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Corporate Social Responsibility, Environmental Accounting and Firms' Value of Manufacturing Companies in Nigeria

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Abstract

There have been many discussions about how businesses should interact with the communities in which they operate, produce eco-friendly goods, and enhance their companies' value. Other manufacturers strive to secure greater firm value while still taking good care of their environment and their host communities, while some manufacturers desire to raise the worth of their company by solely considering their shareholders. Therefore, this study looked at how environmental accounting and corporate social responsibility initiatives, choices, and strategies might impact business value. Twelve out of 52 listed manufacturing companies in Nigeria that were the subject of the study were chosen as samples. For data analysis, it used panel data regression analysis and the E-View 12 statistical programme. The study discovered that a unit increase in EA was connected to a 0.03 unit rise in FV while a unit increase in CSR was connected to a 0.28 unit increase in FV while keeping CSR constant. Each variable is significant at the 5% level of significance. By combining about 3 per cent environmental accounting and approximately 28 per cent corporate social responsibility, the modified R2 (0.9145) indicates that organisations' values are influenced, with the remaining factors not included in this study accounting for the remaining 28 per cent. The study therefore rejects the null hypothesis (F = 77.98854, p = 0.0000*), which suggests that both environmental accounting and corporate social responsibility jointly have a positive and significant effect on firm value. In order to ensure better firm value and achieve sustainable business growth, managers of manufacturing organisations are expected to provide effective and efficient environmental accounting and corporate social responsibility actions, plans, and policies as and when required.

Keywords: Corporate Social Responsibility, Manufacturing Companies, Environmental Accounting and Firms'.

1. Introduction

Value creation for the company's owners and other stakeholders is essential to establishing a business, enterprise, firm, or manufacturing company. Increasing a firm's value is widely believed and understood, both in terms of concepts and principles, to be among the corporate goals of a firm or company towards wealth creation or maximisation for the shareholders. So the firm's value addition is therefore reflected in the earnings per share of the company's share in the stock market, among other measures of indicating value such as profit after tax, dividends per share, share of market prices, or increase in net assets as reflected in annual financial statements towards the shareholders. Debt providers are another group that profited from the company's performance in terms of value added. Assets are used to generate a company's wealth. An asset is a resource having economic worth that a person, organisation, or nation owns or manages with the hope that it may someday be useful.

According to Harrison (2006), assets are disclosed on a company's balance sheet and are either acquired or produced in order to boost the value of the company or its operations. An asset can be regarded of as something that, whether it be manufacturing or a patent, can, now or in the near future, provide cash flow to accrue to, lower expenses for, or increase sales for an enterprise. Consequently, assets that can either be current or non-current, tangible or intangible, operating, or non-operating are used by manufacturing companies to generate wealth for their shareholders and non-shareholders alike.

By using raw materials that are taken from nature in their raw or semi-raw form, manufacturing enterprises are able to produce finished commodities or final products. As a result, assets are included on a company's financial statements and are acquired in order to boost a company's value or improve its operations. Consumption of raw materials by manufacturing enterprises illustrates how man has influenced nature to generate financial gains for the shareholders and non-shareholders as well as raise the company's value. So the consumption of raw materials or natural resources has an impact on nature or the environment on one hand and the general society on the other hand. The increasing severity of climate effects serves as a harsh reminder of how vulnerable human prosperity through rising company values as a result of industrial activity may be to factors outside of economies.

These effects of climate change underscore how the numerous other risks we face might be made worse by our interaction with the natural world. Therefore, improper management of the environment or nature can have negative repercussions, even if they are not immediately visible. As a result, it is important to take the environment into account while using resources or assets. According to Wood, Sangster, and Gordon (2021), use of assets continues to be a helpful indicator of economic performance and offers a clearer picture when compared with other assets. This suggests that in order to create value, assets should be used in a way that benefits both the environment, the source of these resources, and shareholders and other stakeholders. Our material well-being is in danger, according to The Changing Wealth of Nations 2021 (The World Bank, 2021), due to the unsustainable exploitation of the environment, poor management and mispricing of the assets that comprise national wealth, and a lack of coordinated action at the local, national, and regional levels. This report draws on a distinctive global asset database that enables in-depth analysis of an asset's intrinsic value, accounting for human, produced, and natural capital and identifying areas where assets are being managed sustainably or unsustainably, and makes the following recommendations to safeguard the future of assets.

