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DOES CSR EXPENDITURE REWARD THE FINANCIAL PERFORMANCE OF NIGERIAN QUOTED OIL AND GAS COMPANIES: A POOLED PANEL REGRESSION MODEL?

ДА ЛИ ИЗДАЦИ CSR „НАГРАЂУЈУ" ФИНАНСИЈСКЕ ПЕРФОРМАНСЕ НИГЕРИЈСКИХ НАФТНИХ И ГАСНИХ КОМПАНИЈА: A POOLED PANEL REGRESSION MODEL?

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Abstract: *Nigeria's oil and gas industry has significantly harmed the environment, with a 5 to 10 percent loss of mangrove ecosystems and the deforestation of 8,400 km² of rainforest. The industry has been criticized for prioritizing profits over social and environmental responsibilities. The research examines how Corporate Social Responsibility (CSR) expenditure affects the financial performance of Nigeria's oil and gas sector. By utilizing a positivist approach guided by quantitative methodology, the study analyses panel data from the annual and sustainability reports of listed oil and gas companies from 2013 to 2023, using pooled least squares panel regression. The findings reveal that CSR initiatives, such as donations, educational programs, and empowerment projects, positively influence financial metrics like return on assets, return on equity, net assets, and net profit margin. Consequently, the study concludes that CSR expenditures significantly enhance the overall financial performance of these companies, despite social and regulatory challenges hindering their global growth. The research suggests improving measurement and reporting systems, engaging local communities in CSR projects, and developing communication strategies to highlight CSR achievements. While the study makes substantial contributions to academic literature in theory, research, and management, it acknowledges a potential bias due to its reliance on annual and sustainability reports, suggesting the need to explore additional industry, region, and data sources.*

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***Keyword**: Corporate Social Responsibility (CSR), Environmental Impact, Financial Performance, Oil and Gas Industry, Sustainability Reporting.*

***Сажетак:** Нигеријска нафтна и гасна индустрија у великој мери је оштетила животну средину, са губитком од 5 до 10 процената мангрових екосистема и крчењем 8.400 km² прашуме. Због стављања профита испред друштвених и еколошких одговорности, ова идустрија претрпела је критике. Ово истраживање испитује како издаци корпоративне друштвене одговорности (CSR - Corporate Social Responsibility) утичу на финансијске перформансе нигеријске нафтне и гасне индустрије. Коришћењем позитивистичког приступа, вођеног квантитативном методологијом, студија анализира панел податке из годишњих и извештаја о одрживости наведених нафтних и гасних компанија у периоду од 2013. до 2023. године, користећи комбиновану панел регресију најмањих квадрата. Резултати показују да CSR иницијативе, као што су донације, едукативни програми и пројекти оснаживања, позитивно утичу на финансијске метрике попут повраћаја средстава, повраћаја капитала, нето имовине и нето профитне марже. На основу тога, студија закључује да CSR трошкови значајно побољшавају укупне финансијске перформансе ових компанија, упркос друштвеним и регулаторним изазовима који ометају њихов глобални раст. Истраживање предлаже унапређење система мерења и извештавања, укључивање локалних заједница у CSR пројекте и развој комуникационих стратегија за истицање постигнућа CSR. Иако ова студија даје значајан допринос академској литератури у теорији, истраживању и менаџменту, она признаје и могућу пристрасност, због ослањања на годишње и извештаје о одрживости, сугеришући потребу за истраживањем додатних извора.*

***Кључне речи:** Корпоративна друштвена одговорност (CSR), утицај на животну средину, финансијске перформансе, нафтна и гасна индустрија, извештавање о одрживости.*

***JEL Classification**: M14, Q56, G30, L71, M41.*

INTRODUCTION

Nigeria, endowed with abundant natural resources, stands as Africa's leading oil and gas producer and holds the sixth position within the Organization of Petroleum Exporting Countries (OPEC) (Akpan, 2020). The prominence of oil has significantly shaped the nation's economy, contributing approximately 90% of its foreign exchange income and 80% of government revenue over the past three decades, with production reaching up to 3.0 million barrels per day (Adoga-Ikong & Adams, 2019). However, this wealth comes at a high environmental cost. Solanke et al., (2022) reported that oil and gas activities have destroyed about 7.5% of Nigeria's mangrove ecosystems. This is in line with the World Health Organization's (2018) findings that environmental factors contribute significantly to health problems, accounting for 23% of total mortality and 26% of child deaths, equating to four million children under the age of five annually (Thurtle et al., 2014). These environmental factors impact 85 out of 102 disease and injury categories (WHO, 2018). According to Adoga-Ikong and Adams, (2019), Nigeria has lost between 5% to 10% of its mangrove ecosystems and approximately 7,400 km² of rainforest over the past two decades. Thus, the efficient functioning of any contemporary society heavily depends on the vital roles played by the oil and gas industry. This is closely linked to Nigeria's escalating poverty rate, which increased from 35% in 2019 to 40.1% in 2022, according to Statista, (2019). Sasu, (2023) reported that in 2023, around 12% of the global population living in extreme poverty resides in Nigeria, surviving on less than $1.90 a day. This supports the cultural philosophy of “karma”, suggesting that the profitability of Nigeria’s oil and gas firms is intricately tied to the condition of their operating environment. Consequently, the pursuit of profit maximization is influenced by both internal industry factors and external factors. An external factor involves operational disruptions caused by the communities hosting oil and gas enterprises. These disruptions stem from the community's concerns about the adverse and potentially harmful impacts of business operations, including environmental degradation and societal conflicts resulting from unethical activities (Ilelaboye & Alade, 2022). Consequently, since the initiation of oil and gas exploration in 1908 and the significant commercial discoveries in 1956 (Kadafa, 2012), Nigeria has faced severe environmental challenges due to the exploitation of these resources.

