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# THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES ON SURVIVAL OF COMERCIAL BANKS IN NIGERIA

**ABUBAKAR ADAMU HAMMA**
**Faculty of Administration and Law, ABU Distance Learning Center**
**Ahmadu Bello University, Zaria, Nigeria**
**Email: Abubakarhamma0@gmail.com**
**Phone: +2348148935281**

**KABIRU JINJIRI RINGIM**
**Ahamdu Bello University, Business School,**
**Zaria, Kaduna State**
**Email: kabirujinjiri@yahoo.com**
**Phone: +2348062103566**

**&**
**HALIMA SHUAIBU**
**Ahmadu Bello University Distance Learning Centre (ABUDLC),**
**Zaria, Kaduna State**
**Email: saasalimssuleiman@gmail.com**
**Phone: +2348069807220**

**Abstract**

*This study investigated the effect of corporate social responsibility on financial performance of quoted banks in Nigeria between the period of 2016 to 2020 (5years). Specifically, the study assessed the effect of corporate social responsibility on the financial performance (return on assets, earnings per share, dividend per share and return on equity) of listed companies in Nigeria. The study used secondary data obtained from the company's annual reports for the period of 5years (2016 to 2020).By means of regression analysis the study found that corporate social responsibilities have a positive and significant impact on all dependent variables tested. Corporate social responsibility played a significant role in enhancing the financial performance of quoted banks. This study thereby concludes that; banks should give enough attention to their corporate social responsibility in order to enhance their overall financial performance.*

**KEYWORDS: Corporate Social Responsibility, Financial Performance, Banks, Companies, Nigeria.**

## Introduction

Corporate Social Responsibility (CSR) is seen as a duty of every corporate body to protect or guard the interest of the society at large as well as serving as a self-regulating business model that helps a company to be socially accountable to itself, stakeholders and the public. Corporate Social Responsibility (CSR) as a concept has attracted worldwide attention and acquired a new significance in the global economy (Akinyomi, 2013). Therefore, "Corporate Social Responsibility is defined as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (by Lord Holme and Richard Watts). CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. The aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation (Hopkins, 2013). From this definition we see that ethical behavior is in the eye of the beholder an idea, like beauty, we know it when we see it because they are the accepted principles of right and wrong and are more or less morally approvable. On the other hand, the stakeholders of a company are those who have legitimate interest in the company and they include those within the company: the board of directors, shareholders, investors, managers and employees; and outside the company: suppliers, customers, the natural environment, government, and local community. It is believed that a strong CSR makes a company to be conscious of the kind of impact it is having on the society including economic, social and environmental thereby helping us to know the performance of manufacturing companies. In today's economic and social environment, issues related to social responsibility and sustainability are gaining more and more importance, especially in the business and manufacturing sector. Business goals are inseparable from the societies and environments within which they operate. Lindner (2018) described CSR as "actions that appear to further some social good, beyond the interest of the firm and that which is required by law." A point worth noticing is that CSR is more than just following the law (Lindner 2018). Every organization should take a step forward and adopt policies and business practices that go beyond the minimum legal requirements and contribute to the welfare of its key stakeholders.

**Review of Literature and Theoretical Framework**

This section surveys various writing relevant to this study. Various researchers in the time past have carried out commendable studies on the subject matter. The review of various works done by the researcher will also be discussed; methodologies, their results and empirical findings will also be reviewed. The section begins by examining the historical background of foreign direct investment.

**Conceptual Review**

In the current perspective of global competitive market, companies must endeavor to reveal a picture of themselves as being a highly socially responsible company. Active involvement in socially beneficial programs therefore provides extra advantages to the company. One of the primary encouraging factors is the idea that Corporate Social Responsibility (CSR) could be considered to increase long term profitability and sustainability of the company thereby enhancing the reputation of the organization. Over the last three decades, the pressure on firms to engage in CSR has increased. Among the global and multinational companies in the world, some view CSR issues as simply a costly hindrance and some companies use CSR methodologies as a strategical tactic to obtain public support for their presence in global markets which could in turn help companies to sustain a competitive advantage by using their social contributions. On this background, the objective of this study is to draw a conceptual framework for examining the direction of linkage between corporate social responsibility and Survival.

