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Impact of Corporate Social Responsibility on Firm Value of Listed Deposit Money Banks Nigeria

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ABSTRACT

This study examines the impact of corporate social responsibility on firm value of listed Deposit Money Banks in Nigeria. The study was motivated by inconsistency in measurement of CSR and conflicting findings by researchers on the relationship between Corporate Social responsibility and firm value. Thus, this study adopted the correlational and ex-post facto research designs. The secondary data were extracted from the annual report and accounts of the 10 listed Deposit Money Banks on the Nigerian Stock Exchange Market as at 31st December 2020. Data collected was analysed using Regression analysis statistical tool with the aid of statistics and data (STATA) analytical package. Findings from the analysis revealed that philanthropic corporate responsibility, ethical corporate responsibility and economic corporate responsibility have positive relationship with the firm value of deposit money banks (DMB's) listed in Nigeria. while negative relationship exists between legal social responsibilities and firm value of deposit money banks listed in Nigeria. Thus, it is recommended that board and managements of DMBS in Nigeria should avoid being penalised or fined for non-compliance or any other reason and ensure that their operations are incompliance with relevant rules and regulations and in line with all Central Bank of Nigeria circulars and ensure that investors' wealth is maximized.

KEYWORDS: *Firm value, corporate social responsibility, philanthropic responsibility, economic responsibility*

INTRODUCTION

Banking sector plays an essential role in the economy in terms of resource mobilization and allocation and it by far, the most important part of the financial system in an economy. Financial intermediaries play a dominant role in financial systems of developing economies by directing surplus funds to deficit units, thus serving as stimulants of economic growth (King & Levine, 1993). The banking sector of any economy is involved in the borrowing and lending of money for the purpose of earning profit. A growing number of studies provide empirical evidence that a well-functioning financial system accelerates long-run economic growth and development by allowing funds to more productive investment than poorly developed financial system (Goncharuk, 2016;Fabris and Luburić2017; Menicci, Paolucci, Zain and Rasit, 2016)

Despite the key role of the DMBs, some concerns remain. For instance, the Global Reporting Index (GRI) 2018 ranked Nigeria 125th which represent consistent decline in Nigeria's ranking since 2012. Its macro economy condition is worsening as it is now ranked 131st falling by 14 places, inflation (131th) is height at 15.7 percent and its budget deficit (98th) has reached 4.4 percent. Also, the issues of issues of mergers, acquisitions and takeovers bank Government institutions since the recapitalization policy of 2004 has affected investors' confidence and in turn the firm value of Deposit Money Banks in Nigeria.

Firm value is associated with stock prices and is connected to investors view of the firm's performance. Maximizing firm value is very important as it also means maximizing shareholders' wealth, which is the main objective of firms. Firm value is reflected in stock prices that are either stable or increase over time. High stock price results in high firm value and impacts the market confidence toward current firm performance and outlook for the future firm (Sudiyatno, Puspitasari, & Kartika, 2012). Thus, firm value is very important in investment decisions. Reschiwati, Syahdina, and Handayani (2020) opined that firm value is a benchmark for investors to assess the success of a company. Firm valuation is essential for deriving stock prices, an item of significance in many simulations (Keys & Biggs, 1990).

For a business to attain the objective of making profit, the business must interact with the society (Iqbal, Ahmad, Hamad, Bashir & Sattar, 2014). The business does not only interact with the society for the purpose of selling their products and services alone, but they are part of the society, hence the need to contribute to the social wellbeing of the society. This concept has changed the understanding of business objective from profit-making alone to being involved in other activities that will benefit the society (Iqbal et al, 2014).

There is a significant interest increase in Corporate Social Responsibility (CSR) and firm value over the years with contracting findings. FodioAbu-Abdissamad and Oba (2013), Servaes and Tamayo (2013), Nguyen, Tran, Le, Nguyen, Trinh and Le (2015), Gherghina and Vintilă (2016), Gazzola (2014), Kurniasari and Warastuti (2015) and Gherghina and Vintilă (2016) suggested that CSR has positive impact on firm value. Other researchers; researchers Crisóstomo, Freire and Vasconcellos (2011), Haryono and Iskandar (2015), Bardos and Gao (2020) were of the opinion that CSR does not have positive impact on firm value. While, the study of Zhaoyang, Siyu and Qingchang (2020) is hanging on the balance. These inconsistences have created a gap which this study aims to close. Hence, the need for this study to fill these gaps identified. Therefore, the purpose of this study is to empirically examine the impact of the four components of CSR (Economic responsibility, Legal responsibility, ethical responsibility and Philanthropic responsibility as propounded by Carroll (1991)) on firm value of Deposit Money Banks in Nigeria.

