

EFFECT OF SOCIAL AND ECONOMIC DISCLOSURE ON EARNINGS PER SHARE OF LISTED OIL AND GAS COMPANIES IN NIGERIA.

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ABSTRACT

This study investigates the effect of social and economic disclosures on the earnings per share (EPS) of listed oil and gas firms in Nigeria. Growing attention to sustainability reporting and its potential influence on firm value has raised questions about whether stakeholders reward transparent disclosure practices. The study adopts an ex-post facto research design and utilizes secondary data extracted from the annual reports of eight listed oil and gas firms covering the period 2014–2023. Social and economic disclosures were measured using a binary index guided by the Global Reporting Initiative (GRI) framework, while EPS figures were obtained from audited financial statements. Panel data regression within the ARDL structure was employed to examine both short-run and long-run effects. The findings reveal that social disclosure has no significant contemporaneous impact on EPS but demonstrates a positive and significant effect in the lagged period, implying that the benefits of socially responsible actions materialize gradually through enhanced corporate reputation and stakeholder loyalty. Similarly, economic disclosure shows no immediate influence on EPS but becomes significant over time, indicating a delayed market response to transparent and credible economic reporting. These outcomes align with a priori expectations and are supported by Stakeholder and Legitimacy theories, both of which emphasize that disclosure serves a long-term strategic function in strengthening corporate legitimacy, investor confidence, and ultimately financial performance. The study concludes that improved social and economic reporting contributes to long-term earnings growth. It recommends stricter regulatory enforcement of standardized disclosure requirements, as well as broader adoption of globally recognized sustainability frameworks to enhance credibility, comparability, and stakeholder trust across the oil and gas industry in Nigeria.

Keywords: Social disclosure, Economic disclosure, Earnings per share, Oil and gas firms

INTRODUCTION

The role of corporate reporting has broadened in recent years to encompass not only financial data but also firms' social interactions and economic contributions, reflecting stronger demands from regulators, investors and communities for transparency about societal impact. (Ololade & Danjuma, 2025). In Nigeria's oil and gas sector, which remains central to national revenue and local livelihoods disclosures about community relations, local procurement, employment, taxes and other economic contributions are particularly material because operations often generate visible environmental and social

externalities (Okutu & Adegbe, 2023). Social disclosure denotes reporting on issues such as workforce welfare, community projects and philanthropy, while economic disclosure covers items like taxes, royalties, local sourcing and broader contributions to regional economic development (Nuhu, 2023).

Earnings per share (EPS) is a concise market-facing indicator of firm profitability per unit of shareholder stake and is widely used by analysts and investors when forming valuation judgements. (Owolabi, Odunlade & Amosun, 2022). In environments of heightened regulatory scrutiny and reputational risk as is common in Nigeria's oil-producing areas the way managers report social and economic activities can alter perceptions of earnings quality, future cash flows and firm risk, and thus plausibly influence EPS through changes in investor confidence and cost of capital (Isaac, 2020). Conversely, the effect of social and economic disclosure on EPS is not straightforward. Studies and sector reviews point to inconsistent practices and uneven measurement frameworks, meaning that similar disclosure labels may represent very different managerial commitments or outcomes (Emuebie, 2021). Regulators in Nigeria have signalled stronger non-financial reporting expectations in recent years, but harmonized standards and assurance requirements remain a work in progress, producing a transition period during which market participants may struggle to interpret reported social and economic information consistently (RSIS International review, 2024). This ambiguity creates practical problems for policy and management. Firms may underinvest in substantive social and economic initiatives if managers fear that such commitments could dilute short-term profits. Conversely, they may over-report superficial activities in order to satisfy stakeholder expectations without delivering genuine community or economic value. Both scenarios complicate investors' ability to determine whether disclosed information is truly value-relevant (Corporate Social Responsibility Review, 2022). Moreover, oil and gas companies face idiosyncratic sector risks—such as volatile commodity prices, environmental liabilities, and recurring community conflicts—which can influence how disclosure practices translate into market valuation. These complexities make sector-specific inquiry essential, especially in light of recent regulatory emphasis on transparency, including the Nigerian Exchange (NSE) Sustainability Disclosure Guidelines issued in 2024 (Nigerian Exchange Group, 2024) and new empirical insights highlighting the unique risk-disclosure dynamics within extractive industries (Emerging Energy Studies Working Paper Series, 2025). Accordingly, the central research question motivating this study is practical and timely: **do social disclosure and economic disclosure, treated as distinct constructs, have measurable effects on the earnings per share**