The increasing demand for the utilisation of natural resources and assets by human activities has led to environmental harm, resource depletion, environmental degradation, and unnatural climatic changes. The ecosystem has been harmed, according to Onwuchekwa (2015), as a result of the industrial revolution, economic growth, and the exploitation of natural resources. As a result, the pursuit of sustainable development is centred on generating income and prosperity while taking into account social and environmental factors (Eze et al., 2016). The studies of Endiana et al. (2020) and Obiora et al. 2022) all highlighted the importance of ensuring firm value through sustainable development. These studies asserted that manufacturing companies are expected to produce and increase their productivity by developing integrated, comprehensive, effective, and efficient strategies aimed at ensuring sustainable and environmentally friendly industries. Since corporate social responsibility (CSR) and environmental accounting is intimately related to business, they are among the sustainable development initiatives that are universally supported in modern society. As a result, many nations have mandated that businesses, particularly those in the manufacturing industry, establish procedures for achieving green accounting and disclose both their CSR initiatives and environmental accounting data in their financial reports (Jui-Che & Hsieh-Shan, 2015; Obiora et al., 2022).

A high level of earnings per share (EPS) is one of the indicators that a firm is performing well in order to increase investors' confidence to invest in such a company (Kusumah, Ramdhani, & Aryanti, 2021). Earnings per share are a metric that can offer accurate and sufficient information about a company's performance (Siyanbola et al., 2022). It is regarded as one of the most well-liked and frequently employed indicators of performance and a company's worth. As a result, it is used

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when senior management makes important financial decisions that have a broad scope, such as mergers, acquisitions, and takeovers. Increasing the company's earnings per share is a hint that the stock will appreciate (Idawati & Wahyudi, 2015; Jatoi et al., 2014; Siyanbola et al., 2022). Since raising a company's value through earnings per share is not achievable without the consumption or deployment of assets and natural resources, it is essential to disclose corporate social responsibility actions and account for environmental accounting variables in the company's books.

While some businesses, particularly those in developing nations, are becoming more conscious of their natural and social environments and putting forth a significant effort to adhere to good environmental and social practices, others remain indifferent to their environmental and social responsibilities. It is therefore vital to determine the impact that CSR and environmental accounting have on the firm values of listed manufacturing businesses in Nigeria based on this observation, which has underlined the significance of wealth addition in connection with a firm's worth. Therefore, it was deemed appropriate for this study to investigate how earnings per share, CSR, and environmental accounting affect a company's value.

The following formulated hypothesis was used to achieve this objective:

H01: Environmental Accounting and Corporate Social Responsibility in Nigerian Manufacturing Companies have no significant impact on Firm Value.

2. Conceptual Review

Firms Value

The performance of a company determines its value. Niculescu (2003) defined firm performance as a productive and successful means of achieving organisational objectives. The company's performance was intended at increasing firm value by growing or decreasing corporate costs as well as by ensuring the corporation's economic and financial gain from its operating environment and society at large (Gilbert, 2018; Lorino, 2004). Companies must therefore demonstrate that their operations are ethical from both an environmental and social perspective.

The GRI (Global Reporting Initiative) claims that business performance offers an economic assessment for assessing the effects of a company's activities on its shareholders, creditors, and other funders, the government, the host communities, and the general public. These economic values, in accordance with Yusoff et al. (2013), are shown as sales revenue figures, operating expenses, employee salaries or emoluments and other employee benefits, donations, money used for host community development initiatives, dividends to shareholders, retained earnings for expansion, interest payments to creditors, and taxes paid to the government. As a result, the firm's value creation is greatly influenced by its financial success.

Financial ratios are typically used to demonstrate financial performance utilising combinations of data from financial statements, as these documents include information on their statement of financial position and operational statement, among other things. While financial statement analysis provides investors with a forward-looking view of the company's performance, it also includes anticipated future conditions that help management plan for events that could be good or bad for the company's regular operations in the future. However, when other stakeholders have an important influence on the company's operations and can pose a threat to the company's ability to continue operating, the company is compelled to develop strategies and procedures aimed at incorporating environmental and social policies into its operations (Gilbert, 2018).

