

CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE PERFORMANCE

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BENIN CITY

OCTOBER, 2023

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**BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF
ACCOUNTING, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF BENIN,
BENIN CITY, NIGERIA IN PARTIAL FULFILLMENT OF THE AWARD OF
BACHELOR OF SCIENCE (B.Sc.) DEGREE IN ACCOUNTING**

OCTOBER, 2023.

DECLARATION

I, Osazee Sunny IYIRIAHO hereby declare that:

1. This project is based on a study undertaken by me in the department of Accounting, University of Benin, under the supervision of Dr. N. Ohonba
2. This work has not been previously submitted for the award of degree elsewhere.
3. All ideas and views are products of my personal research and where the views of others have been expressed, they have been duly acknowledged.
4. Any litigation or liability arising from the work is wholly borne by me and not the supervisor.

Osazee Sunny IYIRIAHO

Date: _____

CERTIFICATION

We certify that this project work was carried out by **Osazee Sunny IYIRIAHO** with Matriculation Number: **MGS1807616** in the Department of Accounting, University of Benin, Benin city in partial fulfillment for the award of Bachelor of Science (B.Sc.) degree in Accounting.

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DEDICATION

This work is dedicated to God Almighty for his grace and mercy upon my life and for the strength all through my academic pursuit and aspirations. To my family and friends, who have been my constant source of inspiration.

ACKNOWLEDGEMENT

The success and the outcome of this project was made possible by the guidance and support from many people.

First of all, i give gratitude to Almighty God, for without him, i would not have gotten this far.

I sincerely appreciate my supervisor Dr. N Ohonba for his immense support and guidance for the completion of my project.

I will forever be grateful to Mr Friday Iyiriaho & Mrs Juliet Iyiriaho (my parents) for their prayers, love and support.

I will also like to appreciate my siblings, my brothers and sisters for your support and encouragement throughout my stay in this great citadel of learning.

Finally, i would like to give special appreciation to all my friends that have been there for me, during my stay in this Great University of Benin.

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ABSTRACT

This research delves into investigating Corporate Social Responsibility (CSR) and Corporate performance. Despite considerable interest in the relationship between corporate social responsibility (CSR) and corporate performance, prior studies have been limited particularly in developing countries like Nigeria, where the concept of corporate social responsibility has not been properly understood by most organizations.

The study's target population was the financial institutions listed on the Nigerian Exchange Group (NGX) as at 31st December, 2022. The sample size was precisely all the listed registered commercial banks. These banks include Access Bank, Eco Bank, Fidelity Bank, First Bank, First City Monument Bank, Guaranty Trust Bank, Stanbic IBTC Holding, Sterling Bank, Union Bank, United Bank for Africa, Unity Bank, Wema Bank and Zenith Bank.

A casual research design was employed. The ordinary Least Square (OLS) regression with the aid of EViews version 10 software packages was used to analyze the data to access the relationship between corporate Social responsibility (CSR) and corporate performance.

The research reveals a positive association between Economic Dimension of Corporate Social Responsibility and Corporate Performance and a negative association between the Social and Environmental Dimension on Corporate performance.

As a result, the study recommends that regulatory authorities and companies should prioritize CSR, integrating it into their policy statements and supporting it with adequate budgets. Furthermore, the government should establish well-defined regulations for addressing corporate social responsibility issues and ensure their full implementation.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The literature on corporate social responsibility (CSR) has seen substantial growth over the past decade, as businesses recognize it as a primary avenue to address the social needs of their operating environment (Carroll & Shabana, 2015). In recent years, Corporate social responsibility has garnered significant research attention because of its extensive impact on the marketplace, as noted by Shah and Khan (2019).

Corporate Social Responsibility is a comprehensive business approach that fosters sustainable development by delivering economic, social, and environmental benefits to all stakeholders (Fadun, 2014). It encompasses economic, legal, ethical, and discretionary concerns, focusing on employees, customers, communities, government, and other stakeholders (Doh, Littell & Quigley, 2015; Salifu, 2020).

According to Louche and Idowu (2017), Corporate social responsibility (CSR) has undergone a gradual rationalization over the years, with two significant reorganizations. These divisions can be seen from both an analytical and theoretical perspective.

One major shift has been the focus on examining the financial importance of CSR to organizations rather than its impact on society at large. This change has also influenced the theoretical aspect of CSR research, leading to a shift from ethics-oriented studies to performance-oriented analyses (Golob et al., 2017).

Corporate entities do not operate in isolation; rather, they function within an environment encompassing various factors such as social, economic, legal, cultural, ecological, technological, and political aspects. The contemporary business environment has experienced significant turbulence, with competition heavily influenced by globalization. In response, organizations must continuously modernize their management approaches and prioritize delivering value to stakeholders (Powei, 2020). With intense competition for industrial products, markets face social contestability due to environmental and health-related externalities linked to products and processes, as well as economic challenges from competitors.

Consequently, corporate social responsibility (CSR) has emerged as a critical concern for firms, given the growing public awareness about the impact of corporate activities on the environment and society (Adebiyi & Muyideen, 2012).

The concept of Corporate Social Responsibility (CSR) is a prominent global business agenda, suggesting that engaging in socially responsible actions has several positive effects. Einwiller et

al. (2019) opined that such actions positively influence stakeholder groups, protect firms from negative publicity, and favorably shape customer identifications. As responsible corporate citizens, they are expected to interact harmoniously with their environment to achieve their long-term goals and objectives effectively (Ibrahim & Hamid, 2019).

Traditionally, companies focused solely on profit maximization, leaving the responsibility of improving societal living standards to the government. However, the emergence of social activism and the public's new expectations have led to a shift in evaluating corporate performance, extending beyond financial results to include their response to societal needs.

Consequently, contemporary businesses are voluntarily engaging in corporate social responsibility activities to meet societal expectations and distinguish themselves amidst fierce competition (Usman, 2018).

Corporate performance refers to a company's overall effectiveness and success in achieving its goals and objectives, encompassing both financial and non-financial metrics that assess its operations, profitability, and value delivered to stakeholders. To achieve their long-term survival and growth objectives, organizations must effectively adapt to their environments (Kwaghfan, 2015). While leveraging internal strengths is essential for success, companies must also embrace opportunities in the external environment and give back to society. This fosters a positive

relationship within the community, which is the outcome of practicing good corporate social responsibility. As dominant institutions on the planet, corporations significantly influence the environment, either positively or negatively (Okegbe & Egbunike, 2016).

Embracing corporate social responsibility is not only essential for addressing social and environmental issues that impact humanity but also vital for long-term success (Korkchi & Rombaut, 2006).

Researchers have extensively studied the relationship between corporate social responsibility (CSR) and corporate performance. Some studies have found a positive correlation between CSR practices and improved corporate performance (Abubakar & Ameer, 2011; Van-Beurden & Gössling, 2008; Malcolm, Khadijah, & Ahmad Marzuki, 2007). Engaging in socially responsible activities can boost a company's reputation, attract socially conscious customers, and foster positive stakeholder relationships, leading to potential financial benefits.

Conversely, conflicting findings exist, with some studies suggesting a negative correlation between corporate social responsibility and corporate performance (Margolis & Walsh, 2003; Mishra & Suar, 2010; Vogel, 2005). Critics argue that investing in CSR activities might divert financial resources from core business functions, potentially impacting short-term profitability.

Despite these discrepancies, many contemporary businesses have voluntarily embraced CSR activities that go beyond legal requirements (Ibrahim & Hamid, 2019).

This trend can be attributed to the growing recognition of CSR as a strategic tool for meeting societal expectations, enhancing a company's image, and gaining a competitive edge in the market. Today, companies are expected to not only act in a socially responsible manner but also demonstrate financial accountability (Bucholz, 2016).

