NATIONAL INNOVATION AND RESEARCH ACADEMIA
International Journal of Economics, Finance & Entrepreneurship
ISSN: 2713-4679. Volume 6, Issue 4. Pages 01- 13. March, 2020
Double Blind Peer Reviewed International Research Journal
editornirajournals@gmail.com

Sustainability Accounting Disclosure and Market Value Added of Quoted Oil and Gas Companies in Nigeria

Syder, I. D.[1], Ogbonna, G. N. (PhD)[2], Akani, F. N. (PhD)[3]

[1]Doctoral Candidate, Department of Accounting, University of Port Harcourt, Nigeria

[2&3]Senior Lecturer, Department of Accounting, University of Port Harcourt, Nigeria

Abstract: *Triggered by the consistent global demand for more sustainability accounting information to engage the phenomenal trend of corporate externalities in contemporary time, this study examined the impact of sustainability accounting disclosure on market value added of quoted oil and gas companies in Nigeria. Cross-sectional and ex-post facto research designs were employed for the study. The population of the study was nine quoted companies on 2016/2017 fact book of the Nigerian Stock Exchange (NSE). The study sample was purposively selected to include only those companies that operated both on upstream and downstream sectors of the industry. Secondary data were obtained from the annual corporate reports of the concerned companies and Nigerian Stock Exchange from 2009 to 2018 by content analysis. Data analysis was with aid of E-view software version 7. It involved Autoregressive Distributed Lag (ARDL) bound test, descriptive statistic, model estimations and diagnostic analysis that adopted Augmented Dicky-Fuller Unit root test, error correction model and co-integration as well as multiple regressions. The findings of the study are: that environmental compliance, employee training and community development expenditures had positive and significant impact on market value added of the companies. Predicated on these findings, it was concluded that sustainability accounting information has significant effect on financial value creation of quoted oil and gas in Nigeria. In view of the findings and conclusions, it was recommended that the management of the oil and gas companies in Nigeria should pay adequate attention to the practice of sustainability accounting information because it is obvious that investments in sustainability performance which are communicated in sustainability accounting information report do not only increase expenditures but results in financial value creation.*

Key words: *Sustainability, Accounting, Environmental compliance, Market value added.*

INTRODUCTION

In the past decades, financial management was primarily defined with the objective of maximizing shareholders wealth as in stockholder theory by Milton Friedman. This trend was adjusted with the paradigm shift in the interest of stakeholder value as was postulated by Edward Richard Freeman in 1963. This accounts for why the quoted oil and gas companies in Nigeria are resilient in financial value creation pursuit in spite of the dynamic business environment and peculiar risks that characterizes its business operations. Marvin, Natarajin and Robert (2017) affirmed that value is created for customer when satisfaction is derived from quality product or service; value is created for employee when employment welfare and remuneration are motivating but financial value is created for shareholder by the increase in shareholders wealth represented by a rise in corporate profit or stock price. In contemporary business activities, value is seen as basically being generated from intangible drivers, such as innovation, ideas, people, computer software et cetera. However, the shareholder aspect of value creation gives an insight into financial value creation which is the focus of this study. Largania, Kavianib and Abdollahpour (2012) recognized that financial value creation is virtually guaranteed when a company's return on capital employed exceeds its cost of capital. Conversely, when return on capital employed falls short of the cost of capital, financial value is destroyed. Financial value creation has occupied a pivotal spot on the global business interest, industry competitive position and firm performance scorecard as well as investment decision making basis.