Depending on the intended attributes or the researcher's opinion, there are many performance metrics to clarify business value. The Tobin's Q ratio is one of the ratios that might give a decent indication of performance. The Tobin's Q ratio, propounded by James Tobin of Yale University, gauges a company's success by comparing the market value of its share capital, the value of its debt, and the overall value of its assets (Pedron et al., 2020).

The expression for Tobin Q is given as follows:

$$\text{Tobin's Q} = \frac{\text{The Market Value of Share Capital + Long-Term Debt + Working Capital}}{\text{Total Assets}}$$

The significance of Tobin's in gauging firm success stems from the fact that, unlike other ratios like return on assets (ROA), which only consider earnings at a particular point in time, it can be

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found in the market valuation of a company and hence reflects future profit. The growth propensity is the better the Tobin's Q ratio value at a given period. Thus, it may be concluded that investors are more willing to continue to own more of a company's stock the more valuable its assets are on the open market.

Environmental Accounting

According to Endiana et al. (2020), environmental accounting entails all environmental costs in the company's financial statements. A business must be recognised as being committed to upholding its social and environmental obligations in order to achieve sustainable development. As a result, the company's value is determined by combining its financial performance with its corporate social responsibility initiatives and environmental accounting reporting, which serve as measures of how well such company performs in terms of its environmental accounting and corporate social responsibilities. By taking into account environmental costs and corresponding environmental benefits, the adoption of environmental accounting systems by businesses is anticipated to boost the effectiveness of employing cost management in connection to environmental management. The International Federation of Accountants (IFAC) claims that environmental accounting has both economic and social components. No business advances or develops, according to the federation, without the support of the surrounding.

Company's environmental accounting can be improved by implementing environmental accounting practises, which also boosts its financial performance and, eventually, its value. In literatures, indices for measuring how a company performs include return on assets (ROA), return on equity (ROE), and ratio of earnings to net assets, among many others. These financial measures demonstrate how a company manages its assets to grow firm value as well as changes in its financial position. However, the worth of the company or corporation reveals how investors perceive how well the organisation has managed its resources. The value of the company will therefore rise in direct relation to the number of investors that purchase shares of the company since investors' perceptions of a company's value are influenced by changes in its stock price.

Environmental accounting practise is a notion in which businesses emphasize how efficient and how effective resources are used sustainably in their production processes so that they can coordinate business development with environmental functions and benefit society. With this idea, the idea of conserving is given special consideration. It is based on the ecological concept and considers conserving time, land, materials, and energy. By thoroughly evaluating environmental operations, from environmental costs to environmental benefits, this is necessary to maintain high effectiveness and efficiency in environmental management while protecting the environment as much as is practicable (Obiora et al., 2022). Endiana et al. (2020) remark that the use of environmental accounting thus offers useful insight into how various business entities and organisations contribute to their host community and the society at large.

A business must develop a relationship with the environment by preserving it using a holistic approach, from the use of raw materials in an environmentally responsible manner through the manufacture of eco-friendly completed items, to promote corporate existence and raise a firm value.

Corporate Social Responsibility

Corporate social responsibility, which encompasses all environmental issues affecting businesses, is a coordinated, all-encompassing effort aimed at both the company's facilities and its products. Corporate social responsibility also referred to as business or social responsibility is a way for business enterprises to become more aware of how to better interact with their surroundings and the community (Obiora et al., 2022). Corporate environmental responsibility can result in expenses that are frequently referred to as environmental expenses, such as prevention expenses, detection expenses, internal failure expenses, and external failure expenses (Lusiana et al. 2021).

In the past, a company's key performance indicators that established its accountability were the declaration of profits and the distribution of dividends. When profits and dividends are disclosed, shareholders are delighted. Thus, managers make decisions about how to run their companies. The emergence of corporate social responsibility, however, required managers to take other stakeholders into account while producing returns for their stockholders. In accordance with corporate ethics,

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societal norms, laws, and customs, business managers today, therefore, run their operations, realising profits and issuing dividends in accordance with business ethics, societal norms, laws, and customs.

