-6-

CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

[1]Oladejo, K. W; [2]Oladejo, F.O; [3]Kolade, A. A; &[4]Adeleye, O. L.
[1]Department of Accountancy, Osun State College of Technology, Esa Oke
[2,3]Dept. of Business Administration and Management, Osun State College of Tech., Esa Oke
[4]Department of Business Education, Osun State College of Education, Ila-Orangun
Corresponding Author: *walekam2022@gmail.com*08033665817

Abstract
In today's world, businesses are expected to do more than just make profits. They are also expected to give back to the communities they serve and have a positive impact on society as a whole. This is where corporate social responsibility (CSR) comes into play. In Nigeria deposit money banks have been taking steps towards being socially responsible by investing in various initiatives such as education, healthcare, and environmental sustainability. But what effect does this have on their financial performance? Does CSR actually payoff for corporations? In this blog post, we will explore the impact of corporate social responsibility on the performance of deposit money banks in Nigeria and examine whether or not these efforts lead to greater success for these institutions. The study employed primary data obtained through questionnaire administration while secondary data were obtained from the financial statements of fourteen selected deposit money banks in Nigeria. Ordered logit and panel least square method of multiple regression analysis were used to achieve the objectives of the study. The Hausman test result shows that the random effect model supersedes fixed effect model. The findings of random effect model showed that corporate social responsibility is a significant determinant of employee performance and profitability with coefficient values of 0.043 and 0.059 at 5%. Thus, the study concludes that corporate social responsibility has significant impact on performance of deposit money banks in Nigeria.

Keywords: Corporate Social Responsibility (CSR); Corporations; Social Services and Financial Performance.

1. INTRODUCTION

Corporate Social Responsibility (CSR) has become an increasingly crucial aspect of corporate strategy in recent times. Companies that exhibit a strong commitment to CSR have been known to influence the social and environmental landscape positively, promote their brand image, and impact financial performance positively. Deposit Money Banks (DMBs) are not excluded from this phenomenon as they play a critical role in the economy development of Nigeria. It has become an important issue incorporating a great proliferation of theories, approaches and terminologies, such as social issues management, sustainable development, sustainable entrepreneurship, and business ethics with the aim of addressing issues confronting various organizational performances (Camilleri, 2017). It is the obligation of the firm's decision makers to make decisions and act in ways that recognize the relationship between the business and society. Business organizations do not exist in a vacuum but in a society made up of the employees, customers, government, neighboring environment and other stakeholders which go a long way in influencing the performance.

The primary drivers for CSR reporting came from a range of social factors, in which CSR was defined as an obligation to pursue appropriate policies, to make appropriate decisions, and to follow those lines of action which are desirable in terms of the objectives and values of the society (Elias, 2004). However, from managerial context, Richard and Okoye (2013) asserted that socially responsible business decisions could be justified by a long, complicated process of reasoning as offering an opportunity to bring the company long-run economic gain, thus repaying it for its responsible outlook.

Hence, society has come to expect businesses, with their successful operations to solve a major part of these problems by development of effective social responsibility objective and strategies. However, many organizations in Nigeria are driven by the need to make extra profits at the detriment of all the stakeholders (Akinyomi & Olutoye, 2015). Some do not adequately respond to the needs of host communities, employees' welfare (cheap labour often preferred), environmental protection and community development (Osemene, 2012). However, the expectation of social services from corporate firms has become very high in Nigeria and the negligence of the expectations by these companies has resulted to a very turbulent environment for companies operating in Nigeria. Nigerian banking sector has been bedeviled with internal (workers and investors) and external (depositors and general public) dissatisfaction, culminating to an image problem (Ngerebo & Yellowe, 2012).
There are instances when corporations exhibit socially irresponsible corporate behaviour, such as performance deceiving customers, swindling investors, putting consumers at risk, poisoning the environment and cheating the government (Alozie & Ndu Chigozie, 2018). Hence, this study examined the impact of corporate social responsibility on performance of deposit money banks in Nigeria. The next section is literature review. This is followed by methodology and discussions of findings. The last section covers the conclusion and recommendations of the study.