In the light of these, most management team of the oil and gas companies adopt strategic alternatives and harness all corporate resources to achieve commendable financial value for stakeholders' interest. Although in pursuance of the predetermined business objectives, negative externalities are left on the environment and society. Such negative externalities include: environmental issues as degradation and pollution, social matters as hazardous exposures and life threatening risks, human right and employees welfare concerns as well as other related challenges. United Nations Children's Fund (2015) pointed that the environmental impact of oil and gas activity ranges from climate change to macro level oil spills to smaller-scale impacts associated with operation-level pollution and waste. In same manner, Ugochukwu and Ertel (2008) specifically disclosed that oil prospecting and exploration impact negatively on biodiversity and it affect even flora and fauna. Federal Environmental Protection Agency (2003) added that petroleum activities are the major sources of environmental hazardous pollutants in Nigeria. Incidentally, the hazardous phenomenon to the environment and society is not limited oil and gas sector; it flows from other sectors, such as mining, extractive, agricultural, manufacturing, chemical and pharmaceutical, *et cetera*.

The magnitude of the pollution is also not limited to Nigeria but global in nature. The gravity of the global environmental issues had compelled need for international conferences, National forums and industrial commitments. Such as United Nations General Assembly Commission on Environment and Development that instituted the Brundtland report which produced the guidelines on sustainable development and sustainability; Organization for Economic Co-operation and Development (OECD) which issued a guideline for Multinational Enterprises on environment, European Union in partnership with United Nation had a convention on climate change and global warming, et cetera. These were accompanied by regulatory framework to control the trend of environmental depletion and it associated effects. Some enactments and regulatory guidelines were instituted to mitigate the excesses of the participating companies in oil and gas industry and enforce best practices among international standards to sustain natural existence in the face of corporate industrial activities. Neatly juxtaposed with the regulatory and institutional framework were intensified sensitization for environmental remediation, protection and conservation through responsible behaviour and sustainable performance to the corporate environment. The oil and gas companies are to justify their legitimate profile through sustainability performance to the polluted environment and communication through sustainability accounting information to stakeholders. In this era of information driven economies, Asuquo, Dada and Onyeogaziru (2018) affirmed that the increased yearnings of investors and other stakeholders for sustainability accounting information disclosure requirements are more voluntary than mandatory and lacks globally accepted standards for reporting. These setbacks negatively influence the comparability quality in accounting information and allowed more gap in information asymmetry by the behavior of creative accounting reports in full disclosure, partial disclosure and failure to disclose (Monoz, Zhao & Yang, 2017). Hence, the need for the study.

Aim, Objectives and Hypotheses of the study

The study examined the effect of sustainability accounting information on the financial value creation of quoted oil and gas companies in Nigeria. Specifically, the following objectives guided the study. It was to:

1. identify the impact of Environmental Compliance Cost on Market Value Added,

2. examine the impact of Community Development Cost on Market Value Added and

3. assess the impact of Employee Training Cost on Market Value Added.

The following hypotheses were tested:

$H0_1$. Environmental Compliance Cost has no significant impact on Market Value Added.

$H0_2$. Community Development Cost has no significant impact on Market Value Added.

$H0_3$. Employee Training Cost has no significant impact on Market Value Added.

LITERATURE REVIEW

STAKEHOLDER THEORY: Stakeholders were portrayed as those groups without whose support the organization would cease to exist. Fontaine, Haarman and Schmid (2006) posit that stakeholder theory suggests that the purpose of a business is to create as much value as possible for stakeholders. In order to succeed and be sustainable overtime, business executives must keep the interest of customers, suppliers, employees, communities and shareholders aligned to go in the same direction. Harrison, Freeman and Sa de Abreu (2015) explained that the theory is practical because it spurs all firms to manage stakeholders. It is efficient because stakeholders that are treated well tend to reciprocate with positive attitudes and behaviors towards the organization, such as sharing valuable information, buying more products or services, providing tax breaks or other incentives , providing better financial terms , buying more stock , or working hard and remaining loyal to the organization, even during difficult times. Similarly, Ackermann and Eden (2010) aptly put that the stakeholder theory refutes the concept of stockholder by recognizing the vast group of interest in the company and requiring the business executives to manage these interests, relationships and trade-offs in aligned direction to create as much value as possible for stakeholders and manage the distribution of the value.