LITERATURE 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.

CSR is instituted on four key components, which includes, Economic responsibility, Legal responsibility, ethical responsibility and Philanthropic responsibility. Economic responsibility is the notion that profit motive is the primary objective for setting up a business entity. Legal responsibility is obeying the law; that is, the society's codification of right and wrong and play by the rules of the game. Ethical responsibility involves being moral; that is, doing what is right, just, fair and avoid harm to the society and the environment. 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. This study is therefore, intended to empirically ascertain the impact of CSR on the firm value of Deposit Money Banks in Nigeria using the four components of CSR (Economic responsibility, Legal responsibility, ethical responsibility, and Philanthropic responsibility) propounded by Carroll (1991), as a contribution to existing knowledge on Corporate Social Responsibility and Firm Value in Nigeria.

Firm Value

A focus on firm value is highly relevant to investors, but it is also pertinent to know more about the source of that value, and specifically, the extent to which it emanates from its two main components, expected future cash flows and the cost of capital. Firm value is enhanced by expectations of higher growth in cash flows, lower probability 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. The banks are experiencing pressure from various parties that demand increased attention on environmental, social, and corporate governance issues. Communication and openness to shareholders become very important in building firm value. 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.

Firm Value has to do with investors' perception of the success level of a firm, it is replicated on the constant increase in the price of the firm's share. The increase in the price of shares is an indication of the investor'strustsin the firm, as such, they are willing to pay more for the shares given that they expect a high return on investment over time.

Mostoftheliteraturesontherelationshipbetween CSRandfirm value usually make reference to stakeholder theory,which suggest that CSR positivelyimpactsshareholders' wealth as focusing on the interestsof other stakeholders will increases their willingness tosupport firms' operations (Bardos & Gao, 2020). Thus, CSR may improve customerperception and satisfaction and contributeto the enhancement of product market perception by extension the firm value.Although the customer channel is not the onlypossible channel that can explain the relationshipbetween CSR and firm value, customers' perceptionand behaviour clearly affect a company's financialperformance and firm value.

Stakeholder Theory

A stakeholder approach emphasizes the importance of investing in relationships with those who have a stake in the firm. The stability of these relationships depends on the sharing of, at least, the core of principles or values. Thus, stakeholder theory allows managers to incorporate personal values into the formulation and implementation of strategic plans. An example of this is the concept of an enterprise strategy. An enterprise strategy Hofer and Schendel (1979) building on Drucker's point describes the relationship between the firm and society by answering the question "what do we stand for?" In its original form, a stakeholder approach emphasized the importance of developing an enterprise strategy, while leaving open the question of which type of values are the most appropriate. It is very easy to misinterpret the foregoing analysis as yet another call for corporate social responsibility or business ethics. Freeman (1984) however, illustrated that value as an essential ingredient to strategic management has, indeed, set in train an inquiry into the normative roots of stakeholder theory.

Donaldson and Preston (1995) opined that stakeholder theories could be categorized from descriptive, instrumental or normative points of view. A descriptive theory would simply illustrate that firms have stakeholders; an instrumental theory would show that firms who consider their stakeholders devise successful strategies; a normative theory would describe why firms should give consideration to their stakeholders. Thus, the search for a normative justification for stakeholder takes the theory beyond strategic issues and into the realm of philosophical foundations.

METHODOLOGY

Research Design

This study adopted the correlational and ex-post facto research designs. Correlational is the design in which researchers use the correlational statistic to describe and measure the degree of association/relationship between two or more variables or sets of scores (Creswell, 2012). The ex-post facto research design was used to permit the examination of independent variables (Corporate Social Responsibility elements) in retrospect for their possible relationship with the dependent variable (firm value) of Deposit Money Banks in Nigeria.

