International Journal of Innovative Finance and Economics Research 9(2):13-22, April-June, 2021

 www.seahipaj.org ISSN: 2360-896X

Corporate Social Responsibility And Market Value Of Oil Producing Companies In Rivers State

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ABSTRACT

The debate as to what constitute the core objectives of the company vis-à-vis their involvement in social services within the work environment has evoked rival arguments among scholars, researchers, investors, shareholders, managers, business owners, government and the community. Despite the efforts so far, the balance between corporate social responsibility and its impact on market value of the enterprise has not been met thus this study. Therefore the researcher considered corporate social responsibility on three factors; Global Reporting Initiative, National Development Goal and Community Investment. The target population was Oil Industry but the accessible population was four Oil Producing Companies in Rivers State; (Belema Oil Producing Ltd., Nigeria AGIP Oil Company, Nigeria Liquefied Natural Gas and Shell Petroleum Development Company with a population of 200 management staff a sample of 133, using the Krejcie and Morgan table while 116 respondents was used to test the level correlation. The result proofed that all the three factors of corporate social responsibility have positive and significant correlation (rh0 = 0.765, 0.785 and 0.778, p = 0.000 < 0.05 confidence level) respectively with the market value of Oil Producing Companies in Rivers State. We therefore conclude that corporate social responsibility is crucial to improve market value of Oil Industry. It is recommended that there should be regular environmental impact assessment and adequate remediation exercises in the impacted area and the community should be oriented to respect the right of the companies to exist without interference knowing that corporate social responsibility is a privilege and does not constitute company's objectives. Further research should involve the entire Nigeria.

Keywords: Corporate Social Responsibility, Market Value, Oil Producing Company, Rivers State.

INTRODUCTION

The form to which one decides to look at CSR is a function of the industry and company you wish to investigate. From side to side of CSR programs, charity, and unpaid helper efforts, enterprise can do good to the public while enhancing their own trade names. CSR is as beneficial to the community just as it is to the community. CSR practices is capable of forming a stronger relationship between labour and the organization; increase self-confidence and can assist mutually the labour and management to sense supplementary united with the environment of business which will in turn appreciate in the market value. Sequentially, it is imperative to state that; company should be responsible to itself and its business owners first for it to be socially responsible. Habitually, enterprises that accept CSR programmes have developed their trade to the level where they can reciprocate to society, making CSR principally an approach of multinational. Also, the more visible and victorious corporations are, the more responsibility it has to set yardsticks of principled behaviour for its peers, competition, and industry.

In 2010, the International Organization for Standardization (ISO) released a set of charitable yardsticks meant to assist enterprise to put into practice CSR. Contrasting other ISO benchmarks, ISO 26000 provides guidance rather than requirements because the nature of CSR is more qualitative than quantitative, and its standards cannot be certified. Instead, ISO 26000 clarifies what social responsibility is and helps organizations translate CSR principles into effective actions. The standard is aimed at all types of organizations regardless of their activity, size, or location. And, because many key stakeholders from around the world contributed to developing ISO 26000, this standard represents an international consensus. Gleaning form the present standard, we are yet to see the effectiveness of these standards reflect on the lives of the people of Rivers State, thus this study. The firms in this region operate in an institutional environment that differs significantly to the environment in developed economies.

Only more recently (since 2006), after the Chinese government had issued a number of CSR reporting guidelines in its 11th Five-Year Plan for large firms to propagate the idea that China should pursue a more "harmonious society", have more Chinese firms started to issue CSR reports. But the case of Rivers State was different such that despite the efforts of UN on United Nation Environmental Programme (UNEP) reports directing the Nigerian government and Shell Petroleum Development Commission (SPDC) to remediate the oil impacted sites in Ogoni. In response to this directive, the Nigerian Government created Hydrocarbon pollution remediation Project (HYPREP) to take charge of the remediation exercise and provision of portable water and hazards free environment for the people and the company. But the big question is, has the misfortune of Ogoni and Rivers State been addressed with respect to the activities of the oil producing companies and their investment in CSR or why was the oil mining license (OML) 11 in Ogoni Land and OML 25 in Kula besieged by the host communities?