of listed oil and gas companies in Nigeria, and if so through which channels? Addressing this question will help clarify whether non-financial reporting in this sector is primarily a strategic, value-enhancing activity for shareholders or a compliance and reputational instrument with ambiguous short-term financial consequences (Okon et al., 2023). By isolating social from economic disclosure and focusing on EPS as the investor-oriented outcome, this study aims to offer clearer guidance to managers, regulators and investors on whether improving the quality and standardization of non-financial disclosures is likely to support shareholder value in Nigeria's oil and gas industry.

LITERATURE REVIEW

Concept of Social Disclosure

Social disclosure refers to the voluntary or mandatory reporting of a firm's social activities, including employee welfare, community development, philanthropy, workplace diversity, human rights and overall societal impact. The concept is rooted in legitimacy theory, which posits that organizations disclose social information to secure a social license to operate and reduce legitimacy gaps (Okutu & Adegbe, 2023). For oil and gas companies in Nigeria, social disclosure is particularly salient because of the industry's close ties to host communities and the historical grievances that often arise from perceived exploitation and neglect (Onodi, Nwosu & Okafor, 2024). According to Ololade and Danjuma (2025), social disclosure functions as a strategic tool to enhance transparency, build trust and mitigate social conflict in sectors that face environmental and reputational risks. Nuhu (2023) stresses that reporting on social initiatives not only demonstrates corporate accountability but also creates intangible assets such as goodwill and brand loyalty, which may in turn influence firm performance. The signaling perspective also suggests that social disclosure communicates information about management quality and corporate values, potentially shaping investor perceptions and market valuation (Wobo & Nwanze, 2024). Despite its relevance, challenges remain in standardizing social disclosure. Emuebie (2021) notes that many Nigerian companies disclose social information narratively without measurable metrics, limiting comparability. Still, the integration of social disclosure into mainstream reporting frameworks highlights its growing importance for investors, regulators and stakeholders. By including social disclosure in this study, the framework emphasizes its potential effect on earnings per share (EPS) as investors increasingly evaluate both financial and non-financial indicators when forming judgments about profitability and long-term sustainability.

Concept of Economic Disclosure

Economic disclosure involves communicating a firm's direct and indirect economic contributions to stakeholders and society. This typically includes information on taxes paid, royalties, employee compensation, infrastructure investments, local procurement, and contributions to national development. According to Nuhu (2023), economic disclosure provides stakeholders with insights into how corporate activities contribute to economic growth beyond shareholder returns. In Nigeria's oil and gas industry, where firms are primary sources of government revenue and foreign exchange, economic disclosure becomes an essential tool for legitimizing corporate existence and ensuring accountability to both state and society (Okon, Basse & Ekanem, 2023). Economic disclosure is grounded in stakeholder theory, which holds that firms must account for a wide range of stakeholders, not just shareholders, to maintain legitimacy and sustainability (Ololade & Danjuma, 2025). Onodi, Nwosu and Okafor (2024) argue that economic disclosure fosters transparency about how much value is retained locally and how firms support national development goals. Furthermore, Okutu and Adegbe (2023) highlight that in resource-dependent economies like Nigeria, the level and clarity of economic disclosure can affect public trust and influence

regulatory decisions. However, economic disclosure is often contested. While some scholars argue it enhances reputation and reduces information asymmetry, others caution that stakeholders may interpret such disclosures as highlighting cost burdens rather than value creation (Isaac, 2020; Emuebie, 2021). Investors, for instance, may perceive high community or economic expenditures as diluting short-term profits even if they strengthen long-term sustainability (Wobo & Nwanze, 2024). In this study, economic disclosure is conceptualized as a determinant of earnings per share, under the assumption that transparent communication of economic contributions can shape investor confidence, legitimacy and ultimately firm value. Its inclusion provides a pathway to examine whether reporting broader economic benefits translates into shareholder returns in Nigeria's oil and gas sector.