Population And Sample

The population of this study comprises of the 15 listed Deposit Money Banks (DMBs) on the Nigerian Stock exchange market as at 31st December 2020. However, only 10 of the banks were used for the study. Out of the 15 banks, 4 were not considered for the study. Unity bank, Skye Bank and sterling bank provided abridged financial statement for some of the years which did not contain the data need of the study and Ecobank annual reports and accounts were presented in Dollars to reflect their activities in Africa as such it was not possible to separate the activities that related to their operations in Nigeria. Thus, the study used 10 and not 15 deposit money banks in Nigeria.

Method of Data Collection and Analysis

The secondary data were extracted from the annual report and accounts of the sampled Deposit Money Banks in Nigeria. The secondary data for this study is made up of Corporate Social Responsibility (CSR) components (Philanthropic Responsibilities, Ethical Responsibilities, Legal Responsibilities, and Economic Responsibilities) and firm value indicators gathered from the annual reports and accounts of the 10 of the listed Deposit Money Banks on the Nigerian Stock Exchange Market as at 31st December 2020. While the analysis was done using Regression analysis statistical tool with the aid of statistics and data (STATA) analytical package.

Test Results, Discussion of Findings and Recommendations

The following model was applied in testing the hypotheses subject to Hausman Specification test:

$$TQ = \beta_o + \beta_1 PhiRe_{it} + \beta_2 EtRe_{it} + \beta_3 LegRe_{it} + \beta_4 EcoRe_{it} + \beta_5 FirSi_{it} + \beta_6 FirGr_{it} + LeV_{it} + e_{it}$$

Where: Firm Value = Tobin's Q, PhiRe = Philanthropic Responsibilities, EtRe = Ethical Responsibilities, LegRe = Legal Responsibilities, EcoRe = Economic Responsibilities, FirSi = Firm Size, FirGr = Firm Growth, LeV = Leverage and e_t, = is the error term.

Table 1. Operationalisation and Measurement of Variables

S/No	Variables	Measurement
1	Firm Value = Tobin's Q	The Chung and Pruitt (1984); modified Tobin's Q, was adopted. Tobin's Q = (MVE + PS + DEBT)/TA Where: MVE = The firm's share price multiplied by its common stock shares outstanding PS = The liquidating value of a firm's outstanding preferred stock DEBT = The firm's short-term liabilities and net of short-term assets + the value of the long-term debts TA = The firm's total assets
2	Philanthropic Responsibility (PhiRe)	The Philanthropic responsibility was measured by Total Donations and other community investments as in Global Responsibility Initiative (2012

3	Ethical Responsibility (EtRe)	Financial reporting quality was measured in line with Chang, R., W. Shen, and C. Fang. (2008) measurement (loan loss provision) $LLP_{it} = \beta 0 + \beta_1 CO_{it} + \beta_2 B\_BAL_{it} + \varepsilon_{it}$ Where: *LLPit:* loan loss provisions for the firm I in year t *COit:* loan charge-offs for firm i in year t *B_BALit*: the beginning balance of allowance for bad debts *ε*: residuals *t*: year i: firm
4	Legal Responsibility (LegRe)	Total number of incidents of non-compliance with regulations and voluntary codes concerning product/service information. as in UNCTAD (2008); Sawhny (2008); Global Responsibility Initiative (2012)
5	Economic Responsibility (EcoRe)	Logarithm ROE: Log(NET Profit After Tax/Shareholders Equity
6	Firm Size (FirSi)	The logarithm of total assets. A natural logarithm is applied to mitigate problems of heteroscedasticity which is usually associated with large figures as in Akinlo and Asaolu (2012); Fodio, Abu-Abdissamad, and Oba (2013)
7	Firm Growth (FirGr	The change in total assets. i.e. total assets for the present year – total assets of previous year/ total assets of the present year, as in Fodio, Abu-Abdissamad, and Oba (2013)
8	Leverage (LeV)	Leverage is measured as the ratio of the total debt level of the firm to its net asset value, ss in Akinlo and Asaolu (2012); Crisóstomo, Freire and Vasconcellos (2011) = Debt/Net Asset

Source Researcher Compilation (2021)

Correlation Matrix

This section presents the Pearson correlation Coefficients of the variables of the study, describing individual relationship between the dependent variable and the entire explanatory variables. On the other hand, the relationship of the explanatory variables and themselves is also describe and the extent of their significance.