In 2018, in the model covered by our work, we still observe significant variation across the firms in the amount of information disclosed on specific CSR activities. These differences are factored into our development of hypotheses. First, our work sheds greater light on the relative merits of certain particular CSR dimensions (Global Reporting Initiative [GRI] system, National Development Goal (NDG) and Community Investment) over others in their ability to boost firm's market value in the oil sector.

This study uses number of theoretical and practical contributions that best address the problem we have investigated. Corporate social responsibility henceforth used as 'CSR', as a concept, is yet to gain a firm foothold in growing nations with feeble institutional systems, yardsticks and appeal processes like the Niger Delta Region particularly Rivers State, Nigeria. A considerable difference persists to exist in business development and environment of business between developed and developing nations despite the fact that the financial resources used for national development are most times sourced from the neglected developing economy; the case of Rivers State. It also guides managers in the prioritization of their efforts in developing socially and environmentally responsible practices that leads to greater market value for their firms and investors in this region from which the objective of this study was drawn.

Aim and Objectives of the study

The aim of this study is to examine the relationship between CSR and Market Value of oil producing companies in Rivers State focusing on the following specific objectives;

i. To determine the relationship that exists between Global Reporting Initiative (GRI) system and market value of oil producing companies in Rivers State.
ii. To determine the relationship that exists between National Development Goal and market value oil producing companies in Rivers State.
iii. To determine the relationship that exists between Community Investment and market value oil producing companies in Rivers State.

Research Questions

i. Global Reporting Initiative (GRI) system does not relate to market value oil producing companies in Rivers State?
ii. National Development Goal does not relate to market value oil producing companies in Rivers State?
iii. Community Investment does not relate to market value oil producing companies in Rivers State?

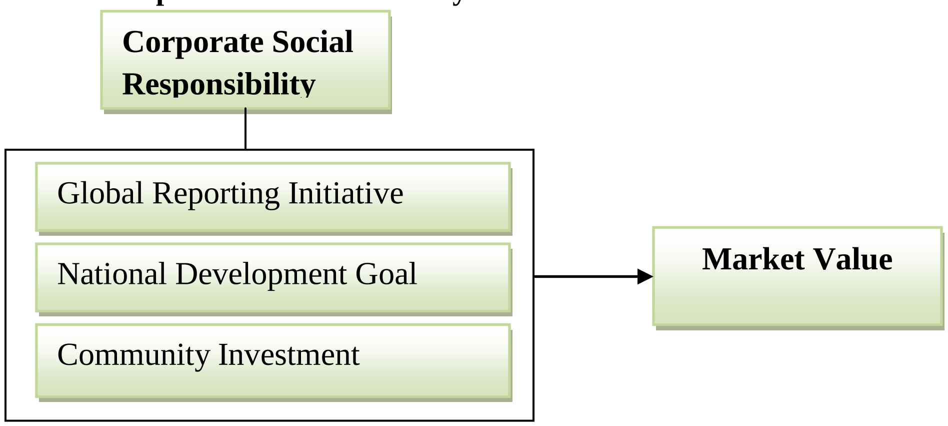
Research Hypotheses

$H0_{1:}$ There is significant relationship between Global Reporting Initiative and market value oil producing companies in Rivers State.

$H0_{2:}$ There is a significant relationship between National Development Goal and market value oil producing companies in Rivers State.

$H0_{3:}$ There is a significant relationship between Community Investment and market value oil producing companies in Rivers State.

Figure 1: Conceptual Model of the Study



Source: Desk Researcher (2019)

LITERATURE REVIEW

Conceptual clarifications

Corporate social responsibility (CSR) otherwise called corporate citizenship is a self-determining enterprise replica that supports companies to be publicly responsible to themselves, business owners, and the community. By practicing CSR, organisations can be aware of the type of collision meted on all aspects of the public including environmental, social, and economic activities. A business is said to embark on CSR when they are operating in ways that improve the host community and the environment than engaging on exploiting, polluting and degrading the environment and causing negative contribution to the society.