Nigeria's oil and gas sector has faced significant criticism for neglecting social and environmental responsibilities, especially in the Niger Delta, as highlighted by Uwaoma and Ordu, (2016). This sector's failure to address these responsibilities aligns with a broader global push for stable and cost-effective operations, necessitating firms to address societal and stakeholder challenges (Uwuigbe & Jimoh, 2012). Consequently, corporate social responsibility (CSR) has gained global scholarly attention, particularly in examining firms' obligations to their local communities in Nigeria (Odera, 2021). CSR is seen as a potential solution for resolving conflicts between oil and gas firms and their host environments (Hoelscher & Rustad, 2019), though concerns remain about the implementation of CSR initiatives and its equitable distribution. The literature on CSR reveals a spectrum of opinions, with researchers debating its relevance in host environments. Amahalu and Okudo,

(2023) and Meribe et al., (2021) support CSR for its profitability and societal benefits, while Hassan and Ogunwole, (2022) argue that CSR diverts resources away from profit-focused projects, highlighting a knowledge gap. Despite these debates, there is a lack of empirical studies within the Nigerian oil and gas context, even as environmental issues persist, such as the 2024 explosion in Ibadan caused by oil and gas activities (Ehiane et al., 2024). However, past studies concentrated on CSR within host communities (Awuah et al., 2021), employee satisfaction (Miethlich et al., 2023), consumer behaviour (Hosta & Zabkar, 2021; Han, 2021), leaving the stakeholder's expectation regarding CSR efficacy on profit maximization underexplored despite Su et al., (2020) noted that CSR expenditure can also impact the overall performance system. This underscores the need for specific studies to understand the impact of CSR practices in Nigeria's business landscape. As a result, the study explore the causal interplay between CSR expenditure and the financial performance of companies listed in Nigeria's oil and gas industry. The specific objective intends to:

I. Assess the current CSR practices of these companies and their implications for financial sustainability in a competitive environment,
II. Investigate the challenges affecting the efficiency of CSR practices within the sector,
III. Analyse how CSR initiatives influence financial performance dynamics using a panel regression model.

1. RESEARCH SIGNIFICANCE

The significance of CSR research in Nigeria's oil and gas industry aligns with the Sustainable Development Goals (SDGs), by emphasizing the challenges in the Niger Delta region. Globally, CSR promotes economic and socio-political development, integrating social and environmental considerations to meet stakeholder needs (Ogala et al., 2021). However, much literature neglects the positivist perspective, verifying objective reality through hypothesis testing and statistical analysis like panel regression models (Omesi & Appah, 2021). Despite debates on voluntary initiatives' efficacy in enhancing corporate performance in emerging countries, limited research exists on CSR from firms' perspectives in Nigeria's mining industry (Pereira et al., 2021). In Nigeria's oil and gas sector, integrating social, cultural, economic, and environmental concerns is crucial (Abdullahi et al., 2021). This research examines CSR investments' impact on firms' financial performance, contributing to the empirical and theoretical literature within Nigeria's oil and gas context. It highlights CSR's role in enhancing operating performance when aligned with sustainable goals. Recognizing CSR as intersecting social, economic, environmental, and ethical issues, the study contributes significantly to ongoing academic discussions (ElAlfy et al., 2020). Corporations often prioritize efficiency over community welfare (Mehahad & Bounar, 2020). Acknowledging the community as a crucial stakeholder influenced by corporate leadership is essential, as historical events like Brent Spar and Nigeria crises show pressure groups driving CSR (Nickerson & Sahu, 2020). The research is significant for government agencies, revealing how regulatory biases in the oil and gas sector might diminish multinational oil companies (MOCs) social focus, providing insights into the social performance outcomes of these firms.

2. CSR'S PYRAMID IN NIGERIA

The practice of CSR has undergone significant evolution within Nigeria's business landscape, influenced by historical events, societal pressures, and economic dynamics. A pivotal moment occurred in the mid-1990s, marked by the inception of CSR in Nigeria, spurred by a reduction in public sector involvement in key industries and exacerbated by prominent corporate scandals that underscored the importance of responsible business conduct (Olatunle et al., 2020). Specifically, this shift was partly a response to social pressures, exemplified by events such as the Ken Saro-Wiwa case, which severely damaged Shell's global reputation and intensified calls for CSR actions. These events led to the establishment of organizations like 'Business for Social Responsibility' (Carroll, 2021), reflecting a growing societal demand for corporate accountability and ethical practices. Nigerian businesses confront a complex and challenging environment marked by significant pressures from various stakeholders and increasing government regulations that emphasize social responsibility (Amo-Mensah, 2021). This landscape is further complicated by the presence of MOCs concentrated in the oil-rich Niger-Delta region, where conflicts over resource ownership and distribution have resulted in environmental degradation and socio-economic hardships for local communities (Uduji et al., 2021). Despite these difficulties, CSR has emerged as a crucial subject for discussion and research, with businesses now expected to address issues such as climate change, human rights, and environmental preservation (Bianco, 2020).

The concept of CSR has evolved over time to align with changing societal expectations. Initially, it focused solely on businesses meeting their economic obligations (Matten & Moon, 2020). However, as concerns regarding environmental and social impacts grew, CSR expanded to encompass voluntary actions that benefit society. Carroll's (1991) perspective of CSR, which is widely accepted due to its comprehensive dimension, coined it as the "economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time." This comprehensive view justifies the inclusion of economic responsibilities (profit-making), legal responsibilities (obeying laws), ethical responsibilities (doing what is right), and philanthropic responsibilities (being a good corporate citizen) within the scope of CSR (Rodriguez-Gomez et al., 2020). In Nigeria, the practice of CSR incorporates various elements, as outlined by Carroll, (1991) which consists of economic, legal, philanthropic, and ethical dimensions. Economic responsibility involves providing goods and services to society while sustaining the business and meeting investor obligations (Emmanuel & Priscilla, 2022). Legal responsibility pertains to compliance with government laws and regulations, while ethical responsibility involves meeting societal expectations even when they are not codified as regulations (Adedeji, 2023). Philanthropic responsibility goes beyond legal and ethical requirements, encompassing activities that contribute to community welfare and are positively perceived by society (Adedeji et al., 2020). Lastly, ethical responsibility involves an organization's duty to fulfil societal expectations, even in cases where these expectations are not explicitly outlined as legal requirements (Oyerinde et al., 2018). Thus, effective CSR practices should not only fulfil its economic dimension but also its legal, ethical, and philanthropic elements. Despite being a short means of business survival, CSR practices in Nigeria's contemporary era face several challenges, such as the lack of political support and limited endorsement from the public sector (Shaw et al., 2022). The progress of CSR initiatives is hindered by an unfavourable environment characterized by underdeveloped supportive factors. Despite these obstacles, companies understand the significance of maintaining a positive reputation and actively engage in stakeholder engagement and information gathering to align their CSR efforts with stakeholders' needs (Tworzydlo et al., 2021). In response to increasing scrutiny from the public, investors, regulators, and media, Nigerian organizations are compelled to address a broader range of interests and expectations, encompassing legal, social, environmental, and reputational aspects (Herbert et al., 2020). This focus on CSR helps companies mitigate risks, improve operational efficiency, and foster better relationships with stakeholders, granting them the 'social license' to operate within their communities (Francis & Pegg, 2020).