Table 2. Correlation Matrix

Variables	Tobinq	Phire	Etre	Legre	Ecore	Firsi	Firgr	Lev
Tobinq	1.000							
Phire	0.053	1.000						
Etre	-0.745	-0.006	1.000					
Legre	-0.041	0.090	-0.060	1.000				
Ecore	-0.087	0.108	0.045	0.104	1.000			
Firsi	-0.185	-0.141	-0.006	0.205	-0.005	1.000		
Firgr	-0.129	-0.072	0.116	0.014	0.130	-0.091	1.000	
Lev	-0.011	-0.084	-0.072	-0.108	-0.130	0.067	-0.069	1.000
Source: STATA 11								

Table 2 shows that performance is positively correlated with philanthropic (Phire) to the tune of 5%. This implies that performance has a direct relationship with phire. Ethical (etre) is found to have a negative relationship with DMBs performance to the tune of 75%%: implying an inverse correlation between the two variables. Performance recorded a negative relationship with legal responsibility (legre) at a magnitude of 4%. This shows a correlation between the two variables in the opposite direction. Economic responsibility (ecore) has a negative correlation with DMBs performance thus implying an inverse relation at a magnitude of 8%. Firm size has a negative correlation with performance of the deposit money banks listed in Nigeria at a magnitude of 18%% implying an inverse relationship between firm size and performance of the DMBs. Performance was found to have negative magnitude of relationship with the firm growth (firgr) at about 12%. This implies that performance and firm growth (firgr) moved in different/opposite direction and at the same magnitude.

For the association between philanthropic (phire) corporate social responsibility and other independent variables, specifically ethical responsibility (etre) a negative relationship was recorded to the tune of 0.6%. However, these relationships can be regarded as a weak one as it wasn't significant. Legal responsibility and economic responsibility were positively related to philanthropic (phire) corporate social responsibility at 9% and 1% respectively. However, all of the variables were not strongly correlated.

Ethical corporate social responsibility (etre) and legal corporate social responsibility (legre) have correlated negatively to the tune of 6% which is considered not too strong. Meanwhile, ethical corporate social responsibility (etre) and economic corporate social responsibility (etre) were found to have positive associations as evidence in the above Table 2 with a value 0.108 (10%). This relationship is also considered not too strong. While on the other hand, Legal responsibility (legre) has a positive relationship with economic corporate social responsibility (ecore) to the tune of 10%.

Generally, the relationship among the independent variables of the study themselves were found to be insignificant. Therefore, on the overall variables, according to Cassey & Anderson (1999), to establish the presence of multicollinearity in the correlation matrix, the Variance Inflation Factor (VIF) and tolerance values is used and were found to be consistently smaller than ten and one respectively, indicating an absence of multicollinearity (See table 3) below. However, to further substantiate this position, table 3 below present the result of the multicollinearity test.

Table 3. Multi collinearity Test

Variables	VIF	1/VIF
FIRSI	1.090	0.915
LEGRE	1.090	0.918
PHIRE	1.060	0.943
ECORE	1.050	0.949
FIRGR	1.050	0.950
LEV	1.050	0.957
ETRE	1.020	0.976
Mean VIF	**1.060**	
Source: STATA 11		

Table 3 above shows the result of the multicollinearity test for the dependent and independent variables. The test result of each variable ranges within the acceptable benchmark. Hence, in this study variance inflation factor (VIF) and tolerance values (TV) were revealed to be consistently smaller than 10 and less than 1 respectively for all the explanatory variables in the regression result. However, the mean VIF of 1.060 supplements this claim, therefore, multicollinearity is not a threat to the validity of the study result.