**The Concept of Corporate Social Responsibility (CSR)**

The term Corporate Social Responsibility has no one or particular definition as different scholars at various times try to give their own definition based on the perception of the concept. However, we will attempt to define it by looking into various works by different scholars. Buckstein (Retrieved, 2016) in his work states that "there is no exact definition of Corporate Social Responsibility (CSR), nor is there an accepted single method or approach that all companies need to follow. There are multiple variables that could be incorporated into an action plan. Firms must, therefore, develop their own definition of what CSR entails, and formulate an action plan to execute their operations in a socially responsible manner towards their vast network of internal and external stakeholders, including employees, shareholders, creditors, analysts, and the local community". Corporate Social Responsibility sees to those management philosophies, policies, procedures and actions that have the advancements of society's welfare as one of their primary objectives (Boone and Kurtz, 1987).The origins of the idea of a socially responsible enterprise can also be sought in the context of the creation and development of business ethics, which includes the responsibility of the enterprise for the manufacturing process, product, development and entities associated with it (Amor-Esteban et al.2020).

Prieto-Carrón et al.(2015) says that "according to one of the most frequently cited definitions, CSR is 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. In his work Palmer (2017) also made a very good attempt in defining CSR.

**Theoretical Framework**

This study aims to use stakeholder theory to analyze the financial performance of quoted manufacturing companies. Even though the stakeholder concept has been extensively researched over the past two decades it is frequently defined as the 'opposite' to the shareholder (or stockholder) model. Other stakeholder theorists summarize the two basic principles defining the stakeholder concept as follows: "that to perform well, managers need to pay attention to a wide array of stakeholders, and that managers have obligations to stakeholders which include, but extend beyond, shareholders" (Jones et al., 2012, p.20).From a rather business-driven perspective, stakeholder theory interest lies in three premises: "organizations have stakeholder groups that affect and are affected by them; these interactions impact on specific stakeholders and the organization; and perspectives of salient stakeholders affect the viability of strategic options" (Haberberg and Rieple, 2011).

**Empirical Review**

Empirical studies conducted so far provide conflicting results on the relationship between CSR practices and firms' financial performance with some studies showing a positive relationship and others also showing a negative relationship. In few other cases, no relationship was reported. However, the largest numbers of investigations found are positive relationships. Makni, Francoeur & Bellavance (2018) is an assessment of the causal relationship between corporate social performance and financial performance of 179 publicly held Canadian firms for 2004 and 2005 using Granger causality approach. No significant relationship was found between a composite measure of a firm's corporate social performance and financial performance, except for market returns. On the other hand, using individual measures of corporate social performance, the result provided a robust significant negative impact of the environmental dimension of corporate social performance and three measures of financial performance (return on assets, return on equity and market returns).Also in North America, Fauzi (2019) reports an investigation of the relationship between CSR and financial performance of a sample of 101 companies listed on the New York Stock Exchange. Using a regression model, the study reveals no significant relationship between corporate social responsibility and firm performance. It also provides evidence of leverage (a control in the model) having a moderating effect on the interaction between corporate social responsibility and financial performance variables. Results from African data have also been very helpful. Cheruiyot (2011) utilized data of 47 listed firms in Nairobi Stock Exchange to carry out a cross-sectional study on the relationship between CSR index and firm performance proxies (return on assets, return on equity and return on sales).

**Methodology**

Here we shall discuss how data were source by the researcher, research design, and population of the study, sample design and technique, sources of data collection, instrument for data collection validity and reliability of the instrument and method of data analysis.

**Research Design**

To achieve the objective of this research, the Ex post facto research design was adopted for this study. This is because data needed for analysis is already in existence and the data were sourced from financial statements and bank's annual reports from the selected manufacturing firms in Nigeria. The study will cover five companies with time series rather than cross-sectional data being used. Data relating to the financial statements from the companies will be collected for the years 2010-2020.

**Population of the Study**

The population of the study comprised of all commercial banks in Lagos State, Nigeria.
There are twenty-three (23) commercial banks in Nigeria namely AB MFB, Aso-Savings, IBTC, Parallel MFB, Access Bank; Diamond Bank; Eco Bank; Enterprise Bank, FCMB, Fidelity Bank, Jaiz Bank, First Bank, GTB, Heritage Bank, Keystone Bank, Skye Bank, Sterling Bank, UBA, Union Bank, Unity Bank, Wema Bank and Zenith Bank

**Sampling Size and Sampling Technique**

For the sake of convenience, the study selected five commercial banks namely First Bank, Ecobank, Union Bank, Wema Bank, Fidelity Bank. The study made use of the judgmental sampling technique because it is based on the opinion of the expert and convenience because of the convenient accessibility of information by the researcher; also companies are chosen from various industries in Nigeria which shows adequate coverage. The researcher purposively picked a sample of five (5) commercial banks quoted on the Nigerian Stock Exchange based on the availability of their financial statement from 2010– 2020; The reason for the choice of these banks is because these companies are old in operations and adequate data can be obtained which results obtained will represent the whole economy. Hence it's been deemed fit by the researcher to draw from these banks and believes that any information which comes from these is expected to be effective in achieving the objectives of this study.