Therefore, in the era of corporate social responsibility, business objectives of profit maximisation can only be met when business activities are conducted in an ethical and legal manner with adequate consideration for the customs and traditions of the host communities or the business environment (Yeom, 2012). As a result, Lusiana et al. (2021) assert that while CSR is a tactic to boost business value, the relationship between CSR disclosure and firm value can be measured using profitability ratios, which include Return on Assets, Return on Equity, and so on.

Theoretical Review

This study is anchored on stakeholders' theory.

The Stakeholders' Theory

In the year 1983, Freeman developed this theory. According to the stakeholders' theory, there has been a rise in environmental consciousness, necessitating the management of various interest groups by businesses, making them more environmentally conscious of the immediate environment in which they operate and society as a whole. The concern of stakeholder's theory, as it relates to environmental accounting, is to deal with the environmental disclosure components, their valuation, and their inclusion in the financial statements for external users. The thesis demonstrates that the company's primary objective is to maximise shareholder wealth. However, if the business operating environment is disregarded, improved firm value or wealth maximisation may be an illusion.

Other stakeholders are also passionate about the company's approach to the environment, even though business shareholders' interest is also anchored in the company's environmental actions. Other stakeholders, including the government, creditors, host communities, and suppliers, among others, are concerned with the company's initiatives towards environmental protection, as opposed to shareholders, who are primarily focused on the economic implications of environmental behaviours and how they affect their returns. Therefore, the stakeholder theory suggests that businesses should have a higher level of environmental awareness of the need to be environmentally friendly to their host communities and to provide eco-friendly products. According to Omalio et al. (2020), the primary focus of the stakeholder theory is therefore to handle environmental disclosure components, their valuation, and their inclusion in financial statements for external users' consumption. The study is therefore founded on stakeholder theory since it seeks to motivate business managers to implement environmental practices that non-financial stakeholders deem crucial in order to maximise stakeholder value and reduce environmental costs.

Empirical Review

Olowolaju and Adelola (2020) made use of five out of the 23 money deposit banks in Nigeria for the years 2012 to 2017 to evaluate the impact of CSR on the profitability of a few chosen banks in Nigeria. Using annual financial statements as a source, secondary data were gathered. The study's findings demonstrate that the chosen commercial banks in the study area are engaging in corporate social responsibility (CSR), including work in the areas of health, education, provision of social amenities, and community development. The study came to the conclusion that CSR has a favourable impact on the profitability of particular institutions. Therefore, it was suggested that money deposit banks in Nigeria expand their CSR initiatives to include significant aspects of the country's economy, including health, agriculture, and education and to keep track of their spending to ensure that it is put to good use.

Using secondary data gathered from the Nigerian Exchange between 2005 and 2013, Jimoh et al. (2015) examined the impact of corporate social responsibility spending on the profitability of money deposit banks in Nigeria. The study's conclusions demonstrated that CSR has a favourable and considerable impact on the profitability of Nigeria's money deposit institutions. The study offers DMBs the suggestion that in order to achieve overall sustainable development for the entire country, they should carefully choose the goals for their CSR operations.

Shruti (2014) used linear regression to examine the effect of CSR disclosure on organisations' performance using UK-based companies. The study, which spanned four years, looked at the financial

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performance of UK-based businesses. While the firm's value performance was measured using Tobin's Q, Return on Assets (ROA), and Total Shareholder Return, CSR was measured using disclosed CSR disclosures on the financial statements. The study's findings showed that CSR had no bearing on a company's performance in the long or short term.

Obiora et al. conducted an empirical study in 2022 on the effects of social responsibility disclosures and environmental accounting practices on the value of Nigerian oil and gas firms. An ex-post facto design was used to collect data for the study, which covered the years 2016 to 2020, from the publicly available annual financial reports of all oil and gas businesses listed on the Nigerian Exchange Group (NGX). The overall results from the study showed that environmental accounting practices and social responsibility disclosures have a significant and favourable impact on a company's worth as assessed by its net assets per share (NAPS) at a level that is 1 per cent significant.