It is important to note that corporate social responsibility (CSR) serves as a means for firms to generate shared value for stakeholders and mitigate adverse impacts (Evans & Agbola, 2016). It is important to note that Ethical behavior and social responsibility have gained importance due to factors like economic and social globalization, scientific and technological advancements, and better access to information.

Nowadays, organizations view CSR as a strategy to enhance their marketing image, increase customer satisfaction, and gain stakeholder acceptance, ultimately improving long-term performance (Aziz & Haron, 2021). The study tends to determine the impact of CSR on corporate performance.

1.2 STATEMENT OF RESEARCH PROBLEM

The evaluation of Corporate Performance encompasses various critical parameters, such as financial, market, and shareholder performance. In recent years, the concept of corporate health has evolved to encompass broader aspects, including social responsibility, reputation, innovation, employee morale, and productivity, alongside financial considerations.

In their study, Arevalo and Aravind (2017) emphasized the challenge of reaching a conclusive outcome when investigating the link between CSR and financial effectiveness due to the presence of errors in such research. Nonetheless, they acknowledged the significant impact of these studies in helping organizations renew their best practices, ethics, and sustainable production. Likewise, Pedersen and Neergaard (2016) pointed out that inconsistencies in empirical approaches have contributed to the inconclusiveness of corporate social responsibility research.

Recent literature, as highlighted by Jamali, Karam, and Blowfield (2017), has focused on explaining the intricate relationship between business, society, and the ever-evolving trends in corporate social responsibility. However, conflicting findings have emerged regarding the direct link between corporate social responsibility and business effectiveness (Margolis & Walsh, 2003; Mishra & Suar, 2010; Vogel, 2005). While some studies (Abubakar & Ameer, 2011; Van-

Beurden & Gössling, 2008; Malcolm, Khadijah, & Ahmad Marzuki, 2007) reveal a positive correlation between corporate responsibility and performance, others (Abu-Bakar & Ameer, 2011; VanBeurden & Gössling, 2008, etc.) indicate a negative correlation. However, the viewpoint of Hawn and Ioannou (2016) argued that the dynamic nature of corporate social responsibility (CSR) has not received adequate exploration, suggesting a need for further investigation to gain a deeper understanding of this evolving concept. As a result of the inconclusive nature of the literature so far, this study seeks to expand on the knowledge of corporate social responsibility and its impact on corporate performance.

1.3 RESEARCH QUESTIONS

The following are the research questions for this study;

- (i) How does Donations impact corporate performance of firms?
- (ii) How does community service impact corporate performance of firms?
- (iii) How does return on equity impact corporate performance of firms?

1.4 RESEARCH OBJECTIVES

The primary goal of this research is to investigate the effect of CSR on the corporate performance of banking organizations. However, Other broad goals include;

- (i) Determine the effect of donations on firms' corporate performance;
- (ii) Examine the impact of community service on firms' corporate performance and
- (iii) Ascertain the effect of Return on equity on firms' corporate performance.

1.5 RESEARCH HYPOTHESIS

The following hypothesis is expressed in their null forms

- (i) There is no relationship between donations and Corporate Performance of firms.
- (ii) There is no relationship between community service and Corporate Performance of firms.
- (iii) There's no relationship between return on equity and Corporate Performance of firms.

1.6 SCOPE OF THE STUDY

In this study of corporate social responsibility and Corporate Performance, The population size of this study consists of listed firms spread across the banking sectors in the Nigeria Exchange Group (NGX) as of 31st December 2023. The study therefore uses all commercial banks listed in the Nigeria Exchange Group (NGX) for the period (2018-2022) as a sample of the study. This bank includes Access Bank, Eco Bank, Fidelity Bank, First Bank Holding, First City Monument

Bank, Guaranty Trust Bank, Stanbic Ibtc Holding, Sterling Bank, Union Bank of Nig, United Bank for Africa, Unity Bank, Wema Bank, and Zenith Bank

Selecting a specific industry offers the advantage of ensuring that all the sampled organizations share a similar cultural and institutional context. As a result, these firms are likely to face comparable levels of scrutiny concerning their adherence to social and environmental demands, enabling consistent analysis (Berrone & Gomez-Mejia, 2009; Long & Driscoll, 2008).

1.7 SIGNIFICANCE OF THE STUDY

The outcomes of this study will contribute to the current literature on the effect of corporate social responsibility on the corporate performances of organizations. This research is relevant to all corporate institutions (both private and government-owned), regulatory agencies, banks, firms, professional accounting and business organizations, and academia.

Business establishments, through this research, will endeavor to prioritize corporate social responsibility when making corporate key decisions. This would enable a peaceful coexistence among stakeholders and enable an effective business operation.

This study will also provide the regulatory bodies with information that will further strengthen the enforcement of regulatory policies that enhances organizations' participation in social obligations as corporate citizen.

This study significantly contributes to assisting management to be aware of some factors that are considered important for their sustainability and how they determine their level of financial performance or profit realized. It will also ensure management's accountability for non-financial activities that have impacts on society and for its going concern. This study will also provide the regulatory bodies with information that will further strengthen the enforcement of regulations. Finally, this study shall encourage researchers to carry out further research in this same area.

CHAPTER TWO

2.0

INTRODUCTION

Corporate social responsibility (CSR) is a concept that refers to a company's commitment to addressing its environmental, social, and economic impacts on society beyond its core business activities. It involves voluntary actions that go beyond legal requirements and aim to benefit stakeholders, including employees, communities, customers, and the environment. Corporate social responsibility encompasses a wide range of initiatives, such as sustainability practices, charitable donations, ethical sourcing, and employee volunteering. However, it's important to note that the impact of corporate social responsibility (CSR) on corporate performance can vary depending on factors such as the industry, the specific corporate social responsibility initiatives undertaken, and the company's commitment to these activities. The impact of corporate social responsibility on corporate performance is a topic of significant interest and debate among scholars, business leaders, and stakeholders. Additionally, measuring the direct financial impact of corporate social responsibility can be challenging, as it often involves long-term, intangible benefits that may not be immediately quantifiable.

In summary, Corporate Social Responsibility plays a significant role in shaping a company's reputation, relationships with stakeholders, and long-term success. While it may not always have

a direct and immediate impact on financial performance, it contributes to a more sustainable and resilient business model. Companies that embrace corporate social responsibility (CSR) as an integral part of their strategy are better positioned to thrive in a rapidly changing business environment. This chapter addresses reviews on the subject matter.

2.1 CONCEPTUAL REVIEW

2.1.1 CORPORATE SOCIAL RESPONSIBILITY

According to (Nadia et al., 2023), corporate social responsibility (CSR) assumes a critical role in self-regulation, signifying the profound commitment and responsibility of businesses toward uplifting the communities and society at large. This dedication is exemplified through a plethora of environmental and social initiatives carried out by companies, further highlighting the significance of corporate social responsibility in fostering positive results from a larger perspective. Corporate social responsibility stands as a cornerstone in shaping a company's brand perception and significantly influences its appeal to customers, employees, and investors, ultimately contributing to talent retention and overall business triumph.

Carrol (1979) introduced the concept of corporate social responsibility (CSR), emphasizing that businesses should address economic, legal, ethical, and discretionary expectations from society, both immediate and broader. This underscores the notion that organizations must strive to

achieve all four dimensions simultaneously, signifying their role in not only pursuing their own goals but also safeguarding and enhancing the welfare of the general society.