**Method of Data Collection**

The data of this study will be obtained mainly from secondary sources. Using an already existing database can save both time and resources while also allowing the researchers to be able to focus more on the interpretation and analysis of data than the data collection itself (Bryman & Bell, 2011). One beneficial aspect of utilizing secondary data is that it offers researchers the opportunity to perform a longitudinal research. In this study the use of secondary data offers the possibility to evaluate a bank's' CSR and financial performance over a five-year period without requiring significant resources on data collection. Secondary data that has been combined from different sources to form another set of data is called multiple-source data and is often area based or time-series based. The data is made up of financial statements made by the various banks from the period of 2010-2020.

**Validity of Research Instrument**

The figures utilized in this research is collected from participating companies' annual reports which includes data that enables calculations of the dependent variables therefore has been verified and certified by the appropriate regulatory bodies of the companies for the relevant years used for the study.

**Method of Data Analysis**

The research employs only quantitative method of data analysis. This was done in four folds: firstly, the descriptive analysis was performed using the mean, maximum, minimum, skewness, kurtosis and the probability of jarque-berra statistics. This is with the aim of describing the data set to determine the normality of the series. Thus, p-value of Jarque Berra statistics higher than the acceptable level of significance of 5% implies that the series is normally distributed. Since normality of series is one of the fundamental assumptions of performing Ordinary Least Square (OLS) regression, all the series were tested, and if not normally distributed, the natural logarithm of the affected series were used in estimating Ordinary Least Square (OLS) regression.

Secondly, trend analysis was carried out to determine the trend of each of independent variable on the dependent variable. Thirdly, the study examined the relationship between each of the measures of corporate social responsibility and financial performance of banks through correlation analysis. Lastly, the study employed the simple linear regression analysis which was used to determine the extent to which each of independent variables contributes to the dependent variable and coefficient of determination (R2) was employed to know the degree to which each of the independent variable explained the effect on financial performance on the various banks. Furthermore, the adjusted R- square was used to explain the degree to which the independent variables combined affect the variations in financial performance for the period of study.

**Results/Findings**

This paper analyses and interprets the results obtained from the tests conducted on the data collected for the study. The chapter is divided into three sections. The first section deals with the preliminary analysis of the sample using descriptive statistics. The second section presents the regression analysis. The last section ends with testing of the hypotheses of the study as well as discussion of major findings and policy implications of the finding.

**Data Presentation**

This research makes use of secondary data which were obtained from the Nigeria Stock Exchange Annual Report Publication (2020). The data collected are presented in the table below.

**Table x:**

This table shows the Return on Assets, Earnings per Share, Dividend Per Share, Return on Equity and Corporate Social Responsibilities of First Bank Nigeria, Eco Bank Plc, Wema Bank, Union Bank Nigeria and Fidelity Bank Nigeria Plc between the period of 2016 to 2020.

| COMPANIES | YEARS | ROA | EPS | DPS | ROE | CSR' 000 |
|---|---|---|---|---|---|---|
| FIRST BANK | 2016 | 4.20 | 0.45 | 0.00 | 3.55 | 1.5 |
| | 2017 | 3.95 | 0.81 | 0.24 | 3.30 | 2.7 |
| | 2018 | 4.83 | 1.08 | 0.36 | 3.40 | 8.4 |
| | 2019 | 5.73 | 106 | 41.3 | 4.39 | 5.7 |
| | 2020 | 6.00 | 61 | 29.5 | 5.21 | 6.6 |
| ECO BANK | 2016 | 3.12 | 100.1 | - | 2.88 | 1.0 |
| | 2017 | 3.74 | 211.5 | - | 3.01 | 1.5 |
| | 2018 | 4.00 | 158.66 | - | 3.01 | 1.8 |
| | 2019 | 4.45 | 124.40 | - | 3.09 | 2.1 |
| | 2020 | 5.10 | 135.45 | - | 4.35 | 5.8 |
| WEMA BANK | 2016 | 3.44 | 31.43 | 13.00 | 2.39 | 2.2 |
| | 2017 | 3.90 | 34.08 | 15.00 | 3.33 | 3.9 |
| | 2018 | 4.12 | 35.86 | 14.00 | 3.95 | 4,2 |
| | 2019 | 5.12 | 42.26 | 17.00 | 4.44 | 4.7 |
| | 2020 | 6.10 | 14.13 | 5.00 | 5.25 | 5.3 |
| UNION BANK | 2016 | 3.22 | 21.21 | 10.33 | 4.01 | 22.1 |
| | 2017 | 2.85 | 3.21 | 2.00 | 1.70 | 37.0 |
| | 2018 | 4.05 | 3.14 | 17.50 | 2.00 | 35.8 |
| | 2019 | 1.78 | 28.05 | 34.00 | 3.14 | 45.5 |
| | 2020 | 5.43 | 29.95 | 27.50 | 3.80 | 50.0 |
| Fidelity Bank | 2016 | 1.25 | 1.46 | 0.75 | 1.30 | 6.2 |
| | 2017 | 1.70 | 1.48 | 1.40 | 1.55 | 10.5 |
| | 2018 | 3.10 | 1.27 | 1.25 | 2.55 | 45.6 |
| | 2019 | 3.66 | 0.64 | 0.10 | 2.75 | 105.1 |
| | 2020 | 2.84 | 0.32 | 0.05 | 2.09 | 212.0 |