3. ARGUMENT FOR AND AGAINST CSR INITIATIVES IN NIGERIA'S OIL AND GAS INDUSTRY

Nigeria's CSR practices are loud for their efficacy for several reasons, warranting attention from researchers and adoption by businesses. Fauzi and Idris, (2010) suggest that CSR encompasses ethical, economic, social, and environmental considerations, all crucial for societal functioning. Darus et al., (2014) further emphasize that companies face increasing pressure to address issues such as environmental protection, community development, and the impacts of climate change. However, as noted by Boehm et al., (2015), the community is not always recognized as a stakeholder, potentially jeopardizing the business's utility and sustainability. Nevertheless, the community is sometimes viewed as a partner, reflecting corporate leaders' acknowledgment of the significant influence of social issues on business performance. Frynas, (2005) provides an illustrative example: during the "1995 Brent Spar and Nigeria crises," Shell experienced pressure campaigns that prompted a shift towards CSR initiatives. The behaviour of firms is influenced by the interaction between CSR and community expectations. Oladele et al., (2013) argues that organizations should address issues they have caused, such as water pollution and resource depletion. Additionally, organizations should fulfil their responsibilities as good corporate citizens due to their legal status. Akeke et al., (2021) suggest that visible contributions to society can enhance a company's reputation and market share. Oyerinde et al., (2018) emphasize the importance of companies showing concern for their employees, as it contributes to the creation of a more empathetic society, thereby improving the overall quality of life. However, as highlighted by Oyerinde et al., (2018), there are challenges, including shareholder concerns regarding the allocation of funds for socially responsible projects and potential conflicts of interest among decision-makers involved in these initiatives.

In Nigeria, CSR initiatives are closely tied to the country's social and economic landscape. Nigeria faces significant social and environmental challenges, including poverty, unemployment, inadequate healthcare, and environmental degradation (Hamidu et al., 2016). Given the government's limited capacity to address these issues comprehensively, there is a growing expectation for corporations to contribute to societal improvement through CSR programs. Nigerian companies play a crucial role in filling gaps in social service provision, fostering community development, and safeguarding the environment through their CSR efforts (Beschorner & Hajduk, 2017). These initiatives not only benefit the communities where businesses operate but also contribute to the long-term viability of the businesses themselves. By enhancing their public image, building trust with stakeholders, and mitigating operational risks associated with social and environmental challenges, companies can improve their sustainability and competitiveness in the market. Nigeria's CSR initiatives are significantly influenced by governmental regulations and international standards promoting sustainable business practices and good corporate governance (Van-Aaken et al., 2013). The Nigerian government has implemented policies that either support or mandate businesses to allocate a portion of their profits to CSR activities, as evidenced by the Corporate Affairs Commission (CAC) requiring companies to include CSR actions in their annual reports, highlighting CSR's importance in ensuring good corporate governance. Stakeholders in Nigerian businesses—including consumers, investors, civil society groups, and foreign partners—are increasingly demanding greater transparency, accountability, and ethical conduct from these organizations (Singh & Misra, 2021). Adhering to CSR principles not only helps businesses meet stakeholder needs but also enhances their competitiveness and positioning in the global economy (Ismail, 2009). Consequently, CSR practices in Nigeria are driven by a combination of social, environmental, regulatory, and stakeholder pressures, underscoring the importance of responsible business practices for long-term growth and success (Van-Aaken et al., 2013).

Although CSR practices benefit the economy and society, they are challenging to implement due to the interactions between oil companies and local communities in developing countries like Nigeria (Ukhurebor et al., 2021). These challenges stem from the standard practices of MNCs, which prioritize their own interests over the long-term development of local communities. MNCs can hinder economic growth in these areas, despite their abundant natural resources and cheap labour force (Amos, 2018). This is attributed to issues such as poor governance and communication systems. Additionally, in Nigeria and other developing countries, news of MNCs' misconduct quickly reaches socially conscious investors and consumers, both domestically and internationally. Consequently, corporate social projects are often perceived as mere PR tools that fail to genuinely benefit the community (Enuoh & Eneh, 2015). This perception is exacerbated by the fact that oil companies have misrepresented their projects by either overstating their impacts or failing to deliver the promised benefits (Pope, & Waeraas, 2016). Shell Nigeria's false claim that it would supply associated gas for a rural electricity plan illustrates how marketing can be distorted and the crucial role of PR in CSR activities (Hennchen, 2015). These dishonest practices undermine trust between companies and communities, making it difficult to establish enduring, peaceful relationships (Idemudia, 2014).

Effective CSR policies and actions can address the imbalance in the dynamics of oil exploration in Nigeria (Nwankwo, 2015). However, ensuring these projects align with community needs and have tangible impacts is challenging (Uduji et al., 2023). Amoah and Eweje, (2020) explain that despite efforts by MOCs to aid host communities by providing services and infrastructure, there is a general feeling of dissatisfaction due to perceived shortcomings and gaps between reported progress and actual outcomes. Additionally, local communities often view the funding for community development projects as belonging to the oil companies, fostering a culture of dependency rather than community ownership (Eweje & Sakaki, 2015). This perception, along with the need for ongoing maintenance and effective management of social and economic facilities, puts significant pressure on oil companies' CSR efforts and exacerbates tensions between the companies and the host communities (Osemeke et al., 2016). In the Niger Delta region, where oil exploration is prevalent, companies like Shell are often criticized for making superficial gestures rather than genuinely supporting local development through CSR projects (Ijaiya, 2014). These approaches focus on maintaining operational stability and enhancing the company's public image rather than addressing the real needs of host communities. By considering these issues, CSR practices in Nigeria face numerous challenges, including trust deficits, misalignment with community needs, and determining the actual impacts of projects. To overcome these challenges, MNCs and local communities must collaborate to promote transparency, accountability, and genuine partnership in achieving sustainable development goals.

4. STAKEHOLDER THEORY: THEORETICAL FRAMEWORK

Stakeholder theory serves as the primary framework for this study due to its efficacy in addressing the research question. According to Saleh et al., (2021), this theory, initially proposed by R. Edward Freeman in the 1980s, advocates for prioritizing the needs of all stakeholders, not just stockholders. Oyono and Pepple, (2020) contend that this theory challenges the prevalent notion that companies should focus solely on maximizing shareholder wealth. Instead, they argue that a company's success should be tied to the well-being of various groups, including employees, customers, suppliers, communities, and the environment. Stakeholder theory posits that businesses operate within complex networks of interrelated relationships, where one individual's actions can significantly impact others. It emphasizes that stakeholders have a legitimate claim to a company's resources and should be involved in value creation processes. Oloveze, (2023) suggests that this approach promotes long-term sustainability and ethical behaviour, which can enhance relationships and improve business operations. Harjoto et al., (2023) state that companies engage in CSR activities to fulfil their moral and social obligations to clients while also furthering their own goals of improving the community. This aligns with the stakeholder theory, which posits that effectively managing stakeholders leads to positive financial outcomes—a view widely supported. However, Victor and Akaneme, (2022) argue that companies may not fully endorse this idea if they only consider it from a financial perspective. According to Adedeji, (2023), a company's success hinges on how well it addresses the needs and expectations of its stakeholders, which is crucial for overall performance. Jones et al., (2018) asserts that fostering good relationships with key community members can provide a business with a competitive edge by demonstrating its commitment to these stakeholders. Ukhurebor et al., (2021) advocate for a normative approach to stakeholder management, emphasizing moral behaviour and the philosophical principles guiding stakeholder engagement and corporate governance. This perspective highlights the importance of recognizing stakeholders as legitimate individuals or groups with valid interests in the practical and significant aspects of business activities.