LEGITIMACY THEORY: Legitimacy theory is derived from the concept of organizational legitimacy which has been defined by Dowling and Pfeffer (1975) as a quality of congruence between an organization's action and social values. Tang (2017) observes that legitimacy theory is not only from organizational legitimacy but an idea institutional theory and social contract. Burlea and Popa (2013) identified legitimacy theory as a mechanism that supports organization in developing and implementing voluntary social and environmental disclosures in order to fulfill their social contract that enables the recognition of their objectives and survival in turbulent environment. The critical point which this theory portrays is that several organizations continually seek to ensure that they operate within the bounds and norms of their respective society for possible survival. The Portrayed legitimacy entails the congruency which an organization seeks to establish between social values that associate with their business operation and the norms or acceptable behavioural practices in the larger social system of their location. Bhattacharyya and Agbola (2018) summarily put that corporate legitimacy therefore, focuses on ensuring that the roles of firms are appropriate and meet the needs of society. Given the growing calls from investors and policy makers for voluntary social and environmental disclosures of firm activities to improve confidence in the operation of their businesses, a suitable justification of legitimacy underlie business sustainability performance communicated to stakeholders through accounting information. Although, it was argued by Behram (2015) that corporations often perform what they regard as necessary in order to maintain their image in legitimate business because of social and political pressures. Therefore, these theories was selected to anchor the study because the quoted oil and gas companies whose operation leave behind externalities of diverse environmental and social concerns are guided by regulatory framework and aimed to meet stakeholders' expectations.

CONCEPTUAL AND EMPIRICAL REVIEWS

Sustainability Accounting: Sustainability Accounting Standard Board (2013) defined sustainability accounting as consists in defining metrics or indicators both qualitative and quantitative that express a fair representation or "account for" company performance on material sustainability topics, and ensure that reasonable investors have access to the "total mix" of information in their decision making process. A cursory look at the Board's definition of sustainability accounting would identify basic items as indicators of both qualitative and quantitative, fair presentation of material sustainability information to investors for decision making. Sustainability accounting information consists in the financial facts and figures from the financial statements of corporate report. Over the years, the trend of sustainability performance has evolved through reporting structure in various alternative frameworks, overtime as: **Corporate Annual Report**, **Corporate Social**

responsibility, **Triple Bottom Line Reporting**, **Global Reporting Initiative, International Integrated Reporting Framework, Sustainability Accounting Standards Board** which all focused at Economic, Environmental, Social, and Governance etc.

Financial Value Creation: The financial value creation constitutes the primary point of interest in the study. This direction of thinking is predicated on the concept that value creation is the increase in shareholders wealth represented by a rise in corporate profit or stock price (Wiley, 2017). Financial value created is suitably assessed through certain conventional metrics, such include: the economic value added (EVA), market value added (MVA), Cash Value Added (CVA), Shareholder Value Added(SVA) total shareholders return (TSR), cash-flow return on investment (CFROI), return on capital employed (ROCE) etc. In practice, companies choose the indicators that show the most interest for the company's needs. However, in this study, the market value added is employed.

Market Value Added (MVA): Shareholder wealth is maximized by maximizing the difference between the market value of firm's stock and the amount of equity capital that was supplied by shareholders which mean market value added. According to Achmad, Luqi and Moch (2017), the essence of market value added is to indicate the size of the company's performance from the beginning of the firm's establishment based on the stock value. Therefore, Market Value Added (MVA) is seen as the excess of market value of capital over the book value of capital. The formula is: MVA = Market value of Company – Book value of Capital employed. Where: MVA = Market Value Added, MV = Market Value of Company, CE = Capital Employed.

Empirical Review

Koaje, Abubakar, Ibrahim and Adeiza (2019) assessed sustainability reporting in relation to financial performance of oil marketing firms in Nigeria. Longitudinal study design was employed for the study. Secondary data were obtained from annual reports of the companies for 2003-2013. Multi-Binary Logistic Regression Model was used to test hypotheses. The finding showed that total assets as well as total turnover have positive and significant relationship with sustainability information disclosure of oil marketing companies in Nigeria. It was recommended that Nigerian Stock Exchange (NSC) should make it compulsory for the companies to set aside part of their profit for sustainability issues.