The market value stands for the price of an enterprise according to the stock market. It is the cumulative market value in dollar amount. Whilst market value is a common expression that signifies the price an asset would worth in the market, it symbolizes the market capitalization in the relative organizations. For example, enterprise ABC "buy and sell" at $10 per share and has 1000 shares to offer, then by multiplying the price per share with the number of shares shows that the company worth a market value of $10000.

Oil Producing Companies as referred to in this study are those companies involved in exploration and of crude oil deposit. They bring into being other products such as petrochemicals, petroleum, and natural gas. On the other hand, Rivers State with the capital in Port Harcourt is an Oil rich State in Niger Delta region in Nigeria. It was endowed with huge crude oil deposits which has attracted several foreign and local investors in diverse sphere of the economy. The concentration of the multinational and indigenous oil companies in the state necessitated our choice of carrying out this study in Rivers State,

In the proceeding segments, we provide a review of the literature on the link between firms' investment in CSR and market value that will explain the interactions between the study variables focusing on developed hypotheses to be tested.

Conceptual Review

Steiner and Steiner (2002) posit that social responsibility includes the duty of the corporation to create wealth by using means that would avoid harm to, protect, or improve the assets of the society. On the view of Fredrick, Post, Davis (1992) corporate social responsibility expresses the idea that business firms should help solve social problems as they pursue their traditional economic and goals and objectives. Corporate social responsibility has been also argued by Post, Lawrence and Weber (1999), they said that company supposed to be held responsible for every of her activities that have an effect on citizens, society and the surroundings. Notwithstanding huge experimental examinations in the past 10 years and more, there remained substantial arguments and indecisiveness in relation to the questions on the effect of CSR on market value.

Even as lots of meta-analytic assessments suggested that there is a positive (although small) relation between the execution of CSR strategies and dollar worth, uncertainties persist due the influence of deficiencies in positive publication bias; sample size and methodology used in those works that have examined this relationship, the maturity of institutional systems as the moderator and its effects on environmental factors and the competence of market mechanisms available in diverse economies and the inconsistency in the organisational practice of CSR (instrumental, isomorphic and political) by companies.

Being familiar with the noticeable ineffectiveness of examining this direct result, examiners have advocated a fresh study plan that is focused on a detailed analysis of their relationship. This involves comprehending the clear-cut fundamental means that connect Corporate Social Responsibility investments to market value, evaluate the influence of related features such as nations context on the relationship, separating the CSR constructs into more precise elements, and designed works that surmount a few of the research's methodological and data analysis errors that are in the current research works. For instance, Williams and Siegel (2000) was against and warned that a model should not rule out significant tactical variable such as Research and Development strength while trying to clarify organisations as such model would propose increasingly prejudiced estimate of the economic impact of CSR on market value of the organisations.

For over a decade, more than 75 journals have experientially examined the associations between CSR and market values, thus many among researchers held that this is one of the most ornately investigated perspectives in the philosophies of commerce and administration. On the other hand, the result has been ambivalent by looking at the enormity and symbol of the relationship that is hold up to. Despite the fact that some examiners discovered an optimistic relationship between the two ideologies, others have acknowledged a pessimistic relationship or no association between CSR and Market Value.

McWilliams and Siegel (2000) likewise cautioned of significant hypothetical and exact constraints tormenting the current examinations and feature the hazard presented by the oversight of factors that are significant determinants of gainfulness, for example, R&D speculation to the precision of results. They demonstrated that when the model is appropriately indicated to incorporate R&D power, CSR neutrally affects market value. To comprehend this disarray, various precise audits utilizing meta-scientific methodologies have been done. These surveys for the most part support the contention that there is a factually huge positive connection between the two builds however the size of the watched relationship stays little.