Singh and Misra (2021) further elaborate on corporate social responsibility, highlighting its focus on charitable activities, quality of life improvements, community financial support, and employee welfare responsibilities. These corporate social responsibility efforts extend to both internal and external stakeholders. Internal corporate social responsibility encompasses practices and operational activities within the organization that promote the physical and mental well-being of employees, their satisfaction, and work-life balance (Turker, 2009; Brammer, Millington & Rayton, 2007; Suifen, Abdallah & Janini, 2018). External corporate social responsibility pertains to organizational practices that yield positive impacts on society, observable by customers, investors, regulators, and other external observers (Obiekwe & Nwaeke, 2019). It also involves cultivating positive relationships with customers, local communities, partners, suppliers, and public agencies (Saleh, et al., 2017; Albuhihi & Abdallah, 2018).

The classification of corporate social responsibility has been studied from various perspectives, as evidenced by the works of (Lythreathis et al., 2020; Sun et al., 2021). Porter and Kramer (2006) present two primary categorizations, distinguishing strategic corporate social responsibility,

pursued to gain competitive advantage, from responsive corporate social responsibility, driven by stakeholder demands. Moreover, Aguinis and Glavas (2012) discuss the embedded and peripheral nature of corporate social responsibility (CSR) activities, reflecting their integration into firms' strategies and routine operations.

Additionally, Rupp and Mallory (2015) propose the division of corporate social responsibility into internal and external domains, where internal corporate social responsibility encompasses activities and policies aimed at the firm's employees, while external corporate social responsibility focuses on practices directed towards other stakeholders, including customers, suppliers, governments, and society, including environmental concerns. Tsoutsoura, (2004) suggested that a socially responsible corporation should go beyond legal requirements and adopt policies and practices that contribute to the welfare of key stakeholders. It typically includes the considerations of business ethics, community investment, environmental concerns, government relations, human rights, and workplace issues.

A closer look at each of the terms that make up corporate social responsibility (CSR) could be the simplest approach to understanding. Therefore, the term "corporate" initially referred to substantial commercial entities or firms. Today's culture places greater emphasis on huge organizations since they are visible to the public, but it also mentions and includes smaller

businesses. Thus, it would be best to define the word "corporate" in its simplest form. Certain nonprofit organizations, including the United Nations and Amnesty International, are also recognized as "corporate" entities. The term "social" relates to the connection between man's life and society, focusing on the well-being of human communities. In the corporate context, society was initially understood as involving only human stakeholders affected by corporate actions. However, the concept has expanded to encompass the natural environment, including plants, animals, and the overall biosphere (Carroll & Brown, 2018). Responsibility, in essence, involves being accountable and having a sense of obligation toward society. Over time, corporate social responsibility (CSR) has been defined in various ways. One widely accepted perspective conceptualizes corporate social responsibility as having three components: economic, environmental, and social, often referred to as the triple bottom line (TBL). According to the TBL concept, businesses are not solely focused on making profits but also have a responsibility to contribute environmental and social value to society. Therefore, in addition to emphasizing the economic contributions of corporations, the TBL approach to corporate social responsibility highlights the environmental and social impacts they generate within society, whether positive or negative (Sridhar & Jones, 2013).

Corporate social responsibility (CSR) advocates for the corporate organization to take responsibility for its actions and to make positive impacts on the environment, employees, consumers, other stakeholders, and society at large through its activities. Corporate social responsibility entails businesses aligning their behaviors and values with the needs and expectations of the stakeholders including the employees, customers, investors, suppliers, regulators, and the society at large (Fontaine, 2013). According to Olaroyeke and Nasieku (2015), corporate social responsibility revolves around companies' interactions with society and encompasses such issues as corporate philanthropy/giving, corporate citizenship, corporate community relations, and corporate social marketing. In other words, businesses need to be concerned with more than just profit but also the environmental and social impact of the operations. Corporate social responsibility therefore entails managing these impacts such that the benefits are maximized and the downsides minimized (Fontaine, 2013). Corporate social responsibility entails businesses aligning their behaviors and values with the needs and expectations of the stakeholders including the employees, customers, investors, suppliers, regulators, and the society at large (Fontaine, 2013).

The literature on corporate social responsibility has seen substantial growth over the past decade, as businesses recognize it as a primary avenue to address the social needs of their operating

environment (Carroll & Shabana, 2015). In recent years, CSR has garnered significant research attention because of its extensive impact on the marketplace, as noted by Shah and Khan (2019). Corporate social responsibility is a comprehensive business approach that fosters sustainable development by delivering economic, social, and environmental benefits to all stakeholders (Fadun, 2014). It encompasses economic, legal, ethical, and discretionary concerns, focusing on employees, customers, communities, government, and other stakeholders (Doh, Littell & Quigley, 2015; Salifu, 2020).

The contemporary business environment has experienced significant turbulence, with competition heavily influenced by globalization. In response, organizations must continuously modernize their management approaches and prioritize delivering value to stakeholders (Powei, 2020). With intense competition for industrial products, markets face social contestability due to environmental and health-related externalities linked to products and processes, as well as economic challenges from competitors. Consequently, corporate social responsibility (CSR) has emerged as a critical concern for firms, given the growing public awareness about the impact of corporate activities on the environment and society (Adebiyi & Muyideen, 2012).

Nowadays, organizations view Corporate social responsibility as a strategy to enhance their marketing image, increase customer satisfaction, and gain stakeholder acceptance, ultimately improving long-term performance (Aziz & Haron, 2021).

The concept of Corporate Social Responsibility (CSR) is a prominent global business agenda, suggesting that engaging in socially responsible actions has several positive effects. Einwiller et al. (2019) opined that such actions positively influence stakeholder groups, protect firms from negative publicity, and favorably shape customer identifications. Additionally, Bardos et al. (2020) highlight that Corporate social responsibility directly enhances firm value. Corporate entities do not operate in isolation; rather, they function within an environment encompassing various factors such as social, economic, legal, cultural, ecological, technological, and political aspects. As responsible corporate citizens, they are expected to interact harmoniously with their environment to achieve their long-term goals and objectives effectively (Ibrahim & Hamid, 2019). Traditionally, companies focused solely on profit maximization, leaving the responsibility of improving societal living standards to the government. However, the emergence of social activism and the public's new expectations have led to a shift in evaluating corporate performance, extending beyond financial results to include their response to societal needs. Consequently, contemporary businesses are voluntarily engaging in corporate social

responsibility activities to meet societal expectations and distinguish themselves amidst fierce competition (Usman, 2018). In 's internal sphere, Corporate social responsibility promotes social consciousness in corporate culture, increasing employees' involvement and commitment to their organization (eHao, Farooq, & Zhang, 2018; Jones, 2010; Turker, 2009). In addition, corporate social responsibility increases productivity, sales, and profits. Organizations' core practices facilitate the achievement of better performance and financial results, thereby positively affecting productivity, competitiveness, and competitive success (Boulouta & Pitelis, 2014; Gallardo-Vázquez & Sánchez-Hernández, 2014a; Rodrigo, Durán, & Arenas, 2016). More recently, Hameed et al. (2016) have asserted that corporate social responsibility initiatives can generate increased performance and value

2.1.2 CSR DIMENSIONS

In 1997, Elkington introduced the triple bottom line. There are three main pillars, which are social responsibility (people), environmental responsibility (planet), and economic responsibility (profit) to make sustainable business. Corporations regard the baseline of Corporate social responsibility as concepts of people, planet, and profit are the foundation of business (Picón, Castro, and Roldán, 2014).