Wasara and Ganda (2019) evaluated the relationship between corporate sustainability disclosures and financial performance of listed mining companies in Johannesburg, South Africa. Secondary data were obtained from annual report of the companies for 2010-2014. The researchers employed content analysis approach and tested the formulated hypotheses by multiple regression techniques. The findings indicated a negative relationship between environmental disclosure and return on investment of the listed mining companies. Conversely, the results showed positive relationship between social disclosures and return on investment of the companies. It was recommended that corporate social disclosure should be encouraged since it projects the companies as socially responsible and generates financial returns.

Chairina and Hardi (2019) assessed the effect of sustainability reporting disclosures on companies' financial performance in Indonesia. The study employed secondary data obtained from the annual corporate report of the companies listed on Indonesia Stock Exchange. The data were for the period 2016-2017 under the Global Reporting Initiative disclosure framework. The content analysis and Multiple Linear Regression were used for the data analyses. The results showed that economic dimension disclosure in sustainability has effect on financial performance, but environmental and social dimensions had no effect on financial performance measure with Return on Assets. It was recommended that the effect in short run is hardly positive, so long run effect should focused at in studies.

Jalila and Komathy (2019) studied the relationship between sustainability reporting and firm financial performance in Malaysia. Secondary data were obtained from the annual corporate report of the companies. The content analysis approach was employed and regression techniques were adopted for the test of the formulated hypotheses. The results showed that sustainability reporting has positive relationship with financial performance measured with return on assets and earnings per share among firms in Malaysia. Hence, recommendation was on the difference in the firm financial performance to sustain sustainability reporting in Malaysia.

De Silva (2019) assessed sustainability reporting and its impact on financial performance of Sri Lankan financial sector. The researcher focused at the organization economic, environmental and social performance reporting in relation to financial performance. The researcher employed content analysis of listed banking firms' annual report to obtain sustainability data. The data were analyzed with the aid of statistic package for social science. The findings showed that a number of sustainability disclosures have no effect on the financial performance of companies in Sri Lankan. It was concluded that due to the impact of sustainability disclosure, some banks pay poor attention at sustainability accountability disclosure. Hence, it was recommended that more sustainability disclosures be practiced among the banks in Sri Lankan.

Yossi (2018) studied the mediating effect of sustainability disclosures on financial performance and firm value in Indonesia. The study obtained data from listed companies in Indonesia for the period 2013-2015. The Jarkata Islamic index was adopted to assess sustainability disclosure and path analysis was employed to test formulated hypotheses. The findings indicate that higher sustainability disclosure increase firm value significantly. Hence, management of firms were encouraged to publish more sustainability disclosures in the corporate annual reports.

Asuquo, Dada and Onyeogaziri (2018) assessed the effect of Sustainability Reporting on Corporate Performance of selected quoted brewery firms in Nigeria. This study employed the ex-post facto design and data were obtained for a five-year period 2012-2016 from the Nigerian brewery industry. The data were analyzed with regression model. The findings indicate that economic performance disclosure has no significant effect on return on asset, environmental performance disclosure has no significant effect on return on asset and social performance disclosure has no significant effect on return on asset.

Whetman (2018) studied the impact of sustainability reporting on firms' profitability in some sectors of United States of America. Primary data were obtained from a cross-section of firms for 2015-2016. The data were analyzed with the aid of a regression model. The findings suggest that by engaging in sustainability reporting, firms with lower institutional ownership show significant improvements in financial performance in the subsequent year after reporting. Also, it was found that engaging in sustainability reporting for these firms would be quite beneficial in realizing increases in profitability and increased shareholder value.