Uniamikogbo and Ali (2021) examined a few Nigerian industrial businesses' financial results and corporate environmental accounting disclosures. In particular, the study examined the relationship among environmental accounting disclosures, share price, return on assets, and return on equity with Nigerian manufacturing companies as a case study. An ex-post-facto research design and a sample of 40 manufacturing companies were used in this study. To get information from secondary sources, the convenience sampling technique was applied. Information was acquired from the sampled manufacturing companies listed on the Nigerian Stock Exchange for the period 2010–2019 fiscal years' corporate annual reports and the content analysis disclosure index. Descriptive statistics, regression analysis, and the correlation matrix were the statistical techniques employed in the study. A panel data regression approach was used to evaluate the data. According to our research, environmental accounting disclosures had a considerable impact on the share prices, returns on assets, and returns on equity of Nigerian manufacturing enterprises.

Adegbie et al.(2020), in their study of the impact of environmental accounting on the share value, used food and beverage firms listed in Nigeria as a case study. Data from 28 quoted companies whose data were verified and found reliable were used. The results showed that environmental accounting practises, have a favourable impact on a company's share value. The study came to the conclusion that environmental accounting has an impact on the stock value of companies in the food and beverage sector.

Obida et al. (2019) empirically looked at the effects of environmental disclosure practices on stock market volatility with emphasis on the manufacturing sector. Their research indicates that factors connected to financial transparency have a considerable impact on the volatility of returns since good reports have a positive influence on investors' expectations of returns and negative reports have a negative effect. This study focused on disclosure practices, return volatility, and the share value of companies that manufacture food and beverages, while also taking into account environmental accounting practices.

Oyedokun (2019), who focused on businesses that manufacture industrial goods, empirically took firm value and environmental accounting disclosure into consideration. The study considered indications of disclosure practices that were both financial and non-financial. Total assets were determined using Tobin's Q, the dependent variable. The study found that environmental disclosure practices had an impact on the assets of the companies. Our study attempted to close this gap by taking into account the environmental accounting practices of safety-related measures, waste management, and environmental protection that will affect the share values of the companies for sensible investment decisions. Therefore, remediation, degradation, preservation, and conservation costs were included when evaluating environmental accounting.

Yahaja (2019) looked into how environmental disclosure practices impacted the financial success of Nigerian companies that were publicly traded. The study measured environmental reporting using a green reporting index, and it used return on assets as a stand-in for financial performance. Empirical research has shown a connection between financial performance and environmental management practices. In comparison to the investigation that we are currently doing, this one used different measurement metrics.

Dike and Micah (2018) looked into environmental accounting practices in relation to sustainable development in Nigeria. The researchers received sample data from 34 business entities

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for the study. The study approach was both investigative and descriptive. They came to the conclusion that companies should set up efficient production of goods at competitive prices without endangering sustainable development. This would decrease their adverse environmental consequences and boost their profitability. Due to the unfavourable climate, they discovered that manufacturing had a detrimental impact on sustainable development.

The individual or collective effect of environmental accounting and corporate social responsibility on business performance or firm value has been the subject of numerous studies, with various degrees of achievement. The subject under discussion focuses on manufacturing businesses in the Nigerian economy; this study was able to pinpoint a number of gaps that were examined in the empirical review. This study stands out from others because it concentrates on Nigerian industrial firms.

3. Methodology

This section describes the research design, data and data source, model specification, and the method of data analysis employed in the study.

Research Design

The study employed an ex-post-facto research design, collecting secondary data from the listed manufacturing enterprises under investigation. Fifty-two manufacturing enterprises that were listed on the Nigerian Exchange at December 2022 make up the population of study. Consumer goods, healthcare, industrial goods, conglomerates, and agricultural products are just a few of the industries that make up Nigeria's manufacturing sector (according to the NSE classification). Manufacturing businesses used for the study were chosen using stratified and deliberate selection approaches. From the categories of consumer goods, industrial goods, and agricultural products, a sample of four businesses was chosen for each. The annual financial records of the chosen industrial enterprises were used to collect the study's data.

Variable and Measurement

Corporate social responsibility (CSR), environmental accounting (EA), and firm value (FV) are the study's factors. CSR and EA are the independent variables. FV is the dependent variable. While Tobin's Q was used to assess FV, company disclosures on CSR and EA are utilised to capture the independent variables. As shown in Table 1 below, the definitions of CSR, EA, and FV are as follows.