2.1 2.1 SOCIAL DIMENSION

Through existing research, we know that most papers mention the social dimension of CSR (Bonsón & Bednárová, 2015, Kim & Lee, 2015, Arsić, Stojanović, & Mihajlović, 2017), as it is the top priority for corporate social responsibility to run. According to Leao-Aguiar, Ferreira, and Marinho (2005), nowadays, the perception towards corporations is that they are recognized as a citizen, an integral part of a larger community, so corporations focus on not only their business but also strategic corporate social responsibility, such as concerning themselves with the sustainability for long term business success. The social dimension of corporate social responsibility is for customers, employees, and the community and we can say that it is an obligation to contribute to social benefits and to achieve the interests of the society and of the corporation in which the business is carried out. (Uddin, Hassan, & Tarique, 2008). The social dimension of Corporate social responsibility activities includes the problems of public health, human rights, equal opportunities, job training and education, community issues, public debate, social justice, workplace conditions, and workplace safety. (Jamali, Mezher, & Bitar, 2006).

2.1.2.2 ENVIRONMENTAL DIMENSION

The environmental dimension of Corporate social responsibility has been an important issue among three corporate social responsibility (CSR) dimensions, which was considered from the

1970s as one of the most important issues that the business world had to deal with as a corporate social responsibility (Stojanović, Mihajlović & Schulte, 2016). The environmental dimension includes the policies and actions of the company related to the prevention and control of pollution; the prevention or repair of environmental damage due to operations; the conservation of natural resources; waste treatment; environmental protection; and also the contribution to art that aims to beautify the environment and in the restoration of historical buildings. Because all biological systems have limited resources and limited capacity, corporations' activities must operate at a level that does not menace the health of the environmental system (Matten, 2006). In this way, Dahlsrud (2008) states that the environmental dimension refers to the natural environment. On the other hand, Arsić, Stojanović, and Mihajlović (2017) insist that even though corporations have an interest in implementing environmental protection activities to win positive public opinion and support from society, it needs to be more than fulfilling the legal requirements. Uddin, Hassan, and Tarique (2008) state that normally negative effects of an environmental impact occur because of business operations like pollution, and overuse of natural resources. Many researchers try to find the positive effect between environmental corporate social responsibility activities and their economic outcome because some scholars state that there is no positive connection between investment in environmental corporate social responsibility activities and corporations' better outcomes in terms of management (Friedman, 1970). But it is

a definite strategy to help corporates' business. From the view of the fundamental sustainable principle, the environmental dimension is related to the effective care system of given resources and is therefore preserved for the future (Matten, 2006). Researchers (Azzone, Bianchi & Noci, 1997; Perrini, Pogutz, & Tencati, 2006) believe that a corporate environmental report is a way to enhance and manage corporate activities and to communicate with stakeholders, particularly those who have ecological concerns.

2.1.2.3 ECONOMIC DIMENSION

The economic dimension defines corporate social responsibility, focusing on economic and financial perspectives. Typical examples are "contributing to economic development," "preserving corporate profits," and "business management" (Kim, 2015). Carroll (1979) highlights the economic dimension of Corporate social responsibility as follows: The economic dimension is the most important social responsibility of corporations because society expects that people can get a profit by selling goods and services that are produced by companies. Carroll (1991) stipulates that the economic dimension should be carried out in a way that maximizes earnings per share, as profitably as possible, and maintains competitive advantage and high operational efficiency. According to Wheeler and Beatley (2014), corporations must seek out a sustainable plan for economic viability for all employees and local staff who are affected by the

tasks of the workers. Matten (2006) argues two concepts of the economic dimension, a broad and narrow notion. Because the narrow notion of economic sustainability focuses on the economic outcome of the business, the responsibility of management is to develop, produce, and sell products that ensure the corporation's long-term financial outcome. A broad concept of the economic sustainable dimension incorporates corporates' attitudes toward the way of running business and their impact on the economic system. (Matten, 2006). Uddin, Hassan, & Tarique (2008) refer that the economic performance of corporations affects all stakeholders: For example, if corporations get good outcomes, then employees gain higher salaries so that they purchase products and services with taxes as a customer and it influences the government and local industry communities to get benefits. In other words, it is called a multiplier effect (Uddin, Hassan, & Tarique, 2008). This is the most important reason for the existence of corporations and why the first obligation of a corporation is to strengthen economic function (Matten, 2006).

2.1.3 CORPORATE PERFORMANCE

Corporate performance refers to a company's overall effectiveness and success in achieving its goals and objectives, encompassing both financial and non-financial metrics that assess its operations, profitability, and value delivered to stakeholders. (Wikipedia). To achieve their long-term survival and growth objectives, organizations must effectively adapt to their environments

(Kwaghfan, 2015). While leveraging internal strengths is essential for success, companies must also embrace opportunities in the external environment and give back to society. This fosters a positive relationship within the community, which is the outcome of practicing good corporate social responsibility.

Corporate performance in the context of corporate social responsibility (CSR) refers to how a company integrates ethical, social, and environmental concerns into its business operations and its impact on society and the environment. Measuring Corporate social responsibility performance involves evaluating a company's efforts to fulfill its ethical and social responsibilities in addition to generating profits. David Chandler and David B. Werther Jr. (2013). Corporate performance is seen as a way of observing, monitoring, evaluating, and reporting the performance of a business organization to ensure that the result conforms to the predetermined goals and objectives. According to Herbert (2006), organizational performance can be assessed by the extent to which objectives and goals that are key to the organizations are achieved by the successive efforts of subordinates/employees. Nwachukwu (2006) gave some of the objectives and goals of organizations to include high profitability rate, rising growth, high productivity, large market share, and strong competitive strength. For organizations to obtain these objectives, performance, monitoring, and management tasks become necessary.

2.1.4 IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CORPORATE PERFORMANCE

The research on corporate social responsibility (CSR) in Nigeria is still limited but showing signs of growth. There is a rising interest and awareness of corporate social responsibility initiatives and a growing body of research focusing on corporate organizations in various sectors like oil and gas, banking, and manufacturing in Nigeria. Several studies have explored the relationship between Corporate social responsibility and organizational performance producing diverse findings. Some studies have discovered a positive impact on financial performance (Abubakar, 2018; Enughulu & Dabor, 2019; Irabora, 2019; Ogungbade, 2021), while others have found no significant relationship (Tijani et al., 2017) or even negative associations (Madugba & Okafor, 2016; Ogungbade, 2021; Oyewumi et al., 2018). Regarding the financial returns derived from corporate social responsibility, it has been argued that banking firms do not experience proportional benefits compared to manufacturing firms and multinational corporations (MNCs) despite similar levels of investment in corporate social responsibility projects (Oyewumi et al., 2018). Corporate organizations in Nigeria embrace corporate social responsibility through various approaches, taking into consideration factors such as company policy, size, culture, industry dynamics, and stakeholder demands (Madugba & Okafor, 2016). These factors, among others, have been found to have a significant impact on CSR (Miko & Ya'u, 2018; Obi & Ode-

Ichakpa, 2020; Yahaya & Apocr, 2021). In addition to its influence on organizational financial performance, Corporate social responsibility activities, when coupled with effective disclosure, have been shown to have a significant and positive effect on stakeholders' perception of the organization (Okoi et al., 2021), consumer purchasing decisions, and behavior (Potluri et al., 2020), employees' perceptions and display of organizational citizenship behavior (Onyishi et al., 2020), as well as environmental preservation and the management of youth unrest in local communities (Sokefun & Oduyoye, 2018).