Post-Estimation Test

This section presents the results from the post-estimation tests conducted. The post-estimation test conducted include: test of heteroscedascticity and hausman specification test. This test was presented and discuss in table 4 below:

Table 4. Post-estimation Test

Test	Chi2	P-Value
Hettest	39.420	0.000
Hausman Test	0.360	0.990
Source: STATA 11		

Heteroscedasticity Test: the result presented in table 4 above indicated the test of hetroscadesticity for the regression model. The result obtained from the hetroscadestiicity test indicated a chi square value of 39.420 with a probability value 0.000 which is significant at 1%. This indicates that there is presence of heteroskedasticity in the regression model. This makes the interpretation of Ordinary Least Square (OLS) not suitable because of the possible violation of the classical assumptions of OLS. However, steps were taken to correct it by going further to run for fixed and random effect regression model.

Hausman Specification Test: The output result of the test indicated they are correlated because the probability value of the hausman is not significant (0.990) which guided us to interprete random effect model. However, because of the presence of hetroscadesticity we went further to correct it by running the panel corrected standard error (PCSE) regression model. However, this makes it possible to opt for the interpretation of the panel corrected standard error (PCSE) result.

Hypotheses Testing

Table 5. Summary of Regression Result

Panel Corrected Standard Error (PCSE Model)				**Fixed Effect (FE Model)**			**Random Effect (RE Model)**			**Pool OLS (Pool Model)**		
Variables	**Coefficient**	**Z-values**	**P-value**	**Coefficient**	**T-values**	**P-value**	**Coefficient**	**Z-values**	**P-value**	**Coefficient**	**T-values**	**P-value**
Phire	0.576	2.650	0.008	0.561	2.440	0.016	0.576	2.550	0.011	0.576	2.550	0.012
Etre	0.684	2.650	0.008	0.687	2.450	0.016	0.684	2.480	0.013	0.684	2.480	0.015
Legre	-0.150	-0.430	0.669	-0.125	-0.330	0.744	-0.150	-0.400	0.689	-0.150	-0.400	0.690
Ecore	0.184	3.950	0.000	0.180	3.580	0.001	0.184	3.830	0.000	0.184	3.830	0.000
Firsi	0.482	2.100	0.036	0.494	1.990	0.050	0.482	1.980	0.048	0.482	1.980	0.050
Firgr	0.258	1.550	0.121	0.243	1.340	0.184	0.258	1.450	0.147	0.258	1.450	0.150
Lev	-0.120	-7.320	0.000	-0.118	-7.880	0.000	-0.120	-8.180	0.000	-0.120	-8.180	0.000
Constant	0.386	1.630	0.104	0.394	1.560	0.122	0.386	1.570	0.111	0.386	1.570	0.119
Wald chi/F-Statistics			**239.760**			**29.730**			**218.800**			**31.260**
P-value			**0.000**			**0.000**			**0.000**			**0.000**
R-square			**0.682**			**0.680**			**0.682**			**0.682**
Adj. R-quare												**0.660**
Source: STATA 11												

Table 5 above shows that the cumulative R2 of 0.682 for which is the multiple coefficients of determination, gave the proportion of the total variation in the dependent (performance) variable as explained by the independent variables (philanthropic, ethical, legal and economic) corporate social responsibility jointly. Hence, it signified that 68% of the total variation in performance of listed Deposit Money Banks in Nigeria is accounted for by the proportion of philanthropic, ethical, legal and economic corporate social responsibility variables used in this study. The Wald-chi Statistics value of 239.760 which is significant at 1%, indicates that corporate social responsibility attributes and performance model is fit. It implies that for any change in corporate social responsibility of the listed Deposit Money Banks in Nigeria, performance (tobinq) will be affected directly. The P-value of the Wald-chi test which is statistically significant at a level of 0.0000 implies that there is 99.9% assurance that the relationships among the variables were not due to mere chance. As such, the results from the regression can be relied upon.

In addition, it implies that the independent variables reliably predict the dependent variable of the study.