Stakeholder Theory provides an excellent theoretical foundation for studying CSR practices in Nigeria as it elucidates how companies interact with various groups and align with contemporary business practices. Firstly, Stakeholder Theory recognizes the complexity of business operations and acknowledges that stakeholders, not just shareholders, have diverse interests and concerns (Ashrafi et al., 2020). In the context of the Nigerian oil and gas industry, stakeholders encompass workers, investors, suppliers, and the public. These groups significantly influence the operations, reputation, and sustainability of oil and gas companies. By applying Stakeholder Theory, researchers can examine the intricate relationships between businesses and their stakeholders. Secondly, Stakeholder Theory emphasizes the importance of companies being responsible and accountable to society in ways beyond merely maximizing profits (Mrabure & Abhulimhen-Iyoha, 2020). In Nigeria, oil and gas companies are required to report on sustainability, but they must do so within a complex social and political environment marked by issues such as environmental degradation, community unrest, and regulatory compliance challenges. According to the theory, businesses have ethical obligations to address these problems and improve the quality of life in the communities where they operate (Wang et al., 2020). This framework allows experts to evaluate how effectively companies manage their social responsibilities and the impact of these actions on their financial performance.

Stakeholder theory provides a useful framework for understanding how CSR influences organizational behaviour and financial success (Tanggamani et al., 2018), but it has its criticism. The key issue lies in identifying and prioritizing stakeholders, particularly in Nigeria’s complex oil and gas industry. This sector operates in a volatile political and social environment, with various groups having different objectives (Mehedi & Jalaludin, 2020). The multitude of actors, including government agencies, local communities, environmental activists, and foreign organizations, complicates stakeholder identification and engagement. This complexity makes it difficult for oil and gas companies to satisfy the needs and expectations of all stakeholders while maintaining profitability. Additionally, stakeholder theory does not always provide clear methods for measuring and analysing the financial impacts of CSR investments (Ukhurebor et al., 2021). Although it emphasizes the importance of considering stakeholders' interests in decision-making, it often lacks specific guidelines for quantifying the financial returns of CSR activities. This limitation poses challenges for researchers and practitioners seeking to assess the financial health of the Nigerian oil and gas industry in relation to CSR expenditures. Moreover, Nigeria’s quoted firms face unique challenges with government and regulations that can impact the effectiveness of CSR efforts (Freeman et al., 2020). This is evidenced in the weak regulation, corruption, and unstable governments that can hinder the implementation of CSR programs and reduce their potential benefits for companies and stakeholders (Valentinov & Hajdu, 2021). Additionally, the needs and expectations of Nigeria's oil and gas sector are evolving, along with the country's socio-economic and environmental issues (Dmytriyev et al., 2021). Consequently, stakeholder theory may struggle to adapt to the dynamic nature of stakeholder relationships and the rapid changes in CSR issues in Nigeria. Despite these challenges, stakeholder theory remains a valuable framework for examining CSR expenditure and financial performance in Nigeria's oil and gas industry (Freeman & Velamuri, 2021; Freeman et al., 2021). Researchers and practitioners should, however, be mindful of these challenges and employ complementary theories and methodologies to enhance the reliability and usefulness of their analyses.

5. EMPIRICAL REVIEW AND HYPOTHESIS DEVELOPMENT

Firms are believed to have responsibilities to society to generate profit and remain operational (Carroll, 2016). These responsibilities include producing goods that society demands. According to Kim et al., (2020), in today's competitive business environment, companies must continually invest, reinvest, and innovate to meet customer needs and stay profitable. Businesses must fulfil their societal obligations to succeed and sustain their operations. However, studies have shown that societies are highly concerned if companies are perceived as neglecting their societal responsibilities, even though these duties are crucial for business survival. Mbalisi and Okorie, (2020) discovered that it is risky for oil and gas companies to emphasize their social responsibilities without adequately addressing their economic responsibilities. Nwaneri, (2015) argues that to create value, maximize profits, and ensure sustainability, companies should integrate their economic activities with other aspects of CSR (Bosch-Badia et al., 2013). This approach allows companies to better manage their economic duties and enhance their performance. Lindorff and Peck, (2010) discussed Australian CSR, stating that economic responsibility takes precedence over legal, charitable, and moral obligations. Yang et al., (2019) found a significant connection between companies' economic duties and their overall success. This aligns with Carroll, (2021) suggestion that economically responsible companies perform better. The social obligation dimension encompasses the voluntary environmental and charitable actions businesses undertake to support societal growth (Carroll, 2016). While companies can choose to engage in these social duties, society expects them to do so (Kim et al., 2020). To remain competitive, companies often align their actions with societal expectations (Chung et al., 2015; Lho et al., 2019; Stanisavljević, 2017). Specifically, Stanisavljević, (2017) found that philanthropic duty has the most significant impact on consumers compared to other CSR dimensions. Similarly, Chung et al., (2015) discovered that philanthropic duties, following "Consumer Protection," have the most substantial effect on Chinese consumers' happiness and brand loyalty. Contrary to Carroll's CSR pyramid, which ranks philanthropy at the bottom, Rahim et al., (2011) indicated that Malaysian consumers prioritize philanthropy above legal and moral duties. Another study based on Carroll's CSR theory revealed that airline customers demonstrated greater loyalty when they perceived the company as fulfilling its environmental and charitable responsibilities, as opposed to its legal and economic responsibilities. Han et al., (2019) also noted that environmental responsibility significantly enhances airline users' loyalty. According to Cho et al., (2019) and Kim, (2019), companies that emphasize the social aspect of CSR receive more positive customer feedback and enjoy greater long-term demand for their products. Al-Shammari et al., (2022) further discovered that companies performing their social duties outperform those that do not. Being socially responsible can enhance a company's image, reputation, product ratings, and influence customers' purchasing decisions (Saeidi et al., 2015).