Many studies have investigated the impacts of Corporate social responsibility on organizational performance. In terms of financial performance, companies can benefit more from consistent Corporate social responsibility engagement, such as reducing long-term financial problems and increasing sales growth, earnings before tax, and cash flows from operations (Ameer & Othman, 2012; Frynas & Yamahaki, 2016). Regarding non-financial performance, Corporate social responsibility can offer more efficient and better management operations (Aguinis & Glavas, 2012; Malik, 2015). Furthermore, Corporate social responsibility can reinforce a company's human resources, increase employee loyalty and retention, foster employee productivity, and boost customer loyalty (Aguinis & Glavas, 2012; Malik, 2015; Mellahi, Frynas, Sun, & Siegel, 2015; Moir, 2001). Researchers have extensively studied the relationship between corporate

social responsibility (CSR) and corporate performance. Some studies have found a positive correlation between Corporate social responsibility practices and improved corporate performance (Abubakar & Ameer, 2011; Van-Beurden & Gössling, 2008; Malcolm, Khadijah, & Ahmad Marzuki, 2007). Engaging in socially responsible activities can boost a company's reputation, attract socially conscious customers, and foster positive stakeholder relationships, leading to potential financial benefits. Conversely, conflicting findings exist, with some studies suggesting a negative correlation between Corporate social responsibility and corporate performance (Margolis & Walsh, 2003; Mishra & Suar, 2010; Vogel, 2005). Critics argue that investing in corporate social responsibility activities might divert financial resources from core business functions, potentially impacting short-term profitability. Despite these discrepancies, many contemporary businesses have voluntarily embraced Corporate social responsibility activities that go beyond legal requirements (Ibrahim & Hamid, 2019). This trend can be attributed to the growing recognition of Corporate social responsibility as a strategic tool for meeting societal expectations, enhancing a company's image, and gaining a competitive edge in the market. Today, companies are expected to not only act in a socially responsible manner but also demonstrate financial accountability (Bucholz, 2016). Corporate social responsibility serves as a means for firms to generate shared value for stakeholders and mitigate adverse impacts (Evans & Agbola, 2016). Most researchers have identified a positive relationship between

Corporate social responsibility and financial performance. Margolis and Walsh, (2003) for instance, noted that very few studies indicated a negative relationship. Panapanaan, (2006) offers the same conclusion after it examined the relationships of 251 companies and identified a positive relationship. Van Beurden and Gössling, (2008) also suggested that there is a significantly positive correlation between Corporate social responsibility and financial performance. They rightly argue that various scales of enterprises can have an influence on Corporate social responsibility and financial performance and considered company size as a control variable in their research. Lee and Park, (2009) included leverage as a control variable to examine the relationship from the NSCI ESG data set and reported a positive relationship

2.2 THEORETICAL FRAMEWORK

The theories of Corporate social responsibility studies reveal how Corporate social responsibility is seen and analyzed by different stakeholders from various perspectives from their organizational viewpoints. However, this study will focus on the following theories:

2.2.1 LEGITIMACY THEORY

Legitimacy theory deals with giving a firm sense of belonging and the right to exist and operate within the community by regulation (Suchman,1995). Suchman (1995) defined legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or

appropriate within some socially constructed system of norms, values, beliefs, and definitions.” Dowling and Pfeffer (1975) defined legitimacy as “a condition or status which exists when an entity’s value system is in line with the value system of the larger society of which the entity is a part. When there is a difference between actual and potential, the two value systems are said to be a threat to the entire entity’s legitimacy.”

For an organization to survive, it needs to fulfill what society expects from it, by so doing the organization is looked at as an entity that deserves to be in the same environment as the community it serves, this asserts the reason for being part of the society and has a legitimate right to survive. Legitimacy theory indicates how a business reacts to the pressures and expectations of its stakeholders to survive. Aguilera, Rupp, Williams, and Ganapathi (2007) said that legitimacy is the relationship between the activities of an organization and the perception of its stakeholders. Legitimacy deals with two major concepts, the perception of the general public and the efficiency of the communication channels used by the organization. Legitimacy theory wants organizations to continuously check whether their existence is worth in the values they uphold and cherish (Mobus, 2005). Legitimacy theory is built upon the idea that business organizations operate in a community through perceived agreement to perform some socially responsible acts to survive within the community and achieve its objectives. It is the community where the organization operates that states how worthy an organization is to them based on the agreement

between what they expect and what they get from the business organization (Haron, Ismail, and Yahya, 2007). Communication is an important feature in legitimacy theory because an organization provides what society needs.

2.2.2 STAKEHOLDER THEORY

Stakeholders are groups and persons who can influence or are influenced by the accomplishment of a company's mission (Freeman 2010). Primary stakeholders include shareholders or investors, suppliers, employees, customers, and public stakeholder groups (i.e., governments and communities), whereas special interest groups and the media are secondary stakeholders (Clarkson, 1995). In addition to stakeholders' contributions in accomplishing companies' objectives, they are a critical triggering factor for CSR implementation (Lane & Devin, 2018; Zhu et al., 2016). In particular, Corporate social responsibility emphasizes how companies interact with internal and external stakeholders in an ethical, social, and responsible manner to enhance their living conditions while ensuring their profitability (Hopkins, 2005). Corporate social responsibility can benefit stakeholders, which improves company performance and reflects the organizational change results (Alsbaity, 2018).

This theory asserts that managers must satisfy a variety of constituents (i.e. workers, customers, suppliers, local community organizations) who can influence firm outcomes. The theory was

originally detailed by Freeman in 1984. Developments in stakeholder theory that exemplify research and theorizing in this area include Donaldson and Preston (1995), Mitchell, Agle & Wood (1997), and Phillips (2006). This theory maintains that there is a need for an organization to engage in an active social role in the society where it is operating since it depends on the society for sustenance (Odera, Scott & Gow, 2018)). Corporate social responsibility impact on the stakeholders is value added to any going concern business. The purpose of establishing an enterprise is value creation that involves producing goods and services that will satisfy the demand of the society which maximizes profit for the owner and contributes to solving societal needs (Akindele, 2011). The stakeholder theory is related to this study because it takes into consideration the need to satisfy those interested parties capable of influencing organizational performance if an organization is to survive in its environment (en.wikipedia.org). Stakeholders include individuals or bodies who are affected by the decisions of corporate organizations. These stakeholders include investors, shareholders, employees, customers, suppliers, competitors, government, and the communities who are capable of influencing the organizational performance of selected quoted companies in Nigeria. The concept of Corporate social responsibility has aspects in common with stakeholder theory, as both have underlying moral and ethical principles. There is however an integral link between the two concepts, which is based on the supposition that stakeholder theory is part of the motivation for businesses to be responsible (Clarkson, 1995).

This is consistent with stakeholder theory, as the motives are based on ensuring that the benefit derived from these stakeholders is maximized and the damage is limited. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. It lists and describes those individuals and groups who will be affected by the company's actions and asks, "What are their legitimate claims on the business?" "What rights do they have concerning the company's actions?" and "What kind of responsibilities and obligations can they justifiably impose on a particular business?" Stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it. For instance, when a factory produces industrial waste, a corporate social responsibility perspective attaches a responsibility directly to factory owners to dispose of the waste safely. By contrast, a stakeholder theorist begins with those living in the surrounding community who may find their environment poisoned and begins to talk about business ethics by insisting that they have a right to clean air and water. Therefore, they are stakeholders in the company and their voices must contribute to corporate decisions. They may indeed own no stock, but they have a moral claim to participate in the decision-making process.