Nnamani, Onyekwelu, and Ugwu (2017) assessed sustainability accounting and reporting on financial performance of firms in Nigerian Breweries industry. Firms used for the study were limited to the Nigerian brewery industry. Data were sourced from the financial statements of three sampled firms and analyzed using the ordinary linear regression. The results revealed that sustainability accounting has positive and significant effect on financial performance of firms studied. Following the findings, the study recommends that firms in Nigeria should invest reasonable amount of their earnings on sustainability activities while specific accounting templates be articulated by professional accounting regulating bodies to guide firms' report on sustainability activities.

Loh, Thomas and Wang (2017), assessed sustainability reporting and firm value of listed companies in Singapore. Secondary data were obtained from the listed companies based on Global Reporting Initiative and focused on economic, environmental, social and governance dimensions. The researchers employed sustainability reporting assessment framework and test how both the adoption and quality of sustainability reporting are related to firms market value. The results suggest that sustainability reporting is positively related to firms' market value.

METHODOLOGY

The study employed ex post facto design for a population of Nine(9) listed oil and gas companies on Nigerian Stock Exchange as at 2016/2017 records of the Fact book. Some quoted oil and gas companies were purposively selected to include only those operating on both upstream and downstream sector for a period of ten years resulted in forty (40) study observations. The data for the study were entirely secondary in nature because its design suggested content analysis on historical economic events and business transactions which were reported as sustainability accounting information to justify compliance with sustainability performance. Such were obtained from the annual corporate reports of the listed oil and gas companies in Nigeria for 2009 – 2018. Complementary data were capture from the periodic reports of the Nigerian Stock Exchange on the concerned corporate entities.

Model Specification

The models on the variables are expressed as followed: For Market Value Added, the functional equation is specified below:MVC = f (ECC, CDC, ETDC)…… (equ.1)

Where: MVC = Market Value Added, ECC = Environmental Compliance Cost CDC = Community Development Cost, ETC = Employee Training Cost.

For equ.1 is restated in econometric equation as followed:

$MVA_{it} = \beta_0 + \beta_1 ECC_{it} + \beta_2 CDC_{it} + \beta_3 ETC_{it} + e_t$…(equ.2)

Where: MVAit = Market Value Added, B_0 = constant, $B_{1\text{-}3}$ = coefficient of the independent, variables, e_t = Error term

RESULTS AND DISCUSSION

Presentation of Results

The data analysis processes commenced with descriptive statistics as to indicate the structure of the data by its Jacque-Bera probability value and explain the need for unit root test. As a decision rule: The Jacque-Bera probability value which is higher than 0.05 shows that the variable is normally distributed (ie.ETC, ECC and CDC), otherwise it is not normally distributed (ie.MVA on tables 4.1.)

Table 1: Market value added (MVA), ETC , ECC and CDC.

	MVA	ETC	ECC	CDC
Mean	82368455	39563982	21185026	1.49E+08
Median	1.41E+08	40994272	17540165	1.33E+08
Maximum	2.19E+08	88364663	47572520	3.74E+08
Minimum	-3.37E+08	6028466.	1621020.	20592125
Std. Dev.	1.66E+08	28189496	13864735	1.24E+08
Skewness	-1.771123	0.211005	0.669787	0.464088
Kurtosis	5.213127	1.988450	2.517617	1.932965
Jarque-Bera	7.268933	0.500552	0.844647	0.833364
Probability	0.026398	0.778586	0.655522	0.659230
Sum	8.24E+08	3.96E+08	2.12E+08	1.49E+09
Sum Sq. Dev.	2.47E+17	7.15E+15	1.73E+15	1.38E+17
Observations	10	10	10	10

The unit root tests are to establish the stationarity of the series for the variables.

Table 2: Unit Root test of MVA and ETC, ECC, CDC.

Coefficient	Comments
CDC_t: prob=0.6703 CDC_{t-1}: prob= 0.0082	I(1) 1(0)
ECC_t: prob= 0.8980 ECC_{t-1}: prob = 0.0173	I(1) 1(0)
ETC_t: prob= 0.3061 ETC_{t-2}: prob= 0.0072	I(1) 1(0)
MVA_t: prob= 0.1285 MVA_{t-1}: prob= 0.0017	I(1) 1(0)

The unit root test established the stationarity of the variables used. Tables 2 showed that all variables, except ETC, are stationary at first difference while ETC is stationary at second difference. This necessitated the conduct of bounds tests for co-integration (Autoregressive

Distributed Lag) in other to determine if there is a long term relationship among the variables used in the models.