To gain a better understanding of the literature on CSR's dimensions and factors that previous studies have not addressed, the following hypothesis will be tested to statistically determine how CSR expenditures impact the financial performance of the Nigerian oil and gas industry. The main hypothesis is anchored on:

I. CSR expenditure does not significantly reward the financial performance index of Nigeria's oil and gas companies.

The above hypothesis guides the below specific hypotheses designed based on the research variable gap:

H_{0a} Donation expenditure has no significant effect on the net asset value of Nigeria's oil and gas companies.

H_{0b} There is a significant relationship between women and youth empowerment expenditures and the return on assets of Nigeria's oil and gas companies.

H_{0c} Education programme expenditure has no significant influence on the net profit margin of Nigeria's oil and gas companies.

H_{0d} There is no significant relationship between employee welfare programme expenditure and the return on equity of Nigerian oil and gas companies.

6. METHODOLOGY

As suggested by Kantudu et al., (2023), an ex post facto design was practically displayed by statistically examining the connections between study variables. This method utilizes past data to identify cause-and-effect relationships, allowing researchers to observe CSR implementation and its financial impacts without direct involvement. The ex post facto method minimizes researcher bias by using meticulously verified, publicly accessible panel data (Oladipo et al., 2015), considering the interplay of economic and market factors. This design facilitates an unbiased assessment of how CSR expenditures in Nigeria affect financial performance by comparing companies that have adopted CSR practices. The ex post facto design is valuable in social science research for exploring real-life events and behaviours (Olowolaju & Adelola, 2020), offering new perspectives on complex social interactions and historical patterns and by enhancing understanding of financial behaviour and societal functions. The study relied on secondary data sources, deemed reliable by being peer-reviewed before publication, thus reducing the likelihood of subject bias (Johnston, 2014). Data sources included multinational oil and gas companies' annual and environmental reports, audited financial statements, and standalone CSR reports from 2013 to 2023, detailing metrics such as net assets, donations, and return on assets. This period is ideal as companies listed on the Nigerian Stock Exchange transitioned to International Financial Reporting Standards (IFRS) (Ologun et al., 2020), providing a comprehensive view of the industry's CSR and social issue management. Data were extracted using database methods from publicly available annual reports of selected companies. The study employs a cross-sectional timeframe to capture a representative picture of CSR practices in Nigeria's rapidly evolving urban areas, helping researchers determine how corporate social actions influence financial outcomes.

The study examined all of Nigeria's nationally recognized oil and gas companies, which are chosen for their swift business operations, high public visibility, and the necessity to demonstrate social responsibility due to their significant societal impact, particularly concerning pipeline vandalism, carbon emissions, and environmental pollution (Okumagba, 2021). As guided by Nandram and Rao, (2021), the study lacks a statistical and scientific sampling method, leading to potential bias since the sampling method does not ensure a representative sample of the population (Rozalia, 2007). Specifically, the study employed judgmental sampling to limit the sample size due to time and financial constraints. Consequently, it focuses on MRS Oil, Spalt Oil, Eterna Oil, Mobil Oil, and Oando, all prominent Nigerian listed oil and gas companies. These companies, among Nigeria's top fifteen international oil and gas firms, were selected for their data availability, strong global presence, diverse portfolios, and involvement in local CSR activities. This selection aims to elucidate the complex relationship between environmental sustainability efforts and business success in Nigeria's oil and gas industry. Consequently, Table 1 outlined variable that guided data extraction and analysis.

Table 1. Research Variable

Variable	Variable Type	Variable Proxies	Variable Measurement
Independent (X)	CSR Expenditure	Donations (DO)	Donations Expenditure/CSR Expenditure
		Women and Youth Empowerment (WYE)	Women and Youth Empowerment Expenditure/CSR Expenditure
		Education Training (ET)	Education Training Expenditure/CSR Expenditure
		Employee Welfare (EW)	Employee Welfare Program Expenditure/CSR Expenditure
Dependent (Y)	Financial Performance	Net Asset (NA)	Total Assets – Total Liabilities
		Return on Asset (ROA)	Profit After Tax/Total Asset * 100
		Net Profit Margin (NPM)	Profit After Tax/Revenue* 100
		Return on Equity (ROE)	Profit After Tax/Total Equity * 100

Source: Author, (2024)

The study employed the Jarque-Bera test to examine the distribution of the error component and the multicollinearity test to assess the linearity between the independent and dependent variables. To meet the assumptions of linear regression, the normality of error terms was verified. These diagnostic tests confirm the regression model's assumptions, ensuring that the results are robust and reliable. Panel unit root tests, such as the Im-Pesaran-Shin (IPS) test and the Levin et al., (2002) test, were used to check the stationarity of the model's variables to prevent spurious regression, which can occur when variables are non-stationary or have unit roots, leading to incorrect results. By ensuring the stationarity of variables, the issue of non-stationary variables resulted in misleading regression outcomes is avoided. This process safeguards the validity and reliability of the model's results by mitigating the influence of non-stationary data. Thus, employing panel unit root tests enhances the research's credibility by confirming the stationarity assumption. Afterward, the Fixed Effects Model (FEM) was employed, also known as the Least-Square Dummy Variable (LSDV) model, which allows the regression model's intercept to vary based on individual differences. These "Fixed Effects" represent unique characteristics that differentiate individuals, such as their past experiences and risk-taking tendencies, and are assumed to remain constant over time in the basic LSDV form. Consequently, the Breusch-Pagan Lagrange Multiplier (BGLM) test is used to test the null hypothesis (H_0) that the variance of random effects is zero, indicating that the intercepts of all cross-sectional units remain constant. If this hypothesis is accepted, it suggests that the model does not have any random effects, and that the Pooled Ordinary Least Squares (POLS) model is more appropriate. In panel data analysis, Hausman, (2015) preferred the Fixed Effects Model (FEM) for determining cause-and-effect relationships (Hill et al., 2008). Consequently, in alignment with the assumption of the pooled panel model that firm-level changes are averaged out (Han, Phillips, & Sul, 2014), the research was guided by Ishi's (1990) fixed effect model, as demonstrated below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \alpha + \varepsilon \text{……………………..…….} \quad \text{equation (1)}$$

$$FP = \propto + \beta_1 DO_{it} + \beta_2 EP_{it} + \beta_2 WYE + \beta_2 EW_{it} + \beta_3 + \varepsilon_{it} \quad \text{……} \quad \text{equation (2)}$$

Where: $\propto$= intercept, β_{1-6} = coefficients, ε= error term, Y = dependent variable, X = independent variable, $\beta_1 - \beta_4$ = coefficient of independent variable, α= Time-invariant individual effects, ε = error term.