2.3 EMPIRICAL REVIEW

The impact of corporate social responsibility on corporate financial performance has been undertaken by several studies in Nigeria and Oversea. Some of these studies are presented below: A critical assessment of environmental issues and corporate responsibility in Nigeria, the Niger Delta region as a case study was undertaken by Ejumudo, Edo, and Sagay (2012). The researchers made use of the survey research method which involves the primary source of data collection and came up with the findings that oil activities in the region have had a destructive effect on the environment and concluded that oil companies operating in the region have done little or nothing in minimizing the difficulties of the host communities. Uadiale and Fagbemi (2012) examined the impact of Corporate social responsibility activities on financial performance in developing economies with a time frame of 2 years. The study considered employee relations (ER), company performance (CP), and environmental management system (EMS) to be the independent variables, while the individual dependent variables were measured with Return on Equity (ROE) and Return on Assets (ROA) in Nigerian companies. The study used a sample of forty audited financial statements of quoted companies in Nigeria and the results showed that corporate social responsibility has a positive and significant relationship with financial performance measures. The impact of Corporate social responsibility on the financial performance of corporations in Pakistan was investigated by Iqbal, Ahmad, Bashir, and Nadeem

(2014). This study examined the relationship between Corporate social responsibility, Financial performance, market value, and financial leverage of 156 listed companies from 4 different sectors within a limited time frame of 2 years (2010-2011). The result of the study concluded that Corporate social responsibility has no effect on financial performance with a negative result on market value. Latapi et al. (2019) carried out a literature review on the history and evolution of corporate social responsibility. The study adopted a comprehensive content analysis that explores the most relevant academic contributions to corporate social responsibility and its methodologies. The discoveries revealed that the understanding of corporate responsibility has progressed from being limited to the generation of profit to embracing a broader set of responsibilities of the modern belief that the main responsibility of companies should be the generation of shared value. The findings also indicate that as social anticipations of corporate behavior improved, so did the concept of Corporate Social Responsibility. Theodoulidis et al., (2017) conducted an empirical study based on the stakeholder theory to further explore the relationship, three models (direct effect, moderated effect, and intermediated model) were used to identify the level of performance via return-on-asset (ROA), return-on-equity (ROE) and Tobin's Q. It found that Corporate social responsibility can have a positive influence on financial performance when the operating environmental effects are controlled. Overall, it is apparent that there is a positive relationship between Corporate social responsibility and financial performance.

Employing the Granger causality approach, Makni et al. (2009) examine the relationship between Corporate social responsibility and Corporate financial performance in Canadian firms using CSR data from the Canadian Social Investment Database for the years 2004 and 2005. Their results for the most part fail to show a significantly measurable relationship between Corporate social responsibility and Corporate financial performance but, using several individual measures of CSP, find a significant negative relationship between the environmental dimension of CSP and return on assets, return on equity, and market returns. The authors observe that these results support the “negative synergy hypothesis,” that socially responsible firms experience reduced shareholder wealth. Busch and Hoffmann (2011) examine the issue of the relation of Corporate social responsibility to CFP using a questionnaire regarding carbon emissions and carbon management strategies used by the 2,500 largest companies by market capitalization in the Dow Jones Global Index. Their results show positive relations between carbon emissions as an outcome-based measurement and CFP, but negative relations between carbon management as a process-based measurement and CFP. The relationship between Corporate Social Responsibility (CSR) and organizational performance has been subject to extensive research. However, the empirical findings have been contradictory. Some studies, like Friedman's research in 1970, suggest that Corporate social responsibility, investments might lead to higher expenses and misallocation of resources, impacting the bottom line (Jensen, 2002; McGuire, Sundgren, &

Schneeweis, 1988). On the other hand, (Orlitzky, et al., 2003) found that businesses actively engaging in socially responsible initiatives perform better financially. Academics attribute the conflicting outcomes to the ambiguity of Corporate social responsibility components and the use of various performance measures (Margolis & Walsh, 2003; Wood and Jones, 1995). Interestingly, the relationship between Corporate social responsibility and financial performance may vary based on how financial success is measured (Griffin & Mahon, 1997; Hull and Rothenberg, 2008). Some academic studies suggest that Corporate social responsibility has improved a company's performance, but when considering return on assets and return on equity, there was either no change or even a decline in financial performance (Lee & Park, 2009; McGuire et al., 1988). A company that practices corporate social responsibility benefits from loyal and effective employees. Additionally, addressing social and environmental issues can lead to a more cordial relationship with governmental agencies, granting a business a competitive advantage and a social license to operate in the community, especially in resource sectors with limited reserves (Galbreath, 2008). Conversely, fulfilling ethical obligations attracts and retains top employees and customers, as studies have shown that customers prefer to do business with socially responsible companies. Organizations engaging in corporate social responsibility attract the best employees and clients, while those that neglect corporate social responsibility are likely to face challenges in the long run (Ismail, 2009). Large firms understand the importance of

Corporate social responsibility and take steps to reassure stakeholders of their social responsibility. Businesses with Corporate social responsibility practices not only attract the best employees, shareholders, and consumers but also contribute to a happy community and society, recognized as sustainable enterprises for the future by the capital market and the economy (Nasieku et al., 2014; Petrovi-Ranelovi et al., 2015; Yusuf, 2018). Que et al., 2019; Brown and Forster, (2013) demonstrated that corporate social responsibility practices motivate managers to operate efficiently, thus positively affecting business practices.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter addresses the methodology that will be used in attaining the set objectives of this study stated in chapter one. The issues covered in this chapter are the research design, population, sampling method, sources of data, and the technique employed to analyze the data collected.

3.2 Research Design

The research design utilized in this study is a causal research design it is a specific approach to conducting research that focuses on determining a cause-and-effect connection between different variables. The main goal of this methodology is to investigate whether alterations in one variable, known as the independent variable, result in changes in another variable, referred to as the dependent variable. By utilizing this design, researchers can examine the impact of specific factors or interventions on outcomes, which helps them gain a deeper understanding of the mechanisms behind causality.

The causal research design falls into the category of inferential research designs, which are structured and intended to measure the characteristics described in a research question. This process typically involves formulating and testing hypotheses based on existing theories (Hair et

al., 2003). Quantitative causal research aims to provide precise and quantifiable insights into causal relationships. Subsequently, these data are examined to identify patterns of association (Bryman & Bell, 2011) This method was chosen as it enables researchers to conduct comparative studies, in which they can examine the impacts of various variables on outcomes.

3.3 Population and Sampling

In this study of Corporate social responsibility and Corporate Performance, The population of this study consists of listed firms spread across the banking sectors in the Nigeria Exchange Group (NGX) as of 31st December 2022. The sampling technique used is the purposive sampling technique. The study therefore uses all commercial banks listed in the Nigeria Exchange Group (NGX) as a sample of the study. This bank includes Access Bank, Eco Bank, Fidelity Bank, First Bank Holding, First City Monument Bank, Guaranty Trust Bank, Stanbic Ibt Holding, Sterling Bank, Union Bank of Nig, United Bank for Africa, Unity Bank, Wema Bank and Zenith Bank.

3.3 Sources of Data

The sources of data for this study will be secondary data which will be extracted from the annual report of the sample of commercial banks used for the study. The data would be sourced for 5 years (2017 to 2022) from the Nigerian Exchange Group (NGX) for authenticity of the data.

3.4 Model Specification and Method of Data Analysis

The Ordinary Least Square (OLS) regression will be used with the aid of EViews version 10 software packages to analyze the data to assess the effect of Corporate Social Responsibility (CSR) on Corporate performance. The functional relation of the model is adapted from Captain and Brown (2014).

The model is given as:

$$ROA = f(\text{COM}, \text{DON}, \text{ROE})$$

Where:

ROA = Return on Asset

COM = Community Service

DON = Donation

ROE = Return On Equity

When written in mathematical form is given as

$$ROA = \beta_0 + \beta_1 \text{COM} + \beta_2 \text{DON} + \beta_3 \text{ROE}$$

3.5 Operationalization of Variables

The variables for this study are corporate performance, community service, Donations, and return on equity. The dependent variable is the corporate Performance proxy by ROA, while others are classified in this study as independent variables.