Earnings per Share

Earnings per share (EPS) is one of the most widely used indicators of corporate profitability, representing the portion of net income allocated to each outstanding share of common stock. EPS provides a concise measure of performance that allows investors to compare firms across time and industries (Owolabi, Odunlade & Amosun, 2022). In capital markets, EPS often influences stock prices, dividend policies and investment decisions, making it a critical variable in studies linking disclosure and financial performance (Okon et al., 2023). EPS serves as a proxy for shareholder wealth maximization, aligning with agency theory which emphasizes the need for managers to act in the best interests of shareholders (Nuhu, 2023). Ololade and Danjuma (2025) note that disclosure practices can influence EPS indirectly by affecting reputation, investor confidence, and cost of capital. For instance, transparent reporting of social and economic activities may reduce perceived risks, enhance legitimacy, and thus improve market valuation, which reflects in EPS. Conversely, some scholars argue that increased social or economic spending may negatively affect EPS in the short term, as such costs reduce distributable profits (Emuebie, 2021). This paradox illustrates the dual nature of disclosure: while it may signal long-term value creation, it can simultaneously raise concerns among investors focused on immediate returns (Okutu & Adegbe, 2023). The debate underscores the importance of examining EPS specifically, rather than broader performance metrics like ROA or ROE, because EPS directly influences market decisions in Nigeria's stock exchange. In this study, EPS is conceptualized as the dependent variable that captures how disclosure practices translate into tangible shareholder returns. By focusing on EPS, the framework connects non-financial reporting to the investor's bottom line, clarifying whether social and economic disclosure are seen as value-adding or cost-incurring in Nigeria's oil and gas sector.

Theoretical Framework

1. **Legitimacy Theory**, introduced by Dowling and Pfeffer (1975), argues that organizations continuously seek to ensure that their operations align with societal norms and expectations to secure survival and long-term success. This theory has been widely applied in the context of voluntary disclosure, where firms release information to demonstrate conformity with social values. Recent studies show that social and economic disclosures function as legitimacy-seeking mechanisms. For instance, Al-Mahrouq et al. (2020) found that firms use sustainability reporting to maintain legitimacy and enhance stakeholder trust. Similarly, Buertey and Amoako (2021) noted that legitimacy concerns drive firms to disclose corporate social responsibility (CSR) activities to improve financial credibility. More recent evidence supports this view: Olayinka (2022) demonstrated that Nigerian listed firms strategically disclose social and economic data to sustain legitimacy amidst regulatory pressures. In 2023, Chukwudi and Nnadi emphasized that legitimacy pressures strongly influence disclosure practices in African firms, directly linking them to financial outcomes

like earnings per share (EPS). Most recently, Yusuf and Kareem (2025) reaffirmed that legitimacy-seeking disclosures enhance investor confidence and positively impact EPS in emerging economies. Thus, Legitimacy Theory provides a robust basis for explaining how voluntary social and economic disclosures influence financial performance through improved legitimacy.

2. **Stakeholder Theory**, developed by Freeman (1984), underscores that organizations must consider the needs of multiple stakeholders, not just shareholders, to achieve long-term success. According to this theory, disclosure is a mechanism for firms to communicate accountability and build trust across stakeholder groups. Empirical studies have reinforced this perspective in recent years. For example, Adegbite et al. (2020) showed that firms disclosing stakeholder-focused social initiatives enjoy improved investor relations. Similarly, Mensah and Adams (2021) argued that social and economic disclosures foster stronger stakeholder engagement and enhance firm reputation. In 2022, Okafor et al. demonstrated that disclosures addressing stakeholder expectations positively influence market valuation and financial indicators like EPS. By 2023, Hassan and Bello provided evidence that stakeholder-oriented disclosures in African firms reduced information asymmetry and boosted market confidence. More recently, Ofori and Boateng (2024) found that stakeholder-driven disclosures strengthened investor loyalty in Ghanaian listed firms. Finally, Eze and Ugwoke (2025) highlighted that aligning disclosures with stakeholder demands significantly enhances financial performance, particularly EPS. Therefore, Stakeholder Theory justifies the link between social/economic disclosures and EPS, showing that addressing stakeholder concerns through transparent reporting is not only ethical but also financially rewarding.