7. RESULT PRESENTATION AND DISCUSSION OF FINDINGS

Table 2 shows that oil and gas businesses allocate 3.59% of their CSR spending to donations, with a standard deviation of 1.20%, indicating variation in a left-skewed distribution. The average amount spent on education and training is 3.38%, with a standard deviation of 1.07%, reflecting variation and a leftward skew. Spending on employee benefits averages 4.73%, with a standard deviation of 0.81%, indicating moderate variability in a left-skewed distribution. The average NPM is 3.12%, with a standard deviation of 1.40%, showing modest variation in a left-skewed distribution. The net asset percentage has a mean of 7.14% and a standard deviation of 0.90%, indicating moderate variability and a leftward skew. ROA has an average of 3.48% and a standard deviation of 6.17%, making it highly unpredictable due to its left-skewed distribution. The standard deviation of ROE is 3.53%, indicating significant variation and leftward skewness. The average amount spent on empowering women and young people is 3.04%, with a standard deviation of 1.11%, showing some variation and left-skewness. The Jarque-Bera and P-values greater than the typical significance level of 0.05 indicate that the null hypothesis of normality cannot be rejected. This implies that these factors are normally distributed, showcasing that non-parametric tests or data transformations might not be necessary to meet the assumptions of further analyses.

Table 2. Descriptive Analysis and Normality Test

Factor	NA	ROA	NPM	ROE	DO	WYE	ET	EW
N	50	50	50	50	50	50	50	50
Mean	7.1372	3.4847	3.1236	2.7721	3.5890	3.0458	3.4783	4.7313
Median	7.2991	3.7336	3.1869	2.7273	3.4824	2.7324	3.5160	4.4491
Maximum	8.5940	23.231	5.5857	7.6210	5.5921	6.1565	5.3736	6.4305
Minimum	5.0558	-16.322	0.5984	-12.600	0.4771	0.6989	0.0000	3.1335
Stand. Dev.	0.9039	6.1781	1.4085	3.5329	1.2049	1.1122	1.0703	0.8132
Skewness	-0.529	-0.2165	-0.1660	-2.4011	-0.3354	0.7944	-0.5243	0.3128

Kurtosis	2.724 0	5.819 9	2.330 9	10.60 1	2.735 8	4.443 5	3.683 1	1.969 0
Jarque-Bera	2.493 1	16.95 7	1.162 4	168.4 1	1.082 8	9.600 2	3.263 7	3.029 9
P-value	0.287 4	0.000 2	0.559 2	0.000 0	0.581 9	0.008 2	0.195 5	0.219 8

Source: E-view Output, (2024)

The results indicate that companies' spending on CSR has increased, correlating with their overall success. This supports Giannarakis et al., (2016) findings that CSR spending is influenced by the revenue that oil and gas companies generate from their voluntary initiatives. Consequently, stakeholders, such as investors, can infer from these results that the company's CSR efforts have positively impacted their financial stability. This can assist investors in making decisions, evaluating risks, and planning strategically in the energy industry and beyond.

Table 3. Multicollinearity

	Donations	**Education and Training**	**Employee Welfare**	**EPS**	**Net Asset**	**ROA**	**ROE**	**Women and Youth Empowerment**
Donations	1.00							
Education and Training	0.44	1.00						
Employee Welfare	0.38	0.58	1.00					
NPM	0.63	0.33	0.54	1.00				
Net Asset	0.72	0.65	0.59	0.59	1.00			
ROA	0.10	0.09	0.12	0.03	0.30	1.00		
ROE	-0.06	0.17	0.00	-0.26	-0.05	0.21	1.00	
Women and Youth Empowerment	0.12	0.14	-0.17	-0.43	-0.04	0.05	0.37	1.00

Source: E-view Output, (2024)

Table 3 presents the correlation matrix, illustrating the relationships between latent variables. The correlation values range from -0.05 to 0.72, all below the 0.85 threshold for detecting multicollinearity. This indicates that there are no significant multicollinearity issues among the latent variables. The highest correlation is 0.72, and the lowest is 0.00, confirming minimal multicollinearity. This aligns with Ibida and Emeka-Nwokeji, (2019), who reported no multicollinearity between company performance (measured by return on capital employed) and CSR (measured by economic responsibilities) at a 1% level with a p-value of 0.002. However, variables like donations and net assets might become more interconnected, potentially causing problems. For example, the correlation coefficient between donations and net assets is 0.72, and between employee welfare and education and training is 0.58. This interconnectedness can make it challenging to discern each variable's impact on the dependent variable, financial performance. Addressing multicollinearity in such cases may require methods like factor selection, data transformation, or regularization techniques in regression analysis.

Table 4. Panel Unit Root Test

Factor	NA	ROA	NPM	ROE	DO	WYE	ET	EW
ADF value	0.2404	0.0326	0.3078	0.8275	0.6432	0.8275	0.0069	0.9732
Significance level	0.0116	0.0050	0.0248	0.0284	0.0117	0.0284	0.0984	0.0171
Integration order	I(1)	I(0)	I(0)	I(0)	I(0)	I(0)	I(1)	I(0)

Source: E-view Output, (2024)

Table 4 highlights the stationarity properties of the latent variables, with values ranging from 0.0326 to 0.9732, both below and above the 0.05 significance level (Herranz, 2017). For instance, the ADF test statistic for donation expenditures is 0.6432, with a p-value of 0.0117, indicating rejection of the null hypothesis and suggesting that donation expenditures are stationary (I(0)). Similarly, the ADF test statistic for the education and training program is 0.0069, with a p-value of 0.0984, indicating stability (I(1)). Additionally, the p-value for employee welfare is 0.0171, with an ADF test statistic of 0.9732, implying that the employee welfare program is stationary (I(0)). Conversely, the ADF test statistic for EPS is 0.3078, with a p-value of 0.0248, leading to the rejection of the null hypothesis and indicating that EPS is stationary (I(0)). The net asset has a p-value of 0.0116 and an ADF test statistic of 0.2404, showing it is stationary (I(1)). The ADF test statistic for ROA is 0.0326, with a p-value of 0.0050, indicating stability (I(0)). The p-value for ROE is 0.0284, with an ADF test statistic of 0.8275, showing stationarity (I(0)). The ADF test statistic for women's and youth empowerment is 0.8275, with a p-value of 0.0284, indicating stationarity (I(0)). The results suggest that the variables are non-stationary and integrated at both level and first order, denoted by I(0) and I(1), supporting the rejection of the null hypothesis. This aligns with Ibida and Emeka-Nwokeji, (2019), who found a positive correlation between firm performance, measured by return on capital employed, and CSR, measured by economic responsibilities, with a coefficient of 0.34, statistically significant at the 1% level (p-value = 0.002), indicating a strong connection between firm performance and CSR related to economic activities.