Table 1: The Definition of Variable

Variable	**Indicator**	**Measurement**
Firms Value	Tobin's Q = $\frac{MVE + LTD + WC}{TA}$	Ratio
Environmental Accounting	Cost of Raw Material Cost of Diesel, Petrol, Electricity Cost of Finished Goods Environmental Protection Cost/Charges Cost of Waste Disposal	Nominal
Corporate Social Responsibility	Profit to Shareholder = $\frac{Net\ Profit}{Number\ of\ Ordinary\ Share\ Capital}$ Tax Paid to Govt = $\frac{All\ Taxes\ Paid}{Net\ Operating\ Profit}$ Vendors = $\frac{Current\ Assets - Stock}{Current\ Liabilities}$ Suppliers = $\frac{Closing\ Stock - Opening\ Stock}{Aveerage\ Account\ Receivables}$ Employee = $\frac{All\ cash\ payments\ made\ to\ employee}{Income\ from\ Opeating\ Activities}$	Ratio

Adapted from (Gilbert, 2018).

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Model Specifications

For the purpose of this study, an econometric model created by Baron and Kenny (1986) was modified and adjusted. Environmental Accounting (EA) and Corporate Social Responsibility (CSR) are the independent variables, and Firm Value (FV) is the dependent variable. The operationalization, functional relationship, econometric model, disturbance, co-efficient, and intercepts between the dependent and independent variables are as follows:

Operationalization of Variables

The variables are operationalization as follows:

Y = f(X1, X2) (1)

Y = Firm Value (FV)

X1= Environmental Accounting

X2 = Corporate Social Responsibility

Functional Relationship

FV = f (EA, CSR) (2)

Where

FV = Firm Value (Tobin's Q)

EA = Environmental Accounting

CSR = Corporate Social Responsibility

Econometric Model

$$FV_{it} = \alpha_{0it} + \beta_1 EA_{it} + \beta_2 CSR_{it} + \mu_{0it} \quad (3)$$

Where

$\alpha_{0it} = parameters$

$\beta_{1,2} = parameters$

$\mu_{0\,it} = error\ terms$

Method of Data Analysis

Using regression analysis on panel data, the effect of environmental accounting and corporate social responsibility on a firm's value was examined. For the panel data, the common effect, fixed effect, and random effect were identified using the Chow Test and Hausman Tests. The data analysis was based on the test of significance of the regression analysis of the panel data on environmental accounting, social responsibility, and the firm's value of manufacturing companies listed on the Nigerian Exchange were conducted using the E-View 12 statistical programme.

Descriptive Statistical Analysis

Descriptive statistics are the processes of collecting, presenting, and summarising data that serve to provide sufficiently examined data. The illustration or description of the data can be seen from the mean, maximum, and standard deviation values as shown in Table 2 below.

Table 2: Descriptive of Variables

	FV	**EA**	**CSR**
Mean	4.584643	2.328314	0.701000
Median	4.486903	2.488243	1.046903
Maximum	4.939188	3.680716	1.948258
Minimum	4.292286	0.650341	1.031831
Std. Dev.	0.372424	1.050821	0.284463
Skewness	0.441211	0.265146	0.349090
Kurtosis	1.700515	1.598518	1.232085
Jarque-Bera	3.878989	3.555155	5.720548
Probability	0.186252	0.051283	0.102573
Sum	184.3402	83.55944	28.745011
Sum Sq. Dev.	2.197843	40.85630	9.450969
Number of Observations	120	120	120
Cross Section	12	12	12

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Table 2 reveals that all of the variables' mean, median, and standard deviation values fall between the maximum and minimum ranges. This demonstrates that the data seem to follow a normal distribution. The standard deviation demonstrates how deviated the variable's measurements are from its mean or average value. All the variables have low standard deviations. This suggests that all of the variables have little dispersion. Since all of the series' p-values are individually statistically significant at the 5% level, Jarque-Bera statistics demonstrate that the series are normally distributed.

Model Estimation

The study used multiple regression analysis in panel form to regress EA and CSR on FV in order to ascertain the effect of environmental accounting (EA) and corporate social responsibility (CSR) on the firm value (FV) of manufacturing enterprises in Nigeria.

Data Analysis and Interpretation

A test of the paired data regression model was carried out. The result is shown in Table 3 below.

