line as a whole.

This study recommends for the banks to maintain, and possibly increase their CSR expenditure in spite of their cost cutting agenda. Banks' managements are recommended to increase the percentage of their expenditure on environmental regeneration, sustainability and pollution abatement activities, and all other environmental sustainability projects. Banks' managements are recommended to expand their reach to possibly all the communities where they operate. It is also recommended that the welfare of employee should be taken with all seriousness, and that banks' should consider reducing other operational cost rather than engaging in massive staff retrenchment, and employment of service staff as a way of reducing cost without any proper benefit or severance scheme in place.

IMPLICATIONS

This study considers the difficulty in ascertaining the actual spending of Nigerian deposit money banks on aspect of environmental sustainability as one factor that might limit the outcome of its findings since the figures used are derived from the banks' reports on gift and donation as there are no outright reports on the financial aspect of their environmental activities. To address this limitation, the researcher selected from the list of CSR expenditure under gift and donations, as reported by all banks in Nigeria, all expenditure that relates to beautification, abatement of pollution, construction of drainages, etc. as environmental expenditure.

Also, the inability of the researcher to study the entire population of the study, due to difficulty in data availability of some of the banks, constitute another limiting factor to the findings of this study. Though the samples adopted for the study were selected through non probability method, the researcher ensured that the banks sampled are all Nigerian owned, and are quoted on the Nigerian stock exchange so as to address this limitation.

Though this research paradigm (i.e., CSR) has been patronized severally by different researchers all over the world, the importance of CSR to business cannot be overemphasized. This informed the researcher's suggestion for continuous research in this area. Future research is suggested to come in the direction of determining banks' contribution in tackling real environmental problems such as flood, waste management, abatement of pollution, erosion, afforestation activities, etc. as well as banks' employee CSR with regards to the current issue of gender and the right of women in the society. This will help address the issue of CSR in a more holistic approach, and will add to the body of knowledge regarding the concept of CSR.

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