Operationalization of Variables

S/N	VARIABLES		MEASUREMENT	APRIORI SIGN
1.	Corporate Performance (Dependent Variable)	ROA	This is measured by the firm's Profit after Tax divided by Total assets.	-
2.	Community Service	EVD	This is measured by the logarithm for the amount expended for its immediate environment (Community Service).	+
3.	Donations	SOD	This is measured by the logarithm for the amount of Donations.	+
4.	Return on Equity	ECD	This is measured as (Profit After Tax/Shareholders Equity).	+

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Source: Researchers Compilation (2023).

3.6 Method of Data Analysis

In this study, we will conduct a descriptive statistic, correlation matrix, and ordinary least squares (OLS) regression technique to empirically analyze the impact of corporate social responsibility on corporate performance.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

Introduction

This chapter gives a preview of data as analyzed and its necessary interpretation as it relates to the impact of corporate social responsibility and corporate performance. The data used for the study are from the 13 commercial banks listed in the Nigeria Exchange Group (NGX) for a period of five (5) years.

Data Presentation

Table 4.1 Descriptive Statistics

	ROA	ECD	SOD	EVD
Mean	0.838427	10.55585	8.054049	0.644451
Median	0.013330	0.016929	8.476178	0.642857
Maximum	12.96599	180.9020	9.707890	0.935714
Minimum	-0.032611	-0.029689	5.359792	0.500000

Std. Dev.	2.945198	38.84786	1.143427	0.084941
Skewness	3.539388	3.610069	-0.728927	0.412199
Kurtosis	13.84664	14.38251	2.275563	3.860146
Jarque-Bera	454.3466	492.0821	7.177479	3.844434
Probability	0.000000	0.000000	0.027633	0.146282
Sum	54.49777	686.1300	523.5132	41.88929
Sum Sq.				
Dev.	555.1482	96585.99	83.67523	0.461756
Observations	65	65	65	65

Table 4.1 show the descriptive statistics of the variables involved in this study as it explains the range, minimum, maximum, mid values, spread and normality of the variables. The result above show that Corporate performance proxy by return on asset (ROA) has a mean value of 0.8384

and a median of 0.0133. ROA has a maximum value of 12.965 and a minimum value of -0.0326. This shows that a firm has a negative ROA. It also has a positive skewness of 3.539 to the right and a standard deviation of 2.94 showing a high variation from the mean. ECD has a mean of 10.555 and a median of 0.0169 with a maximum value of 180.9020 and a minimum value of -0.0296. It also has a standard deviation of 38.8478 which indicates that there is a high variation from its mean with a positive skewness of 3.6100 to the right.

The above table also shows that the mean value of the social dimension (SOD) is 8.0540 and a standard deviation is 1.1434 showing that there is a large disparity of the SOD of the firm across different years. A maximum value of 9.7078 and a minimum value of 5.3597, show that at different years SOD were not very close. There is a negative skewness to the left. Environmental dimension (EVD) has a mean value of 0.6444 with a standard deviation of 0.0849 showing there is a large disparity between the mean and standard deviation. The environmental dimension of the corporate social responsibility of the firm shows a positive skewness indicating that the degree of departure from the mean is positive. Its minimum value is 0.5 while the maximum is 0.9357.

Table 4.2: Correlation Analysis

	ROA	ECD	SOD	EVD
ROA	1	0.996255	-0.457475	-0.367792
ECD	0.996255	1	-0.452358	-0.357473
SOD	-0.457475	-0.452358	1	0.302943
EVD	-0.367792	-0.357473	0.302943	1

Result in table 4.1 shows that the co-efficient of correlation of a variable with respect to itself is 1. Also, Economic dimension (ECD) has a positively correlation of 0.99 on return on asset which is a proxy to organizational performance. The social dimension has a negatively weak correlation of -0.4574 on the firm performance. The above table also show that environmental dimension of the CSR of the organization has a very weak positive correlation with the performance of organization. The correlation is a very weak one.

Table 4.3: Regression Analysis

Dependent Variable: ROA

Method: Panel Least Squares

Date: 10/01/23 Time: 16:40

Sample: 2018 2022

Periods included: 5

Cross-sections included: 13

Total panel (balanced) observations: 65

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.454795	0.343964	1.322217	0.1910
ECD	0.074977	0.000962	77.92975	0.0000
SOD	-0.016415	0.032033	-0.512446	0.6102
EVD	-0.427658	0.411778	-1.038563	0.3031

R-squared	0.992712	Mean dependent var	0.838427
Adjusted R-squared	0.992354	S.D. dependent var	2.945198
S.E. of regression	0.257541	Akaike info criterion	0.184284
Sum squared resid	4.045955	Schwarz criterion	0.318093
Log likelihood	-1.989240	Hannan-Quinn criter.	0.237080
F-statistic	2769.617	Durbin-Watson stat	1.597057
Prob(F-statistic)	0.000000		

Table 4.3 show that economic, social and environmental dimension consist of all the explanatory variables in this study and only the economic dimension variable has a significant impact on corporate performance in Nigeria as its p-value is 0.0000 which is less than the required benchmark of 5% while other variables' p-value are 0.6102 and 0.3031. Economic Dimension has a positive impact with a coefficient value of 0.0749 indicating that a unit of its increase causes as 0.0749 decrease in corporate performance of organization in Nigeria. This is statistically significant.

Also, one of the explanatory variables, social dimension has a negative impact of 0.016415 on the dependent variable (Corporate performance) as a unit of it increase brings about negative impact on corporate performance in Nigeria. This variable has been proven to be statistically insignificant as its p-value of 0.6102 is greater than the set bench mark of 5% significant level.

Environmental dimension also shows a negative impact on the dependent variable as its coefficient is -0.427658 however statistically insignificant with a p-value of 0.3031 which is more than the set standard of significant level of 5%.

The result of the model in table 4.3 reported a coefficient of determination (R^2) value of 0.9927 indicating that about 99.27% of the changes in the dependent variable (Corporate performance) was explained by corporate social responsibility (economic, social and environmental dimension) while 1.63% were unexplained hence captured by stochastic term. On adjusting the degree of freedom, the adjusted R-squared showed a value of 0.9923, implying that about 99.23% of the systematic variations were explained by the identified corporate social responsibility while the difference were captured by error terms. The Durbin-Watson stat of 1.597 which is less than 2 show that there is a positive serial correlation in the residuals from the regression analysis above

Research Hypothesis Testing

Research Hypothesis One

H₀ : The economic dimension of corporate social responsibility has no significant impact on the Corporate performance

Economic dimension of corporate social responsibility shows a positive impact of 0.0749 on corporate performance and also found to be statistically significant with a p-value of 0.0000 which is less than 5% significant level. Therefore, the null hypothesis that states that economic dimension of corporate social responsibility has no significant impact on Corporate performance is rejected.

Research Hypothesis Two

H₀ : The social dimension of corporate social responsibility has no significant impact on corporate performance

There is a negative impact of social dimension of corporate social responsibility on corporate performance as the regression result show a coefficient of -0.016415. However, this is not statistically significant since its p-value of 0.6102 is greater than the standard 5% significant level. The hypothesis is therefore not rejected. This categorically means that social dimension has no significant on corporate performance

Research Hypothesis Three

H₀ : The environmental dimension of corporate social responsibility has no significant impact on corporate performance.

The coefficient of economic dimension shows a negative impact indicating that a unit increase in environmental dimension of corporate social responsibility leads to a 0.427658 decrease in corporate performance. However, this is not statistically significant as its p-value is 0.3031.