Table 3: Co-integration test for MVA and ETC, ECC, CDC.

F-Bounds Test		Null Hypothesis: No levels relationship		
Test Statistic	Value	Signif.	I(0)	I(1)
			Asymptotic: n=1000	
F-statistic	50.43012	10%	2.72	3.77
K	3	5%	3.23	4.35
		2.5%	3.69	4.89
		1%	4.29	5.61

Source: Eviews

The co-integration analysis showed that there is long term relationships in the model. Using the F-statistics, it is clear that the F-statistics value of 50.43012 is greater than the 5% I(0) and I(1) values. The evidences from the above table showed that there is long term relationship in the model. This necessitated the conduct of Error Correction test of the co-integration tests.

Error Correction Model (ECM)

Table 4: Error correction test for MVA and ETC, ECC, CDC.

ARDL Error Correction Regression
Dependent Variable: D(MVA)
Selected Model: ARDL(1, 1, 0, 1)
Case 3: Unrestricted Constant and No Trend
Date: 12/17/19 Time: 15:33
Sample: 2009 2018
Included observations: 9

ECM Regression
Case 3: Unrestricted Constant and No Trend

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.30E+09	58466471	0.000000	0.0000
D(CDC)	2.407916	0.078442	-30.69667	0.0011
D(ECC)	3.318312	0.782750	34.13841	0.0000
D(ETC)	8.318345	0.375750	-22.13800	0.0020
CointEq(-1)*	-3.304660	0.147157	-22.45665	0.0020

R-squared	0.996030	Mean dependent var	-9468479.
Adjusted R-squared	0.993648	S.D. dependent var	2.14E+08
S.E. of regression	17078580	Akaike info criterion	36.44565
Sum squared resid	1.46E+15	Schwarz criterion	36.53331
Log likelihood	-160.0054	Hannan-Quinn criter.	36.25649
F-statistic	418.1767	Durbin-Watson stat	2.603221
Prob(F-statistic)	0.000002		

* p-value incompatible with t-Bounds distribution.

Source: Eviews

The ECM results show that the long-term relationships of the variables were adjusted in the short run. The speed of adjustment {CointEq(-1)*} is 330%. The multiple coefficient of determination is 99%. The f-stat shows that overall, the model is statistically significant.

HYPOTHETICAL TEST

Table 4: Hypothetical Test Result for H01, H02 and H03

ARDL Error Correction Regression
Dependent Variable: D(MVA)
Selected Model: ARDL(1, 1, 0, 1)
Case 3: Unrestricted Constant and No Trend
Date: 12/17/19 Time: 15:33
Sample: 2009 2018
Included observations: 9

ECM Regression
Case 3: Unrestricted Constant and No Trend

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.30E+09	58466471	0.000000	0.0000
D(CDC)	2.407916	0.078442	-30.69667	0.0011
D(ECC)	3.318312	0.782750	34.13841	0.0000
D(ETC)	8.318345	0.375750	-22.13800	0.0020
CointEq(-1)*	-3.304660	0.147157	-22.45665	0.0020

R-squared	0.996030	Mean dependent var	-9468479.
Adjusted R-squared	0.993648	S.D. dependent var	2.14E+08
S.E. of regression	17078580	Akaike info criterion	36.44565
Sum squared resid	1.46E+15	Schwarz criterion	36.53331
Log likelihood	-160.0054	Hannan-Quinn criter.	36.25649
F-statistic	418.1767	Durbin-Watson stat	2.603221
Prob(F-statistic)	0.000002		

* p-value distribution.
Source: Eviews

Decision Rule for null hypotheses test: Reject hypothesis if P-value is less 5%.