What's more, they recommended that the connection between the two constructs is probably going to be increasingly unpredictable, and it is yet to be comprehended whether the relationship is genuinely causal. In view of the results of these meta-investigative examinations, a few analysts guarantee that CSR is an advantageous venture as it empowers firms to "do well by doing great" and that it is in accordance with firms' quest for financial advantage. Theoretically, claims have been made in support of instrumental stakeholder theory and the rejection of using employees as tools, exploiting the host and polluting the environment that is observed in Rivers State.

Different researchers have utilized meta-expository investigations to urge alert in deciphering this impact. For instance, Rost and Ehrmann 2015) demonstrated that there is critical distribution inclination towards concentrates that demonstrate a positive connection among CSR and market esteem. Quazi and Richardson (2012) exhibited that the example size and methodological approaches utilized in concentrates that have examined this relationship fundamentally affected impact and its course. Correspondingly, Qian, Junsheng and Shenghua (2015) demonstrated that estimation systems for the two builds clarified a few varieties in their relationship. Qian et al (2015) additionally demonstrated that the directing impact of ecological factors, for example, the institutional frameworks and proficiency of market instruments present in various nations impact the connection among CSR and market an incentive with this relationship being more grounded for firms in developed nations than for firms in developing nations.

The Effect of Politics in Executing CSR

Furthermore, Vishwanathan (2017) revealed that; of the three different ways (instrumental, political and isomorphic) in which firms use CSR, instrumental and isomorphic use (strategic and legitimizing) result in positive performance outcomes, while political use is associated with negative outcomes. The effect of this is a reflection of the ongoing attack on BELEMA OIL producing company at Ogoni and Kula communities of River State in 2014 and 2019 respectively by government enforcing SPDC who have operated in their land for decades without meaningful CSR or development presence to continue their operation without addressing the plight of the host communities. Notwithstanding, BELEMA OIL who started her operation few year ago has touched the lives of the people in diverse means; human capital development, infrastructural development and healthcare services to mention few to compare with the SPDC presence the communities.

This proposes institutional possibilities shape the CSR-execution result. In general, the meta-systematic examinations while explaining a few parts of the relationship featured the requirement for further research to shed more noteworthy clearness. The motivation of their exploration isn't proposing that business as usual sort of essential observational investigations that have been done in the past should be directed. Or maybe, it underscores the need to seek after a more nuanced investigation of the connection which can be accomplished in definite number of techniques.

In the first place, there is a need to comprehend the components that bind CSR practices to firm execution. Vishwanathan, van Essen and van Oosterhout (2012) find that organizations advantage monetarily when CSR is utilized to improve their notorieties, co-pick basic partners, moderate firm hazard, and kick off advancement/innovation.

Secondly, there is a need to all the more likely comprehend the particular setting wherein the relationship is certain comparing to the settings where it isn't. Mishra and Suar (2010) exhibit the pertinence and significance of the nation level setting while at the same time investigating the connection between the two builds through their examination in India where institutional condition essentially contrasts from that of developed nations.

Thirdly, there is a need to isolate CSR into personal practices level measures digressing from the present routine with regards to its assessment in total structure. While the prior methodology of assessing CSR in total structure helps in building up a comprehension of the impacts at a large scale level, the amended methodology of isolating CSR into its individual measurements expects to give a progressively itemized and nuanced comprehension of the impacts at a small scale level. To this end, there is a need to beat look into methodological and information investigation blemishes saw in before studies.

Four Criteria for Future Studies according to Margolis, Elfenbein and Walsh, (2017)

(1) Data about CSR should comprise of social estimates; for example, those got from outsider reviews with an appraisal procedure that is clear and open to approval;

(2) The examination should control industry, hazard and size;

(3) CSR practice and firm execution ought to be surveyed at various events and the heading of causality must be explained and evaluated both hypothetically and exactly; and

(4) The causal connection between the two develops ought to be enunciated and tried.

In this examination, we take up the difficulties presented by this rising exploration plan as proposed in arrangement of theories that relates individual CSR measurements to firm execution/advertise esteem.