Empirical Review

Yusuf and Kareem (2025) investigated the link between corporate disclosure, legitimacy, and market outcomes in sub-Saharan Africa using panel regression on 120 firms across different industries. They found that high-quality social and economic disclosures significantly improved earnings per share (EPS) and recommended that regulators strengthen disclosure enforcement. Similarly, Eze and Ugwoke (2025) examined stakeholder-driven disclosure and firm performance in Nigerian listed firms through survey-based structural equation modeling. Their results revealed that disclosure aligned with stakeholder expectations positively impacted EPS, and they recommended that firms adopt more transparent disclosure frameworks to sustain investor trust. Ofori and Boateng (2024) analyzed corporate disclosure and stakeholder engagement in Ghanaian listed companies using content analysis and regression methods. Their findings indicated that economic disclosure enhances financial credibility, while social disclosure improved brand loyalty, leading them to recommend harmonization of disclosure practices with international standards. Hassan and Bello (2023) studied stakeholder pressure, disclosure practices, and financial outcomes in African markets using panel data of 85 listed firms. They found that consistent disclosure reduced information asymmetry and boosted EPS, recommending that firms institutionalize disclosure policies. Chukwudi and Nnadi (2023) focused on legitimacy and voluntary disclosure practices of African firms, applying qualitative interviews and secondary data analysis. Their findings showed that disclosure practices were largely reactive to legitimacy threats, and they recommended proactive disclosure strategies to build long-term legitimacy. Okafor et al. (2022) investigated corporate disclosure practices in Nigerian firms using regression analysis of annual reports. They discovered that stakeholder-oriented disclosure positively influenced EPS and recommended that firms prioritize economic disclosure alongside traditional financial reporting. Olayinka (2022) assessed legitimacy pressures and disclosure

practices in Nigerian listed firms through case study and archival methods, revealing that firms disclosed more during periods of regulatory scrutiny, and recommended consistent voluntary disclosure to build investor confidence. Mensah and Adams (2021) conducted a study in Ghana on stakeholder accountability and disclosure using mixed methods. They found that enhanced disclosure improved firm reputation and investor relations, recommending that firms integrate sustainability metrics into financial reports. Buerterey and Amoako (2021) explored legitimacy and sustainability disclosures in Ghana through panel regression, showing that disclosure positively affected profitability, and recommended alignment with global best practices. Al-Mahrouq et al. (2020) examined disclosure strategies in emerging markets using survey and regression techniques, finding that disclosure enhances legitimacy and EPS, and recommended adopting sustainability reporting frameworks. Adegbite et al. (2020) employed a stakeholder approach to analyze CSR and financial performance in UK firms using panel regression, and found that CSR disclosure improved EPS, recommending embedding disclosure into long-term strategy. In earlier work, Owolabi and Ajayi (2019) assessed disclosure practices in Nigerian banks using panel data analysis. They found that social disclosures improved stakeholder loyalty, while economic disclosures directly enhanced EPS, recommending regulatory incentives for voluntary disclosure. Lastly, Uddin and Choudhury (2018) investigated corporate disclosure and financial performance in South Asian manufacturing firms through regression modeling. They concluded that disclosure significantly improved profitability and EPS, recommending harmonization of disclosure frameworks across emerging economies.

Methodology

This study adopted an ex-post facto research design, which is appropriate for examining how past corporate disclosure practices influence current financial outcomes without manipulating variables. Data were obtained from the annual reports and accounts of Nigerian listed oil and gas firms for the period 2014–2023. Following the Global Reporting Initiative (GRI) framework, disclosure items were coded using a binary approach, assigning “1” if a firm reported a specific social or economic activity and “0” otherwise. The population consisted of all eight oil and gas companies listed on the Nigerian Exchange Group (NGX)—Oando Oil, Eternal Oil, Conoil, MRS Oil, Seplat Oil, Total Energies, Japaul, and Ardova. Given the small population, the study employed a census sampling technique, allowing all firms to be included. The variables were defined as follows: social disclosure (SOC) and economic disclosure (ECO) as independent binary variables, earnings per share (EPS) as the dependent variable, and firm size (FSIZE) as a control variable. Data analysis combined descriptive and inferential statistics. Descriptive statistics summarized the dataset and tested normality, unit root test and the ARDL regression.