H_{01}: Environmental Compliance Cost has no significant effect on Market Value Added of quoted oil and gas companies in Nigeria.

From Table 4, the first null hypothesis showed that P-Value = 0.0000 which is less than the conventional level 0.05. Therefore we reject null hypothesis and sustain alternate hypothesis that Environmental Compliance Cost has significant effect on Market value added of oil and gas companies in Nigeria. The result further indicated there is positive and significant relationship between ECC and MVA over the period.

H_{02}: Employee Training Cost has no significant effect on Market Value Added of quoted oil and gas companies in Nigeria.

The second hypothesis indicated p-value as (0.0020) which is less than the conventional level 0.05. It showed evidence to reject the null hypothesis and retain the alternate hypothesis that Employee Training Cost has significant effect on Market Value Added of quoted oil and gas companies in Nigeria. The result also demonstrated that ETC has a positive and significant relationship with MVA. As ETC increases by a unit, MVA increases by 8.3units and vice versa.

H_{03}: Community Development Cost has no significant effect on Market Value Added of quoted oil and gas companies in Nigeria.

The last hypothetical result showed that p-value (0.0011) is less than 0.05. Such indicated a significant statistical evidence to reject the null hypothesis and sustain the alternate hypothesis that Community Development Cost has significant effect on Market value added of quoted oil and gas companies in Nigeria. The result also reveals that there is a positive relationship between CDC and MVA.

DISCUSSION OF FINDINGS

The findings of the first hypothetical test showed that Environmental Compliance Cost has positive and significant impact on Market Value added of quoted oil and gas companies in Nigeria. This viewpoint is in consonance with the finding of Koaje *et al*., (2019) who justified that sustainability accounting disclosure related positively and significantly on total assets and total turnover of oil marketing firms in Nigeria. It is also in tandem with the findings of Nnamani *et al*., (2017) who concluded that sustainability accounting has significant effect on financial performance of firms in Nigeria. Similarly, the second hypothesis demonstrated that Employee Training Cost has positive and significant impact on Market Value Added of quoted oil and gas companies in Nigeria. This finding is not in conformity with the study of De Silva (2019) and Asuquo *et al.,* (2018) who found that sustainability accounting disclosure has no effect on financial performance of firms studied. The third hypothetical test indicated that Community Development Cost has effect on Market Value added of quoted of oil and gas companies in Nigeria. The finding lent credence to the standpoint of Wasara and Ganda (2019) who found that social sustainability dimension disclosure has significant effect on financial performance which was measured with Return on Investment. It is also in agreement with the findings of Yossi (2018) and Loh *et al.,* (2017) who found that sustainability accounting disclosure impact on positively and significantly on financial performance. These scenarios clearly demonstrated the impetus of the multiple coefficient of determination which held that 99% variation in the market value added is explained by the aggregate change in environmental compliance, employee training and community development accounting information. Obviously, just 1% of the changes in the criterion variable are explained by other factors among the stochastic errors term. The direction of findings justified the ideas of the legitimacy theory that companies which operate with the framework of the norms, rules, regulation and values of the society justify their legitimacy and earn acceptance from the stakeholders to achieve positive business performance.

CONCLUSION AND RECOMMENDATION

From the foregoing, the researchers concluded that sustainability accounting disclosure has significant effect on market value of quoted oil and gas in Nigeria. Although, the extent may vary among reporting entities due to certain factors, such as: proliferated applicable disclosure guidelines, disclosure guidelines recommended, actual sustainability practice and regulatory standard for sustainability accounting information which influenced the behaviour of the reporting entities towards reporting inconsistently; by communicating sustainability performance with either full disclosure, partial disclosure or none. The scenario gave impetus to more subjective than objective sustainability accounting information to users' who investment decisions depend on it. Therefore, it is recommended that the management of the oil and gas companies in Nigeria should pay adequate attention at the practice of sustainability accounting information because it creates financial value. Also, the reporting entities should not limit sustainability accounting information by any circumstances of reporting framework because it is an emerged financial value driver.

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