*Source: NSE Annual Report Publication.*

**Summary of Descriptive statistics**

The summary statistics of the explained and the explanatory variables are presented in Table 4.2 where minimum, maximum, mean and standard deviation of the data collected for the variables in the study are described.

**Table Y: Descriptive Statistics of the Variables**
The descriptive statistics of the four models of the study are given in the following tables:

**Table Y: Descriptive Statistics of Model 1**

| *Variables* | *Min.* | *Max.* | *Mean* | *Std. Dev.* | *N* |
|---|---|---|---|---|---|
| CSR | 14.49 | 21.20 | 18.5729 | 1.32040 | 20 |
| ROA | -0.11 | 0.06 | 0.0128 | 0.02765 | 20 |
| EPS | 0.45 | 0.05 | 0.3333 | 0.37329 | 20 |
| DPS | 0.10 | 0.22 | 0.1047 | 0.29624 | 20 |
| ROE | -1.24 | 0.31 | 0.0594 | 0.23297 | 20 |

***Source: Generated by the researcher from annual accounts and reports of listed Banksin Nigeria using SPSS software version.***

Table Y above shows the minimum and maximum values of return on assets, are -0.11 and 0.06 respectively. This implies that the companies with high return on assets perform more than those with lower return on assets. Return on assets signifies the actual amount of earnings that the assets of companies are capable of generating. The average value of Banks in Nigeria corporate social responsibility is approximately N19 million, meaning that for a company to perform averagely, it should spent at least N19 million from their annual earnings on corporate social responsibility. Also, the table shows that the minimum and maximum values of return on equity are -1.24 and 0.31 respectively. This implies that the companies with high return on equity perform more than those with lower return on equity because the return on equity signifies the actual amount that each unit of company equity is capable of generating. The table also shows the minimum and maximum values of earnings per share and dividend per share to be 0.45 and 1.05; 0.10 and 2.18 respectively. This implies that companies with high earnings per share and dividend per share perform more than those with lower earnings per share and dividend per share, because the earnings and dividend per share signifies the actual amount to be paid to shareholders for having a stake in the company. The minimum and maximum amounts spent annually on corporate social responsibility by the Banks in Nigeria are approximately N14million and N21million. The standard deviation coefficient of corporate social responsibility is 1.32040 which implies the level of corporate social responsibility contribution to companies' financial performance.

**4.2 Data Presentation and Analysis**
The study used regression model in order to provide basis for testing the three hypotheses. Simple regression model has been employed to predict the impact of the independent variable (CSR) on the dependent variable (ROA, EPS, DPS and ROE).

**Table K. Average values of the variables of the study as computed from Excel**

| **Year** | **Log CSR** | **ROA** | **EPS** | **DPS** | **ROE** |
|---|---|---|---|---|---|
| 2016 | 4.5822 | 0.0600 | 0.1564 | 0.1320 | 0.1564 |
| 2017 | 4.5847 | 0.0597 | 0.1082 | 0.1144 | 0.1192 |
| 2018 | 5.5800 | -0.0185 | -1.7892 | 0.1295 | -0.7730 |
| 2019 | 3.8750 | 0.0194 | -1.6610 | -0.2573 | -0.1848 |
| 2020 | 3.8529 | 0.0559 | -1.17234 | 0.3105 | -0.4778 |

***Source: Researcher's computation from the Annual Reports of companies under study***

Table K presents the averages values of model proxies. The data from which average were derived are in Appendix A