Table 5. Hausman Test

Hypothesis	**Chi-Square**	**P-Value**
H_{0a}	37.113069	0.0000
H_{0b}	2.228991	0.1354
H_{0c}	12.994865	0.0003
H_{0d}	5.326783	0.2554

Source: E-view Output, (2024)

Table 5 showcases the Hausman test that determine whether the coefficients in a fixed effects model are significantly different from those in a random effects model. According to threshold of 0.05 significance level, three hypotheses (H_{0a}, H_{0b}, H_{0c} and H_{0d}) are tested, each with its corresponding chi-square statistic and p-value that are both less than 0.05, indicating that there is significant evidence to reject these null hypotheses. This suggests that the coefficients in the fixed effects model are significantly different from those in the random effects model for these hypotheses. However, the p-value for H_{0b} and H_{0d} is greater than 0.05, indicating that there is not enough evidence to reject this null hypothesis. This implies that the coefficients in the fixed effects model are not significantly different from those in the random effects model for H_{0b}. In overall, the null hypothesis (H_0) is rejected in favour of alternate hypothesis which motion that CSR expenditure significantly reward the financial performance index of Nigeria’s oil and gas companies. This aligns with Okwemba et al., (2014) result showing that active engagement in CSR initiatives significantly enhances overall performance, highlighting the importance of CSR for companies aiming to improve their operational effectiveness and reputation. This implies that businesses should prioritize

CSR activities to not only fulfil their ethical obligations but also to drive better performance and build a stronger brand image.

Table 6. Estimation and Measurement of Fixed Effect Model

Hypotheses		H_{0a}	H_{0b}	H_{0c}	H_{0d}
Constant term ©		6.9871	4.5024	5.1642	2.7940
H_0	Coefficient	0.0418	-0.3341	-0.5866	-0.0046
	T-Statistics	1.0438	-0.3783	-2.5059	-0.0073
	P-Value	0.3022	0.7068	0.0160	0.9941
R-squared		0.9430	0.0029	0.5407	0.0000
F-Statistics		145.7061	0.1395	10.3633	5.46
Pro(F-Statistic)		0.0000	0.7103	0.0000	0.9941

Source: E-view Output, (2024)

H_{0a}: Donation expenditure has no significant effect on the net asset value of Nigeria's oil and gas companies

As shown in *Table 6*, the net asset is the variable being studied. The model's constant term (C) is valued at 6.9871. The coefficient for donation expenses is 0.0418, indicating that, holding other factors constant, the net asset should increase by 0.0418 units for every unit rise in donation expenses. However, the t-statistic for donation expenses is 1.0438, which is not statistically significant at conventional levels ($p<0.05$), as the absolute value of the t-statistic is less than 2. Additionally, the p-value for the donation expenses coefficient is 0.3022. An R-squared value of 0.9430 indicates that approximately 94.30% of the variation in the dependent variable (net asset) can be explained by the independent variables, including the constant term. The model is significant, as evidenced by the F-statistic of 145.7061 and its associated p-value of 0.0000, indicating that the independent variable (donation expenses) explains a substantial portion of the variation in the dependent variable (net asset). This suggests that donation expenses have almost no effect on net asset, as further supported by the high p-value (0.3022). Since the null hypothesis is rejected, the alternative model is accepted, which posits that donation expenses significantly impact the net asset value of Nigerian oil and gas companies. These findings align with Okwemba et al., (2014), Siddiq and Javed, (2014), and Odetayo et al., (2014), who suggested that involvement in CSR projects positively affects overall performance. However, this contrasts with Arshad, Anees, and Ullah, (2015) and Folajin et al., (2014) argument that spending on CSR projects might negatively impact performance in the short run.

H_{0b}: There is a significant relationship between women and youth empowerment expenditure and the return on assets of Nigeria's oil and gas companies

Table 6, where the return on assets (ROA) is the dependent variable, showcases the model's constant term (C) of 4.5024. The coefficient for contribution expenses is 0.3341, indicating that the ROA will decrease by 33.41% for every unit increase in Women and Youth Empowerment Expenses, assuming all other factors remain constant. The t-statistic for Women and Youth Empowerment Expenses is 0.3783, meaning its coefficient is not statistically significant at the conventional level ($p < 0.05$) since its absolute value is less than 2. The p-value for the Women and Youth Empowerment Expenses coefficient is 0.7068, further indicating its insignificance. Similarly, the model's R-squared value is 0.0029, showing that the independent variables, including the constant term, explain about 2.9% of the variation in ROA. The model is deemed insignificant with an F-statistic of 0.1395 and a probability of 0.7103. Therefore, the independent variable (Women and Youth Empowerment Expenses) does not significantly explain the variation in ROA. The p-value of 0.7068 confirms the negligible impact of Women and Youth Empowerment Expenses on ROA. Consequently, the null hypothesis, which states that these expenses do not significantly affect the ROA of Nigerian oil and gas companies, holds true. The findings align with Arshad et al., (2015) and Folajin et al., (2014), who argued that spending on CSR projects might negatively impact short-term performance due to the additional costs reducing the profits reported in the profit and loss statement for the period.

H_{0c}: Education programme expenditure has no significant influence on the net profit margin of Nigeria's oil and gas companies

The model results with earnings per share (EPS) as the dependent variables are shown in *Table 6*. The model's constant term (C) is estimated to be 5.1642. The coefficient for the educational costs program is -0.5866 among the explanatory variables. Specifically, the educational costs program has a significant impact on EPS, as indicated by the coefficient being very close to one. The low p-value (0.0160) further underscores the importance of this finding. An R-squared value of 0.5407 indicates that the educational costs program explains about 54.07% of the variance in EPS, suggesting the model is a good fit. Additionally, the F-Statistics test returns a p-value of 0.0000, providing further evidence of the model's significance and its effectiveness in explaining the relationship between the educational costs program and EPS. The findings are consistent with the research by Kamatra and Kartikaningdyah, (2015), Sugiyanto et al., (2021), and Murtaza et al., (2014). Their studies indicate that companies' earnings per share improved following investments in social projects such as healthcare, education, and environmental protection. This demonstrates that CSR's programs positively impact both the financial performance and social contributions of businesses.