The CSR measurements are in disaggregated structure, consequently empowering a progressively point by point comprehension of how every one of these measurements effects firm worth. Various hypothetical and exact points of view have been utilized to legitimize these connections inside the oil delivering organizations in Rivers State. As far back as the 1970s receptiveness approach, this district has pulled in a great deal of remote direct speculation attributable to its inexhaustible shabby brilliant work and has developed as a huge and significant monetary zone where firms produce raw petroleum in huge amounts for utilization around the world. It is also imperative to mention that by considering the activities of the oil producing companies in Rivers State and the individual oil company's initial market value and their present worth in the stock market vis-à-vis the CSR practices in the region, it is obvious to state that the companies are interested in increasing their market value at the expense of the neglect of the host community. The firms in this region operate in an institutional environment that differs significantly to the environment in developed economies.

Only more recently (since 2006), after the Chinese government had issued a number of CSR reporting guidelines in its 11th Five-Year Plan for large firms to propagate the idea that China should pursue a more "harmonious society", have more Chinese firms started to issue CSR reports. Unlike China and other developed economies, CSR activities in the oil sector in Rivers State has been a herculean task, in (2006) UN passed a bill on the Ogoni Cleanup exercise of oil impacted sites but it should be surprising to state that after the skeletal impact assessment carried out by BELEMA OIL around 2014, nothing has been done until recently near the end of 2018 that the government announced the commencement of the remediation exercise that is yet to be actualized as at the time of conducting this research. The effect of this is not just detrimental to the community but also has a way of affecting the market value of the companies. This is because companies are losing their key material and nonmaterial assets; some companies in the region have folded due to incessant kidnapping and attacks on their investments leading to loss of assets, customer and market value. Up till date there are observe significant variations across the firms in the region in the amount of information disclosed on specific CSR activities. These differences are factored into the yet to test hypotheses.

Theoretical Foundation and Development of CSR Practices/dimensions

These policies/practices are consistent with those identified in other studies.

Table 1. **CSR policies/practices**

S/N	CSR Policies/Practices
1.	GRI Reporting
2.	Standalone CSR Reporting
3.	Human rights in Code of Conduct
4.	UN Global Compact
5.	Carbon Disclosure Project
6.	Measurement of Greenhouse Gas Emission
7.	Environmental Reduction Targets
8.	Stakeholders Engagement with Suppliers
9	Stakeholders Engagement with Trade Unions
10.	Equal Opportunities Policy for All Employees
11.	Overtime Compensation System
12.	Ethical Purchasing Policy
13.	Monitoring suppliers
14.	Alignment to UN Millennium Development goals and/or National Development goals
15.	Measurement of Community Investment impact

Source: CSR Asia–Oxfam HK Report (2017)

Corporate social responsibility and market value

In economies that are developed already, the issuance of CSR reports has been distinguished as a significant determinant of the degree to which interests in CSR would emphatically effect firm worth. CSR revealing is ordinarily utilized as a component through which firms share data to partners about their way to deal with natural, network, worker and shopper related issues. Nonetheless, moderately little is thought about the potential effect that comparative announcing may have on firm an incentive in developing financial areas, for example, Rivers State. Estimating this impact is significant for the district in light of the fact that the outcomes will give important direction to firms meaning to put resources into comparative activities.

As Marquis and Qian (2014) contend with regards to China, firms are intending to pick up generosity with government organizations and controllers by issuing CSR to have networks, along these lines accomplishing more prominent access to assets. This pattern is all around upheld by a report from ChinaCSR.com (2017) which expresses that "organizations are proactively contacting draw in Government, customers, speculators, and providers in multifaceted activities to reinforce lawful consistence, make better brand value, fortify monetary oversight, and guarantee sound assembling standards". This assessment is repeated by Brown (1998) who proposes that "genuine status is a sine qua non for simple access to assets, unhindered access to business sectors, and long haul survival.