**The effect of CSR on ROA of listed Banks in Nigeria**

**Table H: Average percentage change in CSR and ROA of listed Banks in Nigeria.**

| Year | Average % change in CSR | Average % change in ROA |
|---|---|---|
| 2016 | - | - |
| 2017 | 0.25 | -3.00 |
| 2018 | 9.95 | -4.12 |
| 2019 | -17.05 | 9.00 |
| 2020 | 2.21 | 3.65 |

***Source: Researcher's computation using Excel***

Table H represents the trend of average percentage change in CSR and ROE in listed Banks in Nigeria over the period under review. Between 2016-2017, average percentage change in CSR is 0.25% while there was a negative average percentage change of -3% in ROA in that same period. The following periods, 2018 and 2020 has a positive percentage in terms of CSR of 9.95% and 2.21% and a negative percentage of 17.5% as of 2019 for CSR. Equally there was also positive percentage for ROA for 2019 and 2020 which was 9.00% and 3.65% respectively and also a negative percentage in 2018 as of -4.12%. With the above results, we conclude by saying that CSR has a positive impact on ROA of listed Banks in Nigeria under study. This result is in line with the findings of Uadiale and Fagbemi (2017), who found a positive relationship between CSR and ROA.

**The effect of CSR on EPS of listed Banks in Nigeria from 2016 – 2020**

**Table Z: Average percentage change in CSR and EPS of listed Banks in Nigeria.**

| Year | Average % change in CSR | Average % change in EPS |
|---|---|---|
| 2016 | - | - |
| 2017 | 0.25 | -4.87 |
| 2018 | 9.95 | 18.97 |
| 2019 | -17.05 | -58.82 |
| 2020 | 2.21 | 29.3 |

***Source: Researcher's computation using Excel***

Table Z represent the trend of average percentage change in CSR and EPS in listed Banks in Nigeria and that of EPS followed the same trend of increase/decrease over the years. Between 2016-2017, average percentage change in CSR is 0.25% while there was a negative average percentage change of -4.87% in EPS in that same period. The following periods, 2018 and 2020 has a positive percentage in terms of CSR of 9.95% and 2.21% and a negative percentage of 17.5% as of 2019 for CSR. Equally there was also positive percentage for EPS for 2018 as 18.97% and 2020 as 29.3% and also a negative percentage in 2019 of -58.82%. With the above results we conclude by saying that CSR has a positive effect on EPS of listed Banks in Nigeria under study. This result is in line with the findings of Mubeen and Arooj (2019) who examined the impact of CSR on shareholders' wealth and financial performance of 10 companies that are highly rated for CSR activities and 10 Non-CSR companies. Using accounting measures (ROE and ROA) as proxies for financial performance and earnings per share (EPS) and dividend per share, stock price and CSR measures, the authors found a significant positive relationship between CSR and shareholders wealth and financial performance.

**The effect of CSR on DPS of listed Banks in Nigeria from 2016 – 2020**

**Table T: Average percentage change in CSR and DPS of listed Banks in Nigeria.**

| Year | Average % change in CSR | Average % change in DPS | |
|---|---|---|---|
| 2016 | - | - | |
| 2017 | 0.25 | -2.55 | |
| 2018 | 9.95 | 10.85 | |
| 2019 | -17.05 | 8.82 | |
| 2020 | 2.21 | 3.60 | |

***Source: Researcher's computation using Excel***

Table T represents the trend of average percentage change in CSR and DPS in listed Banks in Nigeria over the period under review. Between 2016-2017, average percentage change in CSR is 0.25% while there was a negative average percentage change of -2.55% in DPS in that same period. The following periods, 2018 and 2020 has a positive percentage in terms of CSR of 9.95% and 2.21% and a negative percentage of 17.5% as of 2019 for CSR. Equally there was also positive percentage for DPS in 2018, 2019 and 2020 which are 10.85%, 8.82% and 3.60% respectively. With the above results we conclude by saying that CSR has a positive effect on DPS of listed Banks in Nigeria under study. This result is in line with the findings of Mubeen and Arooj (2019) who examined the impact of CSR on shareholders' wealth and financial performance of 10 companies that are highly rated for CSR activities and 10 Non-CSR companies. Using accounting measures (ROE and ROA) as proxies for financial performance and earnings per share (EPS) and dividend per share, stock price and CSR measures, the authors found a significant positive relationship between CSR and shareholders wealth and financial performance.