RESULTS AND DISCUSSIONS

Descriptive statistics

	ECO	SOC	FSIZE	EPS
Mean	0.974625	0.622375	7.313341	1.344500
Median	1.000000	0.580000	7.654519	0.705000
Maximum	1.000000	0.780000	8.493746	6.050000
Minimum	0.830000	0.420000	5.301941	-0.030000
Std. Dev.	0.044550	0.108281	0.871773	1.462560
Skewness	-1.617090	0.027998	-0.854890	1.511286
Kurtosis	4.900033	1.790656	2.390071	4.954943
Jarque-Bera	46.90015	4.885494	10.98454	43.19249
Probability	0.000000	0.086922	0.004118	0.000000

Sum	77.97000	49.79000	585.0672	107.5600
Sum Sq. Dev.	0.156789	0.926249	60.03902	168.9874
Observations	80	80	80	80

Researchers output 2025

The descriptive statistics reveal the distributional properties of the study variables. Economic cost (ECO) has a mean of 0.97 and a narrow range (0.83–1.00), with very low dispersion (standard deviation 0.04). Its skewness (–1.62) and excess kurtosis (4.90) indicate a negatively skewed and leptokurtic distribution. The Jarque-Bera statistic (46.90, $p < 0.01$) rejects normality, suggesting that ECO deviates significantly from the Gaussian assumption. Social cost (SOC) records a mean of 0.62 with a range between 0.42 and 0.78. Variability is moderate (standard deviation 0.11). The distribution is approximately symmetric (skewness 0.03) but slightly platykurtic (kurtosis 1.79). The Jarque-Bera value (4.89, $p = 0.087$) fails to reject normality at the 5% level, implying SOC is approximately normally distributed. Firm size (FSIZE) averages 7.31, with a range of 5.30–8.49 and moderate spread (standard deviation 0.87). It is negatively skewed (–0.85) with kurtosis of 2.39, indicating a distribution close to normal. However, the Jarque-Bera statistic (10.98, $p < 0.01$) rejects strict normality. Earnings per share (EPS) shows the highest variation, with a mean of 1.34 and a wide range (–0.03 to 6.05). Its distribution is positively skewed (1.51) and highly leptokurtic (4.95), consistent with the Jarque-Bera statistic (43.19, $p < 0.01$) rejecting normality. In conclusion, while SOC approximates normality, ECO, FSIZE, and EPS display significant departures. This implies that subsequent econometric analysis should employ robust or non-parametric techniques to address non-normal data distributions.

Unit root test

Variable	LLC (Common value)	Difference	Order
SOC	0.0007	Level	1(0)
ECO	0.0000	1 st difference	1(1)
FSIZE	0.0000	1 st difference	1(1)
EPS	0.0085	Level	1(0)

Researchers output 2025

The unit root test evaluates the stationarity properties of the study variables, a key requirement in panel data analysis. The Levin, Lin and Chu (LLC) test results reveal mixed levels of integration among the variables. Social disclosure (SOC) is stationary at level, with a p-value of 0.0007, indicating rejection of the null hypothesis of a unit root. Thus, SOC is integrated of order zero, I(0). Similarly, earnings per share (EPS) is stationary at level, with a p-value of 0.0085, also classified as I(0). In contrast, economic disclosure (ECO) and firm size (FSIZE) are non-stationary at level but become stationary after first differencing. ECO has a p-value of 0.0000 at the first difference, while FSIZE shows the same result, implying both variables are integrated of order one, I(1). The presence of variables with different integration orders (I(0) and I(1)) suggests the dataset is suitable for advanced panel estimation techniques that can accommodate such structures, particularly panel autoregressive distributed lag (ARDL) models. In summary, the unit root results establish that SOC and EPS are stationary at level, whereas ECO and FSIZE attain stationarity at first difference, ensuring the dataset is free from spurious regression concerns.

Long Run ARDL

Test Statistic	Value	k
F-statistic	4.311217	4

t-statistic	-4.311217	N/A
p-value	0.0021	N/A
Critical Value Bounds		
Significance	I0 Bound	I1 Bound
10%	2.37	3.20
5%	2.79	3.67
2.5%	3.15	4.08
1%	3.65	4.66

Researchers output 2025

The ARDL bounds test was conducted to determine the existence of a long-run equilibrium relationship among the variables under study. The reported F-statistic value of 4.311217 is compared against the Pesaran, Shin, and Smith (2001) critical bounds at different significance levels. At the 10% level, the lower (I0) and upper (I1) bounds are 2.37 and 3.20, respectively. Similarly, at 5%, the bounds are 2.79 and 3.67; at 2.5%, 3.15 and 4.08; and at 1%, 3.65 and 4.66. Since the calculated F-statistic (4.311217) lies above the upper bound at the 5% significance level (3.67) and even exceeds the 2.5% upper bound (4.08), the null hypothesis of no long-run relationship is rejected. This confirms the presence of cointegration among social disclosure, economic disclosure, firm size, and earnings per share. The outcome implies that the explanatory variables jointly maintain a stable and significant equilibrium relationship with earnings per share over the long run, despite possible short-term fluctuations.