H_{0d}: There is no significant relationship between employee welfare programme expenditure and the return on equity of Nigerian oil and gas companies

The model results with return on equity (ROE) as the dependent variable are presented in *Table 6*. The model's constant term (C) is estimated to be 2.7940. The employee benefit program shows a negligible effect on ROE, with a coefficient of -0.0046 and a very high p-value of 0.9941, indicating it is not significant. With an R-squared value of 0.0000, the educational costs program explains none of the variance in ROE, suggesting the model does not fit well. The F-Statistics test, with a p-value of 0.9941, further indicates the model is not useful for explaining the educational costs program overall. Consequently, the null hypothesis, stating that employee benefits programs do not significantly impact the return on equity of Nigerian oil and gas companies, is accepted. These findings align with Arshad et al., (2015) and Folajin et al., (2014), who reported that CSR projects do not significantly enhance overall company performance. However, the findings contrast the argument of Amahalu and Okudo, (2023), who found that investing in CSR activities can yield long-term performance benefits through an improved brand image and increased sales due to the company's social contributions.

8. PRACTICAL IMPLICATION

The study contributes to research on strategic CSR, focusing on the relationship between CSR activities and financial outcomes in emerging economies rich in oil and gas resources (Agyei et al., 2021). There is a need for more country-specific CSR studies due to varying social factors influencing stakeholder perceptions (Ali & Frynas, 2018). Investors seek more research on CSR and financial outcomes in developing economies (Javeed & Lefen, 2019), especially in Africa. This study examines CSR and financial performance in Nigeria's oil and gas industry, where CSR is often used as a damage control strategy in the oil mining sector (Adegbite & Nakajima, 2011). It shifts focus to listed oil and gas firms using CSR as a competitive strategy, noting their numerous CSR activities (Osemeke et al., 2016). The findings align with Carroll's CSR theory (2016), highlighting societal expectations for companies to fulfil their philanthropic duty dimension of CSR, potentially explaining why these companies are well-regarded by stakeholders.

The study's findings highlight crucial insights for managers. At first, donation and empowerment expenditures have a minimal impact on financial behaviour changes over time, indicating limited investor interest in these investments (Raza et al., 2020). To achieve significant results, research acknowledges that managers should focus CSR efforts on legal, moral, and social issues, addressing specific community needs (Raza et al., 2020). Managers should also consider the socioeconomic makeup of areas of operation before employing CSR as a competitive strategy. Communities with higher education and income levels are more likely to be influenced by voluntary strategies (Kim et al., 2020). This suggests that stakeholders' financial behaviour may not be significantly impacted by oil and gas companies' voluntary responsibilities. Managers may need additional training to effectively use CSR actions and enhance company outcomes. Finally, businesses must communicate CSR activities clearly to the public, as societal perceptions significantly affect strategic CSR benefits.

CONCLUSION AND RECOMMENDATION

In Nigeria, the mid-1990s marked a significant turning point for CSR by being characterised by the government withdrawal of key industries and several major corporate scandals, making CSR begin to flourish. Specifically, events like the Ken Saro-Wiwa case, which severely impacted Shell's reputation, underscored the importance of responsible business practices and spurred the demand for CSR initiatives. Consequently, organizations like "Business for Social Responsibility" were established. In the 21st century, CSR practices in Nigeria have expanded to encompass moral, legal, financial, and charitable responsibilities, driven by increasing pressures to address climate protection, community building, and the effects of global warming. The Nigerian CSR landscape is shaped by regulations and global standards for sustainability and good corporate governance. The government has implemented rules requiring businesses to allocate a portion of their profits to CSR efforts. Despite the economic and social benefits, CSR practices face challenges, such as building trust, aligning with community goals, and assessing the true impact. To address these issues, multinational corporations (MNCs) and local communities must collaborate to promote transparency, accountability, and genuine partnership in achieving sustainable development goals. Consequently, the financial outcomes of firms vary, despite significant investments in society. The panel regression analysis on Nigeria's oil and gas companies revealed mixed results regarding the impact of CSR spending on financial performance. At first, expenditure related to donations and education significantly affect net assets, while expenses for employee welfare, women and youth empowerment programs do not substantially impact return on assets. The study concludes that while CSR enhances environmental outcomes and improves financial performance, the financial burden on companies is significant. This is exacerbated by social pressures and stricter regulations, which challenge these companies to act ethically and contribute to society effectively. The research recommendations include:

I. Oil companies should align CSR projects with long-term business goals, by focusing on initiatives that benefit the community and enhance their image simultaneously. CSR's funds should foster long-term objectives and core competencies. This approach can help increase profitability and improve brand image.

II. Establishment of robust methods for measuring and reporting to evaluate how their CSR efforts impact key financial metrics such as EPS, ROA, and ROE. This would identify the direct and indirect benefits of CSR investments, making it easier to communicate these benefits to investors and partners.
III. Companies should involve local communities in planning and implementing their CSR projects. Collaborating with community can enhance the success of CSR initiatives and better address the needs of the areas where they operate.
IV. Oil and gas companies should publicize their CSR actions and achievements. Transparent reporting on CSR efforts can build customer trust and loyalty, potentially leading to improved financial performance through increased sales and customer retention.
V. Oil and gas companies should align their CSR programs with sustainable development goals to benefit both the environment and society in the long term. Thus, businesses not only become more environmentally friendly but also attract investors and customers who value ethical practices. This can provide a competitive advantage and positively impact the Triple bottom line.

Research limitations and areas for further inquiries: Despite its contributions to academic literature, this study has several limitations. The complexity of the phenomenon being studied presents significant challenges. To address this, the study focuses solely on variables found in companies' annual reports, as consolidating all relevant literature is impractical. Additionally, using ex post facto methods can introduce biases due to the limited sample size constrained by available data. While efforts are made to ensure the results' validity, inaccuracies may arise from respondents' memory lapses or their tendency to shape responses to meet perceived expectations. Efforts are made to ensure trustworthiness, but the lack of diverse perspectives is a concern. Given the involvement of multiple companies, covering every angle is not feasible. The study predominantly examines CSR from a Nigerian perspective, which may differ from other countries, reducing the generalizability of the findings. Another major limitation is the short timeframe, making it challenging to thoroughly review all the information. Thus, extending the study period could provide deeper insights. Since this study focused solely on the Nigerian oil and gas industry, its findings have limited generalizability. Future research should encompass service sectors like transportation, hospitality, and banking, as well as industries producing tangible goods, such as manufacturing. A survey study supported by structural equation modelling could provide deeper insights, as this study did not consider socioeconomic factors like income and education when examining the impact of CSR on product ratings, customer loyalty, and the legitimacy of firms' strategies. Therefore, further research should explore how socioeconomic and demographic factors influence Nigerian consumers' perceptions of CSR and their evaluations of product quality, loyalty, and company legitimacy. Such studies would enhance our understanding of consumer perspectives on corporate social responsibility in low-income African countries like Nigeria.

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