**The effect of CSR on ROE of listed Banks in Nigeria from 2016 – 2020**

**Table M: Average percentage change in CSR and ROE of listed Banks in Nigeria.**

| Year | Average % change in CSR | Average % change in ROE |
|---|---|---|
| 2016 | - | - |
| 2017 | 0.25 | -37.20 |
| 2018 | 9.95 | -65.38 |
| 2019 | -17.05 | -58.82 |
| 2020 | 2.21 | 29.30 |

***Source: Researcher's computation using Excel***

Table M represents the trend of average percentage change in CSR and ROE in listed Banks in Nigeria over the period under review. Between 2016-2017, average percentage change in CSR is 0.25% while there was a negative average percentage change of -37.20% in ROE in that same period. The following periods, 2018 and 2020 has a positive percentage in terms of CSR of 9.95% and 2.21% and a negative percentage of 17.5% as of 2019 for CSR. Equally there was also positive percentage for ROE for 2020 which was 29.30% and also a negative percentage in 2018 and 2019 as -65.38% and -58.82%.

With the above results, we conclude by saying that, CSR has a positive effect on ROE of listed Banks in Nigeria under study. This result is in line with the findings of Uadiale and Fagbemi (2017), who found a positive relationship between CSR and ROE.

**Test of Hypotheses**

The hypotheses stated earlier in this research we tested using regression method. Three steps were used to test the hypotheses. One, the hypotheses were restated in null forms, and two, the results were analyzed and three, decisions were made. The decision rule involved the rejection or acceptance of the null or alternate hypotheses based on criterion of the techniques of analysis.

**Hypothesis One: There is no significant effect of corporate social responsibility on return on assets of listed Banks in Nigeria.**

**Decision Rule**: If the coefficient estimate of CSR has a positive sign and its probability less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted. on the other hand, if the coefficient estimate of CSR does not have a positive sign and its probability greater than 0.05, the null hypothesis is accepted and the alternate hypothesis is rejected.

**Table S: Corporate social responsibility and Return on Asset (ROA)**

Dependent Variable: ROA

Method Least square

Sample (adjusted): 2 20

Included observations: 19 after adjusting end points

| **Variable** | **Coefficient** | **Stand. Error** | T – **Statistic** | **Prob.** |
|---|---|---|---|---|
| CSR | 10.64438 | 5.085600 | 2.093044 | 0.0390 |
| C | 39.14476 | 10.72404 | 3.6501890 | 0.0004 |
| R-Squared | 0.743212 | Mean dependent variable | | 0.279010 |
| Adjusted R- | 0.633348 | Standard dev, dependent | | 0.198187 |
| Squared | 73.08195 | variable | | 11.44104 |
| S.E. of regression | 518074.3 | Akaike info Criterion | | 11.49346 |
| Sum square resid,, | 2.661457 | Schawarz Criterion | | 4.380833 |
| Log Likelihood | 3.307798 | F-statistic | | 0.038955 |
| Durbin-Watson Stat | | Prob(F-Statistic) | | |

***Source: Researcher's E-view Results.***

Table S shows the result of the simple regression analysis of the effect of Corporate Social Responsibility on Return on Assets of listed Banks in Nigeria. The coefficient of determination R2, which measures the goodness of fit of the model, indicates that 74% of the variations observed in the dependent variable were explained by the independent variable. This was moderated by the Adjusted R2 of 63%. The results shows that Corporate Social Responsibility has a positive and significant effect on Return on Assets of listed Banks in Nigeria (a=0.004, p=0.02<0.05).

**Decision**: Since the coefficient estimate of Corporate Social Responsibility is positive, the null hypothesis is rejected and the alternate accepted but with the provision of probability value being less than 0.05, we conclude therefore, that Corporate Social Responsibility has a positive and significant effect on Return on Assets of listed Banks in Nigeria.

**Hypothesis Two: There is no significant effect of corporate social responsibility on earnings per share of listed Banks in Nigeria.**

**Table J: Corporate social responsibility and Earnings Per Share (EPS)**

Dependent Variable: EPS

Method Least square

Sample (adjusted): 2 20

Included observations: 19 after adjusting end points

| **Variable** | **Coefficient** | **Stand. Error** | T – **Statistic** | **Prob**. |
|---|---|---|---|---|
| CSR | 0.008467 | 0.00647 | 2.273800 | 0.0058 |
| C | 0.085577 | 0.014016 | 6.105532 | 0.0000 |
| R-Squared | 0.716452 | Mean dependent variable | | 0.098586 |
| Adjusted R- | 0.606313 | Standard dev, dependent | | 0.095821 |
| Squared | 0.095518 | variable | | 1.839008 |
| S.E. of regression | 0.884998 | Akaike info Criterion | | 1.786582 |
| Sum square resid,, | 93.03092 | Schawarz Criterion | | 1.622567 |
| Log Likelihood | 2.710260 | F-statistic | | 0.205778 |
| Durbin-Watson Stat | | Prob(F-Statistic) | | |