Table 6. Hypotheses Testing

Panel Corrected Standard Error (PCSE Model)			
Variables	**Coefficient**	**Z-values**	**P-value**
Phire	0.576	2.650	0.008
Etre	0.684	2.650	0.008
Legre	-0.150	-0.430	0.669
Ecore	0.184	3.950	0.000
Firsi	0.482	2.100	0.036
Firgr	0.258	1.550	0.121
Lev	-0.120	-7.320	0.000
Constant	0.386	1.630	0.104
Source: STATA 11			

The table 6 above shows all the independent variables of the study (philanthropic social responsibility, ethical social responsibility, legal social responsibility and economic social responsibility) firm size, firm growth and leverage here are control variables. Therefore, it can be observed from the table above 8 that the entire independent variables are statistically significant at all level of significance (1%) except for legal corporate social responsibility which is not significant at any level. Thus, the implication here is that, the model is fit, variables are properly selected, combined and used for the study. Therefore, the test of individual hypothesis is presented as follows:

Ho1: philanthropic corporate social responsibility has no significance effect on the firm value of deposit money banks listed in Nigeria.

From table 6 above, Philanthropic corporate social responsibility measured as the natural log of total amount spent by the DMB on philanthropic social responsibility. The result revealed a positive statistical relationship at 1% significance level between philanthropic social responsibility and firm value of DMB's. Therefore, in line with the finding Hypothesis 1, Ho, is rejected.

Ho2: Ethical corporate social responsibility has no significant influence on firm value of deposit money banks (DMB's) listed in Nigeria.

From table 6 above, ethical corporate social responsibility measured as the natural log of total amount of money spent by the DMB's on ethical social responsibility. The finding reveals that ethical corporate social responsibility is positively and statistically influencing firm value of DMB's listed in Nigeria at 1% level of significance. However, the finding is not surprising both on sign and effect. Thus, this provides evidence for rejecting hypothesis two of the study. Thus, Ho is rejected.

Ho3: Legal corporate social responsibility has no significant effect on firm value (Tobin's q) of deposit money banks (DMB's) listed in Nigeria.

From table 6 above, the result of legal corporate social responsibility is not contrary at all, legal corporate social responsibility as a measure of natural logarithms of legal fine as a result failure to discharge socially responsible activities and revealed a negative association which is not significant at any level with firm value (Tobin's q) of deposit money banks (DMB's) listed in Nigeria. Therefore, this finding provides evidence of failing to reject hypothesis three of the study. Thus; for hypothesis 3, Ho is failed to be rejected.

Ho: Economic corporate social responsibility has no significant impact on the firm value of deposit money banks (DMB's) listed in Nigeria.

Finally, table 6 above, economic responsibility as a measure of natural logarithms of total amount spent by the DMB as economic social responsibility was found to have a positive significant and statistical influence on firm value (Tobin's q) of listed DMB's at 1% level of significance. However, this finding was consistent with our prior expectations. Therefore, this result forms the basis of rejecting hypothesis four. Thus; Ho is rejected.

DISCUSSION OF FINDINGS

Philanthropic Corporate Social Responsibility and Firm value

From the table above 5, it is observed that the z-value for philanthropic (phire) is 2.650 and a beta coefficient of 0.576 with a p-value value of 0.000. This signifies that philanthropic corporate social responsibility positively and statistically influences firm value (Tobin's Q) of listed deposit money banks (DMB's) in Nigeria. This implies that for every 1% increase in the philanthropic corporate social responsibility (CSR) engage by deposit money banks their firm value as measured by Tobi's q will improve positively. In other words, this result implies that for every single increase in the philanthropic CSR participation by listed DMBs in Nigeria, the better will be their firm value as measured by Tobin's q. This result is not in any way surprising as promoting social activism or welfare of the immediate community by the DMB's translate to customers as extent concern to them by the said DMB. This notion gives them confidence and encourage to save more in the bank which will letter be disburse as facility (credit) by the banks. Thus, banks credit lending is their investment for interest purpose, hence, improving firm value of the participating DMB.

In addition, practically direct CSR participation inform of welfare to the immediate community encourage them to save more in the bank, because of the feeling they have that such bank touches their lives directly, therefor, the DMB's can lend more from their available deposit which will invariably affect their firm value positively. This result support the result of Carroll (1991); Fodio et al., (2013).