4.5 Discussion of Findings

Findings from the study show that company's social dimension has a negative impact on corporate performance as a unit increase in community service will lead to decrease in performance of the firm by -0.016415. Also, Firm's social dimension has a negatively weak correlation of 0.457 on return on asset which is a proxy to corporate performance. This is in line with the findings of Jonson (2017) that found a positive and insignificant relationship between donations (which is a proxy to social dimension) and corporate performance.

Findings from the study also show that environmental dimension have a very weak negative correlation on corporate performance. Findings also reveal that firms' environmental dimension have a calculated t-value of -1.0385 and a p-value of 0.3031 which is greater than the general 5%

level of significance. This finding is in tandem with the finding of Okoro (2018) whose study revealed that there is a negative insignificant impact of community (environmental) service of the company on its performance as an entity. Also, this is in line with the finding of Lang (2016), Makori and Jagong (2013) who recorded an insignificant correlation between environmental disclosures and financial performance. The disagreement may be based on the period covered and scope of the study as the current study covered up to 5 years. The findings of this study negate the findings of Alhassan et al., (2019) whose findings shows that a positive coefficient of 0.473 exist and statistically significant. Here, they said that this is confirming that environmentally friendly companies generate higher returns. This implies that companies that conform to environmental laws generate higher profits since such companies' have supported environmental sustainability. The findings of this study do not also agree with that of Adjaoud and Amar (2015); Dyllick and Hockerts (2016) who recorded that environmental disclosure has a significant positive correlation with corporate performance. This also negates with the findings of Pratten and Mashat (2014), Kowalewski (2014), Gelb (2017), Brockman (2015).

Finding of the study also show that economic dimension of the firm has a very strong positive of 0.996 with Return on asset (ROE) which is a proxy to corporate performance . The study show that economic dimension of firm has a t-statistics of 77.929 and a p-value of 0.0000 indicating

that it is statistically significant. This therefore means that there is impact of economic dimension on Corporate performance. Although, the finding does not fall in line with that of Erandson (2019). The finding of this study is supported by Wu et al., (2010), Ohiokha et al., (2012), Agbiogwu et al., (2016) showing that CSR has a negative relationship with performance and also supports the shareholder theory which hypothesizes that CSR of citizens is solely the responsibility of the government and that the responsibility of firms is exclusively to make a profit. Furthermore, mixed results (negative non-significant and positive significant relationships) were recorded between Corporate Social Performance of Company (CSPOC), Environmental Responsibility Performance of Company (ENPOC), and Economic Responsibility Performance of Company (EPOC) on performance level (ROA) of the studied firms of 32.958, 0.222; -91.345, (0.023); and -47.073, (0.706), respectively.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter takes a look at the concluding section of the research. It highlights the summary of the findings, conclusion as well and relevant recommendations from the studies.

5.2 Summary of Findings

Based on the findings the following were revealed.

- Economic dimension of CSR has a significant impact on corporate performance
- Social dimension of CSR has no significant impact on Corporate performance
- Environmental dimension of CSR has no significant impact on corporate performance

5.3 Conclusion

Organizations exist in an environment and their operations can cause both negative and positive impacts on the trade environment and the community it operates. As businesses perform their day-to-day exercises, they relate to individuals and communities in their environment,

consequently, they have to be capable of their activities in particular, customers collectively get attracted to environmentally and socially conscious businesses.

The incorporation of CSR into Corporate performance acknowledges the potential influence that social and environmental activities may have on a company's long-term success. Organizations can strengthen their stakeholder connections, improve their brand, reduce risks, and generate shared value by using ethical business practices.

The research on corporate social responsibility (CSR) in Nigeria is still limited but showing signs of growth. There is a rising interest and awareness of CSR initiatives and a growing body of research focusing on corporate organizations in various sectors like oil and gas, banking, and manufacturing in Nigeria.

Several studies have explored the relationship between CSR and corporate performance producing diverse findings. Some studies have discovered a positive impact on financial performance (Abubakar, 2018; Enughulu & Dabor, 2019; Irabora, 2019; Ogungbade, 2021), while others have found no significant relationship (Tijani et al., 2017) or even negative associations (Madugba & Okafor, 2016; Ogungbade, 2021; Oyewumi et al., 2018).

Regarding the financial returns derived from CSR, it has been argued that banking firms do not experience proportional benefits compared to manufacturing firms and multinational corporations (MNCs) despite similar levels of investment in CSR projects (Oyewumi et al., 2018).

Corporate organizations in Nigeria embrace CSR through various approaches, taking into consideration factors such as company policy, size, culture, industry dynamics, and stakeholder demands (Madugba & Okafor, 2016). These factors, among others, have been found to have a significant impact on CSR (Miko & Ya'u, 2018; Obi & Ode-Ichakpa, 2020; Yahaya & Apochi, 2021).

Based on the general review of the study, it is important to note that, In addition to its influence on organizational financial performance, CSR activities, when coupled with effective disclosure (economic, social and environmental) have been shown to have a significant and positive effect on stakeholders' perception of the organization (Okoi et al., 2021), consumer purchasing decisions, and behavior (Potluri et al., 2020), employees' perceptions and display of organizational citizenship behavior (Onyishi et al., 2020), It will have a significant impact on ROA and ROE, as well as environmental preservation and the management of youth unrest in local communities (Sokefun & Oduyoye, 2018).

However, it is important to note that the implementation of CSR in Nigeria is hindered by systemic corruption and political influence. Corruption has become deeply rooted in Nigerian society and poses a significant obstacle for MNCs attempting to carry out CSR activities.

Resources allocated for CSR, intended to improve community welfare, often end up being diverted for personal gain when entrusted to community leaders and officials. Furthermore, the absence of an effective enforcement framework for CSR established through government legislation, along with gaps in corporate governance and the incompetence of regulatory bodies, further impede CSR implementation in the country (Dilinye & Agbaenyi, 2021). This will impact negatively corporate performance.

5.4 Recommendations

Based on the findings of this study, the following recommendations are made;

- Organisations should ensure that CSR initiatives align with the organization's core values and business strategy. This alignment creates a cohesive approach that integrates social responsibility into the company's overall mission.
- (iv) Organizations should engage with stakeholders, including employees, customers, suppliers, and the local community, to identify and prioritize CSR initiatives.

Understanding stakeholder expectations fosters support and enhances the effectiveness of CSR efforts.

- Integrate CSR into the organization's strategic planning process. Consider how CSR can be embedded into key business functions, contributing to long-term sustainability and aligning with organizational goals.
- (iv) Encourage and support employee involvement in CSR activities. Engaged employees are more likely to feel a sense of purpose, leading to increased job satisfaction and potentially improved Corporate performance.
- (iv) Leverage the skills and expertise of employees in CSR initiatives. Skills-based volunteering allows employees to contribute their professional abilities to community projects, enhancing the impact of CSR efforts.

1.0 Establish meaningful partnerships with local community organizations and nonprofits. Collaborating with these entities can amplify the impact of CSR initiatives and create a sense of shared responsibility.

- Integrate ethical and sustainable practices into the supply chain. This includes sourcing materials responsibly, ensuring fair labor practices, and minimizing environmental impact.
- Encourage innovation that addresses social and environmental challenges. This may involve developing products or services that contribute to sustainability or using technology to create positive social change.
- Communicate CSR efforts transparently to internal and external stakeholders. Clear communication builds trust and enhances the organization's reputation, positively influencing its relationships with customers, investors, and the wider community.
- Adopt a mindset of continuous improvement in CSR practices. Regularly assess the effectiveness of initiatives, solicit feedback, and adjust strategies based on evolving social, economic, and environmental considerations.

By implementing these recommendations, organizations can not only contribute positively to society but also enhance their own performance by building a more engaged workforce, strengthening stakeholder relationships, and fostering a positive corporate reputation.

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