***Source: Researcher's E-view Results.***

Table J shows the result of the simple regression analysis of the effect of Corporate Social Responsibility on Earnings per share of listed Banks in Nigeria from 2016-2020. The coefficient of determination R square which measures the goodness of fit of the model, indicates that 72% of the variations observed in the dependent variable were explained by the independent variable. This was moderated by the Adjusted R-squared of 61%. The result shows that Corporate Social Responsibility has a positive and significant effect on earnings per share of listed manufacturing banks in Nigeria ($a= 0.008$, $p=0.005<0.05$).

**Decision**: Since the coefficient estimate of Corporate Social Responsibility is positive, null hypothesis is rejected and alternate accepted. Thus, CSR has positive and significant impact on Earnings per share of listed Banks in Nigeria.

**Hypothesis Three: There is no significant effect of corporate social responsibility on dividend per share of listed Banks in Nigeria.**

**Table L: Corporate social responsibility and Dividend Per Share (DPS)**

Dependent Variable: DPS

Method Least square

Sample (adjusted): 2 20

Included observations: 19 after adjusting end points

| **Variable** | **Coefficient** | **Stand. Error** | T – **Statistic** | **Prob**. |
|---|---|---|---|---|
| CSR | 0.005210 | 0.005547 | 2.352505 | 0.0035 |
| C | 0.090331 | 0.014351 | 5.150522 | 0.0000 |

| | | | |
|---|---|---|---|
| R-Squared<br>Adjusted R-Squared<br>S.E. of regression<br>Sum square resid,,<br>Log Likelihood<br>Durbin-Watson Stat | 0.613251<br>0.505314<br>0.073328<br>0.771882<br>33.04190<br>2.520345 | Mean dependent variable<br>Standard dev, dependent variable<br>Akaike info Criterion<br>Schawarz Criterion<br>F-statistic<br>Prob(F-Statistic) | 0.074346<br>0.075831<br>1.635030<br>1.343204<br>1.352334<br>0.203588 |

***Source: Researcher's E-view Results.***

Table L shows the result of the simple regression analysis of the effect of Corporate Social Responsibility on Dividend per share of listed Banks in Nigeria. The coefficient of determination R2, which measures the goodness of fit of the model, indicates that 61% of the variations observed in the dependent variable were explained by the independent variable. This was moderated by the Adjusted R2 of 51%. The results shows that Corporate Social Responsibility has a positive and significant effect on dividend per share of listed Banks in Nigeria (a=0.004, p=0.02<0.05).

**Decision**: Since the coefficient estimate of Corporate Social Responsibility is positive, the null hypothesis is rejected and the alternate accepted but with the provision of probability value being less than 0.05, we conclude therefore, that Corporate Social Responsibility has a positive and significant effect on dividend per share of listed Banks in Nigeria.

**Hypothesis Four: There is no significant effect of corporate social responsibility on return on equity of listed Banks in Nigeria.**

**Table F : Corporate social responsibility and Return on Equity (ROE)**

Dependent Variable: ROE
Method Least square
Sample (adjusted): 2 20
Included observations: 19 after adjusting end points

| **Variable** | **Coefficient** | **Stand. Error** | T – **Statistic** | **Prob.** |
|---|---|---|---|---|
| CSR | 0.004710 | 0.005809 | 2.810839 | 0.0194 |
| C | 0.075514 | 0.012250 | 6.164693 | 0.0000 |
| R-Squared<br>Adjusted R-Squared<br>S.E. of regression<br>Sum square resid,,<br>Log Likelihood<br>Durbin-Watson Stat | 0.566732<br>0.453508<br>0.083478<br>0.675947<br>21.3698<br>2.86316 | Mean dependent variable<br>Standard dev, dependent variable<br>Akaike info Criterion<br>Schawarz Criterion<br>F-statistic<br>Prob(F-Statistic) | | 0.082751<br>0.083332<br>2.108480<br>2.056053<br>3.657459<br>0.419443 |

***Source: Researcher's E-view Results.***

Table F shows the result of the simple regression analysis of the effect of Corporate Social Responsibility on Return on Equity of listed Banks in Nigeria. The coefficient of determination R2, which measures the goodness of fit of the model, indicates that 57% of the variations observed in the dependent variable were explained by the independent variable. This was moderated by the Adjusted R2 of 45%. The results shows that Corporate Social Responsibility has a positive and significant effect on Return on Equity of listed Banks in Nigeria (a=0.004, p=0.02<0.05).