Ethical Corporate Social Responsibility and Firm value

The regression result revealed that, the ethical corporate social responsibility (etre) as depicted in table 5 have a z-value of 2.650 and a coefficient beta value of 0.684 with a p-value of 0.000. This signifies that ethical responsibility have a positive and statistical effect on the firm value of listed deposit money banks (DMB's) in Nigeria. This indicates that for every 1% increase in ethical responsibility will lead to a similar increase in the firm value of the deposit money banks (DMB's) listed in Nigeria. Another explanation is that the more the deposit money banks (DMB's) listed in Nigeria engaged in participating in ethical corporate social responsibility the better will be their firm value as measured by (Tobin's q). This result is not surprising as it did not contradict researchers' expectation that considering the ethical nature of the domain (DMBs) in dealing with their stakeholders responsibly will of no doubt contributes to increase in their firm value as measured by (Tobin's q).

Legal Corporate Social Responsibility and Firm value

From the table above 5, it is observed that the z-value for legal (legre) corporate social responsibility is -0.430 and a beta coefficient of -0.150 with a p-value value of 0.669. This signifies that legal corporate social responsibility negatively influences firm value (Tobin's Q) of listed deposit money banks (DMB's) in Nigeria. This implies that for every increase in the litigation on DMB's for not discharging its proper corporate social responsibility (CSR) it will affect it will not have any significant influence on it firm value as measured by Tobin's Q. In other words, this result implies that for every single increase in the court litigation on banks for avoiding CSR activities the expected return on investment which is the firm value will not be affected. This result is not in any way surprising considering the fact that corporate social responsibility is not mandatory and not backed by any law or enactment rather is a way of compensating to the community the damaging effect caused by the activities of a particular company. Therefore, neglecting corporate social responsibility by a firm is not expected to have any effect to the company.

Economic Corporate Social Responsibility and Firm value

In addition, the result of economic social responsibility (ecore) revealed a z-value of 3.950 and a beta value of 0.184 with a p-value of 0.000. This signifies that for every 1% increase in economic corporate social responsibility will lead to a significant increase in the firm value (Tobin's q) of listed deposit money banks in Nigeria. This result is consistent with the study's prior expectations that economic corporate social responsibility is normally translate vividly to the outside world and especially the immediate community in which the DMB's operate. This is expected to boost depositors and borrowers' moral in saving and sourcing for facility (loan) in the said DMB's which may enhance their deposit liabilities. Thus; deposit mobilization constraints banks' ability of extending credit to the deficit economic unit of the economy. These however, may improve the bank's firm value (Tobin's q) positively.

CONCLUSION AND RECOMMENDATIONS

Based on the discussion and analysis in the preceding chapter, the study concludes that, first, the study has provided both empirical and statistical evidence on the utility of four explanatory variables of philanthropic responsibility, ethical responsibility, legal responsibility and economic responsibility in predicting the explained variable (firm value) of deposit money banks listed in Nigeria. Secondly, philanthropic responsibility impact on the firm value of deposit money banks (DMB's) listed in Nigeria positively because of its philanthropic social activities directly affect community therefore, may have a positive relationship with the firm value. Thirdly, it was found that a positive association exists between ethical responsibility and firm value of deposit money banks listed in Nigeria. This suggests that ethical responsibility play a famous role in reducing the firm value of DMB's in Nigeria. Therefore, higher proportion of money spent on ethical corporate social responsibility of DMB's listed in Nigeria the more likely increase the firm value of DMB's. Fourth, it was found that negative association exists between legal corporate social responsibility and firm value of deposit money banks (DMB's) listed in Nigeria. However, DMB's that was charge with a fine for violating or undermining fundamental human right of not aa it proper social responsibility leads to reduce firm value though not significant. And finally, a positive and significant association was discovered between economic corporate social responsibility and firm value of deposit money banks (DMB's) listed in Nigeria. However, when the economic responsibility is high, there is a greater likelihood that the firm value will increase also significantly.

In line with the findings and conclusion, we therefore recommend that board and managements of DMBS in Nigeria should avoid being penalised or fined for non-compliance or any other reason and ensure that their operations are incompliance with relevant rules and regulations and in line with all Central Bank of Nigeria circulars. The DMBs in Negeri should ensure that investors' wealth is maximized by ensuring that they are paid dividend of at least N150 kobo per share. This will attract more investors locally and internationally and in turn improve their firm value and as also boost depositors' confidence on the banks. This in will encourage the public in saving more and investing significantly for improved firm value.

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