Table 3 Results of Paired Data Regression Analysis

1	Chow-Test	Common effect against fixed effect	Fixed Effect
2	HHausman Test	Fixed effect against random effect	Fixed effect
3	Lagrange Multiplier (LM) Test	Common effect against fixed effect	Random effect

Researchers Computation (2026)

To determine whether a fixed effect, a common effect, or a random effect existed in the panel data set, the Chow test was first carried out. The Chow test result indicates the existence of a fixed effect since $p < 0.05$. This indicates the existence of a fixed effect. In furtherance of this, Hausman tests and Lagrange LM tests were conducted. While the Hausman test result indicated a fixed effect, the Lagrangian LM test showed a random effect at $\alpha = 0.05$.

Panel Data Regression Model

White test was used to estimate the partial panel data regression (T-test) and fixed effects model. The result is shown in Table 4 below.

Table 4 White Test Result of Partial Panel Data Regression Model

Dependent Variable: FV

Method: Pooled EGLS (Cross Section weights)

Variable	**Coefficient**	**Std.Error**	**t-Statistic**	**Prob.**
C	5.159765	1.558961	3.309746	0.0063
EA	0.029987	0.009987	3.002633	0.0000*
CSR	0.279924	0.078031	3.587343	0.0005*
Effect Specification				
Cross-section fixed (dummy variables)				
Weighted Statistics				
R-squared	0.938681		Mean dependent var	2.810956
Adjusted R-squared	0.914543		SD dependent var	3.364561
S.E of Regression	0.798501		Sum square resid	33.87561
F-statistic	0.000000		Durbin-Watson stat	1.869392
Prob(F-statistic)				
Unweighted Statistics				
R-squared	0.865023	Mean dependent var		1.738714
Sum square resid	69.34182	Durbin-Watson stat		1.955562

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From Table 4 above, the adjusted R2 is 0.9145. This shows that about 91.45 per cent of a company's firm value was jointly accounted for by the per cent of environmental accounting and

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corporate social responsibility, leaving the remaining 8.55 per cent to other variables not captured in this study. While the independent variables are individually statistically significant, both variables also exert joint significance when taken together. The Durbin-Watson (DW) coefficients for both weighted and unweighted statistics (1.869 and 1.955) are very close to 2. This demonstrates that the model is normal. So it can be further deduced that while a unit increase in EA leads to a 0.03 unit rise in FV, a unit increase in CSR produces about a 0.28 unit increase in FV, ceteris paribus.

Table 5 Summary of Estimated Regression Model for Fixed Effect

		EA	EA Significant
Fixed Effect	0.914543	CSR	CSR Significant

Researchers Computation (2026)

This table gives an overall view of the analysis that has been done so far. The independent variables EA and CSR are both significant at a level of significance of 5%, according to the table, which also shows a fixed effect of the panel data set.

Table 6: The Result of Diagnostic Test

1	Heteroskedasticity test	0.1704	0.6675
2	Autocorrelation-Wooldridge test	534.988	0.000*
3	Pesaran test of cross-sectional independence	6.272	0.000*

Researchers Computation (2026)

The outcome of this study is in conformity with Obiora, Onuora, and Okoye Obianuju (2022); Adegbie, et.al., (2020); Endiana, et.al., (2020); Pedron, e.al., (2020); Obida, et.al., (2019); Dibua and Onwuchekwa (2015); Jui-Che and Hsieh-Shan (2015); Yusoff, et.al., (2013), and (Yeom, 2012).

4. Conclusion

This study's primary objective was to study how environmental accounting and corporate social responsibility in Nigerian manufacturing companies affected firm values. The study discovered that corporate social responsibility and environmental accounting had good and significant effects on a firm's values. Despite the favourable effects on company values of environmental accounting and CSR operations, businesses that engage in these activities prosper more and offer investors greater value.

Manufacturing businesses' values tend to increase when they follow good environmental accounting and corporate social behaviour, produce environmentally friendly products, and work cooperatively with all stakeholders. Despite the fact that the outcomes of this study are in tandem with those of some other research, caution should be exercised because manufacturing businesses in Nigeria, among other manufacturing entities, derive their raw materials and other resources primarily from the environment and churn out their products to society, especially now that society is not only in demand of good products but also environmentally-friendly ones.

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