Short Run ARDL

Variable	Coefficient	t-Statistic	Prob.
EPS(-1)	0.314104	2.746107	0.0078
EPS(-2)	0.390785	3.291563	0.0016
SOC	0.345446	0.306590	0.7601
SOC(-1)	2.445459	2.137739	0.0362
ECO	-1.220331	-0.429685	0.6688
ECO(-1)	-0.252364	-0.081585	0.9352
ECO(-2)	4.987840	1.627211	0.1085
ECO(-3)	6.919987	2.301798	0.0245
FSIZE	0.683340	1.976532	0.0523
FSIZE(-1)	-0.527322	-1.502079	0.1378
C	-12.65133	-3.368884	0.0013

Researchers output 2025

The short-run ARDL estimates reveal both lagged and contemporaneous effects of the explanatory variables on earnings per share (EPS). The lagged dependent variables, EPS(-1) and EPS(-2), are positive and statistically significant at the 1% level ($p = 0.0078$ and 0.0016 , respectively). This demonstrates strong persistence, suggesting that past performance significantly influences current EPS in the short run. For social disclosure (SOC), the contemporaneous effect is positive but insignificant ($p = 0.7601$). However, the lagged value SOC(-1) is positive and significant ($p = 0.0362$), indicating that the benefits of social disclosure materialize with a delay, contributing positively to EPS in subsequent periods. Economic disclosure (ECO) shows mixed dynamics. The current and early lag terms are insignificant, but ECO(-3) is positive and significant ($p = 0.0245$), implying that economic disclosures influence EPS only after several periods, reflecting a delayed adjustment process. Firm size (FSIZE) exhibits a marginally significant positive effect in the current period ($p = 0.0523$), though the lagged effect is negative and insignificant, suggesting that size enhances earnings in the short term but does not sustain consistent influence. The constant term is negative and highly significant, indicating structural challenges in

the sector. Overall, the results confirm that short-run relationships are driven largely by past performance, lagged social disclosure, and delayed economic disclosure.

DISCUSSIONS OF FINDINGS

Social Disclosure and Earnings per Share: The first hypothesis (H01) posited that social disclosure has no significant impact on the earnings per share (EPS) of listed oil and gas firms in Nigeria. The ARDL short-run results revealed that current social disclosure was not statistically significant, but the lagged value (SOC(-1)) was positive and significant, indicating that the effect of social disclosure on firm performance is realized with a delay. This aligns with the *a priori* expectation that socially responsible practices enhance corporate legitimacy, reputation, and ultimately shareholder value. The findings resonate with Legitimacy Theory (Suchman, 1995), which emphasizes that firms voluntarily disclose social activities to secure societal acceptance and reduce legitimacy gaps. By demonstrating corporate citizenship, oil and gas firms build trust that eventually strengthens market performance. Similarly, Stakeholder Theory (Freeman, 1984) suggests that meeting stakeholders' expectations through health, safety, and community disclosures creates long-term financial returns. Empirical evidence supports these results. For example, Adegbe and Olayinka (2023) found a positive lagged relationship between CSR reporting and market-based performance in Nigeria, while Boateng et al. (2021) reported similar outcomes in Ghana. However, contrasting results exist. Odetayo et al. (2020) observed an insignificant relationship between social disclosure and profitability among Nigerian firms, suggesting variability across sectors. From a policy perspective, the results suggest regulators such as the Financial Reporting Council (FRCN) and the Nigerian Exchange Group (NGX) should enforce stricter guidelines for consistent and standardized social reporting. Oil and gas companies should view social disclosure not as a compliance burden but as an investment in stakeholder trust that yields financial benefits over time. Encouraging delayed but positive returns, firms that strengthen employee welfare, community engagement, and environmental responsibility may enhance long-term EPS.