**Decision**: Since the coefficient estimate of Corporate Social Responsibility is positive, the null hypothesis is rejected and the alternate accepted but with the provision of probability value being less than 0.05, we conclude therefore, that Corporate Social Responsibility has a positive and significant effect on Return on Equity of listed Banks in Nigeria.

## Discussion

### Summary

This study is an attempt to research and reasonably go deep regarding the impact of Corporate social responsibility and it's impact on the survival of commercial banks, some decades ago, commercial banks never took the issue of corporate social responsibility to be something of serious value, as such each lead to various issues to most of those banks, but then, as time went by and modernization began to set in, banks began to realize the importance to been responsible to the plight of those citizens or populace around them. This happened because they saw how people respected them more when they cared more about the people.

### Limitations

Despite the numerous empirical studies some studies have failed to pay attention to social practices and it is important, because its practices might not meet the stakeholders' expectations. Future studies can look into the effect of this practice on stakeholders' perception and loyalty on the company's. Besides, efforts can be made to explore more in details the reasons for practicing responsible behaviors by companies and relate that to their financial performance and image making. On the other hand, this study is limited to exploration of CSR activities among five selected commercial banks in Nigeria.

## Conclusion

This study investigated the effect of corporate social responsibility on financial performance of quoted Banks in Nigeria between the period of 2016 to 2020 (5years). Specifically, the study assessed the effect of corporate social responsibility on the financial performance (return on assets, earnings per share, dividend per share and return on equity) of listed companies in Nigeria. The study used secondary data obtained from the company's annual reports for the period of 5years (2016 to 2020).The independent variable is corporate social responsibility (CSR).The dependent variable used by the model to represent the financial performance of Banks are return on assets (ROA), earnings per share (EPS), dividend per share (DPS0, and return on equity (ROE).By means of regression analysis the study found that corporate social responsibilities have a positive and significant impact on all dependent variables tested. Hypothesis one states that, there is no significant relationship between corporate social responsibility and return on assets. This was confirmed with a R-squared value of 0.74, (i.e.74.3%), adjusted r-squared value of 0.63 (i.e.63.3%), which is significant at 0.004 significance level. Therefore, this implies that for every increase in return on assets, corporate social responsibilities contributed about 74%. This study corroborates with the findings of Uadiale and Fagbemi (2017) who focused on forty listed companies to evaluate the impact of corporate social responsibility activities on financial performance (return on asset and return on equity).Their results showed that CSR had a positive and significant relationship with the financial performance measures. Therefore, the study concludes by rejecting the null hypothesis and accepting the alternate hypothesis, which states that, there is a significant effect of corporate social responsibility on the return of assets of Banks in Nigeria between the periods covered in this study. Hypothesis two states that, there is no significant relationship between corporate social responsibility and earnings per shares. The regression table in chapter four states that, r-squared value of 0.61 (i.e.61.3%), and adjusted r-squared value of 0.50 (i.e.50.5%), and significant at 0.0000 significance level. Therefore, this implies that for every increase in dividend per share, corporate social responsibility contributed about 61%. This study is in line with the findings of Mubeen and Arooj (2019) who examined the impact of CSR on shareholders' wealth and financial performance of 10 companies that are highly rated for CSR activities and 10 Non-CSR companies. Using accounting measures (ROE and ROA) as proxies for financial performance and earnings per share (EPS) and dividend per share (DPS) and stock price and CSR measures, the authors found a significant positive relationship between CSR and shareholders wealth and financial performance. Therefore, the study concludes by rejecting the null hypothesis and accepting the alternate hypothesis, which states that, there is a significance effect of corporate social responsibility on earnings per share in quoted Banks in Nigeria between the periods covered. Hypothesis three states that, there is no significance effect of corporate social responsibility on divided by per share of quoted Banks in Nigeria. This was confirmed in the regression table with a r-squared value of 0.61 (i.e.61.3%), and adjusted r-squared value of 0.50 (i.e.50.5%), and significant at 0.0000 significance level. Therefore, this implies that for every increase in dividend per share, corporate social responsibility contributed about 61%. This study is in line with the findings of Mubeen and Arooj (2019) who examined the impact of CSR on shareholders' wealth and financial performance of 10 companies that are highly rated for CSR activities and 10 Non-CSR companies. Using accounting measures (ROE and ROA) as proxies for financial performance and earnings per share (EPS) and dividend per share (DPS) and stock price and CSR measures, the authors found a significant positive relationship between CSR and shareholders wealth and financial performance.

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