Garay and Gonzalez (2008) finish up, in view of their investigation of firms in Venezuela, that on account of creating economies with generally low speculator insurance, great corporate administration practices and strategies could be utilized as a productive component for firms that need to separate themselves to pull in financial specialists. Their outcomes are steady with the hypothetical model introduced by La Porta, Lopez-De-Silanes, Shleifer and Vishny, (2002) where the beneficial outcomes of good corporate administration rehearses on firm worth are clarified by the higher certainty of their financial specialists and the eagerness of these speculators to give money to the firm at a lower cost, which is thusly reflected in higher valuation. Additionally, McWilliams and Siegel (2001) stress the significance of conveying an association's CSR activities to its partners to advance more noteworthy attention to these practices.

METHODOLOGY

The researcher adopted the cross-sectional research survey design for the study. The study investigated four oil producing companies (Shell Petroleum Development company (SPDC), Nigerian Agip Oil Company (NAOC), Nigeria Liquefied Natural Gas (NLNG), and BELEMA Oil Producing Ltd) out of the six major oil producing companies in Rivers State (Corporate Affairs Commission [CAC], 2018). Within these companies are 200 managers but sample size of 133 respondents was selected using Krejcie and Morgan (1970) sample determination table. The reliability test proved that the instrument used for the study was fit at above 0.70 Cronbach alpha coefficient by the aid of special package for social sciences (SPSS) having been validated by senior scholars while after sorting, 116 instrument with usable data was statistically correlated.

RESULTS

The demography of the respondents was determined through frequencies, percentage, mean and standard deviation using descriptive statistics. The aggregate mean scores (X-Value) of between 4.00 and 5.00 indicates that the respondents were more supportive that both variables shared a relationship though not too strong. While inferential statistical analyses were applied to ascertain the strength and direction of the relationship using the Spearman's Rank Order correlation Coefficient.

The result on table 2 below indicate that the entire formal bivariate hypotheses; $H0_{1,}$ $H0_2$ and $H0_3$ were scientifically proofed to have significant relationships as all the correlation coefficient showed high degree of relationships at rh0 = 0.765, 0.785 and 0.778, $p = 0.000 < 0.05$ confidence level respectively. The implication was that neglect to the CSR in oil producing companies in Rivers State will foster deficit to the market value of these oil companies.

Table 1: Correlation matrix for dimensions of CSR and Market Value

			Global reporting initiative	**National Development Goal**	**Community Investment**	**Market Value**
Spearman's rho	Global reporting initiative	Correlation Coefficient	1.000	.764**	.771**	.765
		Sig. (2-tailed)	.	.000	.000	.000
		N	116	116	116	116
	National Development Goal	Correlation Coefficient	.764**	1.000	.627**	.785
		Sig. (2-tailed)	.000	.	.000	.000
		N	116	116	116	116
	Community Investment	Correlation Coefficient	.771**	.627**	1.000	.778
		Sig. (2-tailed)	.000	.000	.	.000
		N	116	116	116	116
	Market Value	Correlation Coefficient	.765	.785	.778	1.000
		Sig. (2-tailed)	.000	.000	.000	
		N	116	116	116	116

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

Source: SPSS 21.0 output (2019)

DISCUSSION OF FINDINGS

In this study, we empirically investigated the relationship between the two variables and test the relative significance of different dimensions of CSR on market value. Our study involves oil producing companies in Rivers State. The results show that Global Reporting Initiative, National Development Goal and Community Investment are significantly associated with market value of the selected oil companies. Also, none of the dimensions displayed a significant negative relation with firm value. Furthermore, the study by (Singh, Sethuraman & Lam, 2017) found that there was support for the hypothesis that the effect of CSR practices on firm's market value follows an inverted U-shaped relationship over time, suggesting that the rate of impact of CSR initiatives on firm value increases steadily to a maximum in the initial years after their adoption and gradually fades away in subsequent years.