Economic Disclosure and Earnings per Share: The second hypothesis (H02) examined whether economic disclosure significantly affects EPS of listed oil and gas firms. The results showed that current and early lags of economic disclosure were insignificant; however, the third lag (ECO(-3)) had a positive and significant effect. This implies that the financial market and stakeholders respond to economic disclosures only after a time lag, consistent with the *a priori* expectation that economic transparency enhances accountability and investor confidence. This finding aligns with Stakeholder Theory (Freeman, 1984), where transparent disclosure of economic contributions such as tax payments, employee compensation, and infrastructure investment satisfies key stakeholders, fostering long-term profitability. It also resonates with Legitimacy Theory, as transparent economic reporting enables firms to demonstrate their contributions to national development, reducing societal pressure and improving their operating environment. Empirical studies corroborate these results. Nwosu and Okafor (2025) found that economic disclosure positively influences firm valuation in Nigerian extractive industries after several reporting periods. Similarly, Mensah et al. (2022) in Ghana observed a delayed but significant impact of sustainability-related economic reporting on firm profitability. On the contrary, Ibrahim and Musa (2020) reported insignificant effects of economic disclosure on short-term financial performance in Nigerian manufacturing firms, highlighting sectoral differences. In terms of policy implications, the evidence underscores the importance of improving the timeliness and credibility of economic disclosure. Regulators should encourage oil and gas firms to adopt the Global Reporting Initiative (GRI) standards for consistency and comparability. Firms must strengthen transparency in their economic footprint covering

taxes, royalties, and local investments as delayed recognition may affect investor confidence. Overall, improved and standardized economic disclosures can enhance long-run earnings and contribute to sectorial sustainability.

CONCLUSION AND RECOMMENDATION

This study examined the effect of social and economic disclosures on the earnings per share (EPS) of listed oil and gas firms in Nigeria. The findings revealed that social disclosure does not significantly influence EPS in the short term, but its lagged effect is positive and significant, indicating that the benefits of social responsibility unfold gradually. Similarly, economic disclosure showed no contemporaneous effect, yet demonstrated a significant lagged impact, suggesting that markets respond to transparency with a delay. These outcomes validate *a priori* expectations and align with Stakeholder and Legitimacy theories, which emphasize disclosure as a long-term strategic tool rather than an immediate financial driver. From a practitioner perspective, managers should commit to consistent and verifiable disclosure practices, recognizing that market rewards emerge over time through enhanced credibility and investor confidence. From a policy standpoint, regulators such as the NGX and FRCN should strengthen monitoring mechanisms, enforce compliance with global sustainability frameworks, and introduce sector-specific disclosure scorecards to improve comparability and reduce information asymmetry. Overall, standardized disclosure remains essential for building trust, enhancing legitimacy, and improving long-term shareholder value in Nigeria's oil and gas sector. Based on the above, the study recommends that;

1. Regulators should mandate standardized, comparable social disclosure practices to ensure firms embed stakeholder engagement into long-term strategy.
2. Oil and gas companies should adopt globally recognized frameworks (e.g., GRI) to enhance credibility of economic disclosure, fostering investor confidence and improving long-run EPS.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

This study is limited to listed oil and gas firms in Nigeria, which may restrict the generalizability of findings to other sectors. The reliance on secondary data and disclosure indices could also overlook qualitative dimensions of reporting. Furthermore, the study focused only on social and economic disclosures, excluding environmental and governance factors. Future research should:

1. Extend the scope to other sectors such as manufacturing and banking for broader insights.
2. Incorporate environmental and governance disclosures for a holistic sustainability perspective.
3. Employ mixed methods, combining quantitative and qualitative data, to capture richer disclosure dynamics.

CONTRIBUTION TO KNOWLEDGE

This study contributes to knowledge by providing empirical evidence that social and economic disclosures influence financial performance only in the long run, highlighting the delayed market response to sustainability practices in Nigeria's oil and gas sector. It extends Stakeholder and Legitimacy theory by demonstrating that disclosure enhances firm value gradually rather than contemporaneously. Methodologically, the study advances disclosure literature by applying a binary GRI-based index within an ARDL framework, offering a more robust approach for assessing dynamic disclosure-performance relationships in emerging markets.

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