The implication is that enterprise that prioritizes CSR as though it is part of their company's objective will break-even in their early years of operation but later experience downturn in subsequent years and may result into entropy. Therefore CSR as good as it is should be a bilateral venture whereby each party reciprocates proportionately to each other. Despite the inverse relationship at the long run, appropriate CSR practices is capable of elongating entropy and achieve a higher market value as well as competitive advantage. For example, BELEMA OIL Producing Ltd has in the few years of operation at KULA community in Akukutolu LGA of Rivers State attained milestones against the big Oil multinationals in the region. While the operation terminals of the multinationals are besiege by the angry members of the community asking them to quit, the same members of the community are voluntarily donating large portions of their land to BELEMA OIL Producing Ltd to continue operation. And as we write, BELEMA OIL claims to produce over 10.2 million crude oil barrels per a day according to business news, 93.7 FM broadcasts, 13th June 2019 thereby increasing their market value at the expense of the multinationals that are facing business closure, divestment and relocation or leaving the shores of the biggest oil hub in Nigeria.

However, the relationship between CSR and market value cannot be over emphasized, it is apparent that the government and the operators of this sector deliberately formulate bills and strategies to enrich themselves and increase their market values respectively while leaving the host community in abject poverty. This is linked to their inability to work in accordance with some stipulated guidelines which include but not limited to the Petroleum Industry Governance bill (PIGB), National Development Goal (NDG), lackadaisical concern on the Global Reporting Initiative (GRI) and Community Investment which were expected to positively affect all the stakeholders in the oil industry if adequately harmonized into the system.

In 2010, the International Organization for Standardization (ISO) released a set of voluntary standards meant to help companies implement corporate social responsibility, (example ISO 26000) but all that we get is companies complaining for loss of barrels of oil and drop in dollar price instead of a redress to the plight of the people. Our study found that neglect on investment in CSR has high effect on market value of the Oil Producing Companies in Rivers State where particularly Community Investment correlated with Market Value at 0.778 as well as other factors considered in this study.

CONCLUSION

The results of our study revealed that the CSR dimensions considered are found to both directly and positively impact on market value of the oil producing companies in Rivers State. These three dimensions; Global Reporting Initiative, National Development Goal and Community Investment relate to the interest of the host community that has often been mistreated by oil firms in Rivers State. We also conclude that though the use of market value as the single measure of firm performance is better than other typically used accounting measures, such as Return on Asset (ROA), it does not necessarily capture the full complexity of firm performance because market value computes the overall value of the firm which in some situations may be inflated or deflated by particular units in a business therefore the use of market value may not significantly offer an exact account of the Return on Investment (ROI)

In a similar vein, we posit that firms in Rivers State that have good corporate governance structures and mechanisms and communicate their CSR practices through sustainability reporting system will be better placed to gain goodwill with government agencies and the community and will possibly have greater access to resources, thereby achieving superior financial performance and higher firm value. It is therefore bestowed on the government to enforce CSR best practices on the Oil Companies while they monitor the sustainability of the whole process.

RECOMMENDATIONS

Based on the results, findings and the conclusion of this study which has scientifically proofed beyond doubt that there is strong, positive and significant relationship between CSR and Market Value, using the result of the tested hypotheses, we therefore make the following recommendations which will enable us to achieve the target objectives of this study.

1. There must be proper information and orientation on the effects of oil exploration and exploitation that creates more hazardous threats to the lives of the people ranging from Air and water pollution, soil degradation, gas flaring, pipeline explosion, oil spill, black sooth etc., and there should be regular environmental impact assessment (EIA) and adequate remediation exercises in the affected area.
2. Efforts should be made to ensure that there is enabling environment for business to thrive and in turn reciprocate by sponsoring and promoting programmes that will develop and better the lives of the people. Furthermore, the community should be oriented to respect the right of the companies to exist without interference knowing that CSR is a privilege and does not constitute company's objectives.
3. Community Investment is very crucial to improved market value of the enterprises; this is evidence from the activities of SPDC in Port Harcourt, NLNG in Bonny Island, NAOC in Omoku Town and BELEMA OIL at Kula community all in River State. In the light of this, we therefore recommended that management of oil producing companies should take community investment serious because CSR has the potency of providing a lasting industrial harmony and improved market value.

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