2. LITERATURE REVIEW

The literature review is a vital part of any research study involving reviewing and analyzing existing literature such as academic articles, books and reports to identify gaps in the current knowledge. In this section, we will discuss various studies conducted on corporate social responsibility (CSR) and its impact on the financial performance of Deposit Money Banks (DBMs) in Nigeria.

2.1.1 Conceptual Issues: Corporate Social Responsibility

There is no universally accepted definition of corporate social responsibility, it is usually described in terms of a company considering, managing and balancing the economic, social and environmental impacts of its activities (*Parliamentary Joint Committee* (PJC), 2006). Corporate social responsibility is the way in which a company manages and improves its social and environmental impact to generate value for both its shareholders and its stakeholders by innovating its strategy, organization and operations. Organization for Economic Co-operation and Development (OECD), (2003) noted that corporate responsibility *involves* the search for an effective *"fit"* between *businesses* and the *societies inwhich they operate.* The function of business in society is to yield adequate returns to owners of capital by identifying and developing promising investment opportunities and, in the process, to provide jobs and produce goods and services that consumers want to buy. However, corporate responsibility goes beyond this core function. Businesses are expected to obey the various laws which are applicable to them and often have to respond to societal expectations that are not written down as formal law.

Amnesty International Business Group (UK) (2002) asserted that companies need to recognize that their ability to continue to provide goods and services and to create financial wealth will depend on their acceptability to an international society which increasingly regards protection of human rights as a condition of the corporate license to operate Garriga and Mele (2004) also grouped theories of CSR into four: instrumental, political, integral and ethical theories. Corporate Social Responsibility is the overall relationship of the organization with all of its stakeholders that include customers, employees, communities, owners/investors, government, suppliers and competitors (Khoury, Rostani, & Turnbull,1999). Dahlsrud (2008) identified five dimensions of corporate social responsibility as; environmental, social, economic, stakeholder, and voluntary.

2.1.2 Performance of Deposit Money Banks

The performance of deposit money banks in Nigeria is a crucial aspect that cannot be overlooked when assessing the impact of corporate social responsibility. Deposit Money Banks are financial institutions that accept deposits from customers and provide them with loans, while also offering other services such as credit cards, overdrafts and trade financing. One way to measure the performance of deposit money banks is through their profitability. Profitability metrics include Return on Equity (ROE), Return on Assets (ROA), Net Interest Margin (NIM), and Non-Performing Loan Ratios (NPL). These indicators help investors understand how well a bank is using its resources to generate profits.

According to Toutou and Xiaodong (2011), financial performance is a general measure of how well a bank generates revenues from its capital. It also shows a bank's overall financial health over a period of time, and it helps to compare different banks across the banking industry at the same time. The bank's financial performance generally can be recognized as its stability and profitability. The stability refers to its risk factors and profitability refers to its financial return. According to Felix and Glaudine (2008), there are different financial indicators for measuring the profitability of banks, which are Return on Asset (ROA), Return on Equity (ROE), Earnings per Share (EPS), and Tobin Q. Return on Asset measures the efficiency with which the company is managing its investment in asset and using them to generate profit. It is the ratio of net income to the total asset. Return on equity measures how well a bank used reinvested earnings to generate additional earnings, equal to fiscal year' after tax. The return on equity is the most important of all financial ratios to investors in bank (Harelimana, 2017).Earnings per share are seen as one of the important factors affecting the dividend policy of a firm. It is calculated by dividing the profit of the companies by the number of ordinary shares outstanding.

Another important factor in evaluating the performance of Deposit Money Banks is their level of risk management which includes assessing whether they have adequate capital reserves to cover any unexpected losses or market volatility. Banks with strong risk management practices are better equipped to navigate economic downturns and remain profitable over the long term. Customer satisfaction is an essential component of a bank's overall performance. A high level of customer satisfaction indicates that a bank has built trust among its clients by providing quality services and meeting their needs effectively. It is a vital for deposit money banks in Nigeria to maintain strong financial health while also fulfilling their corporate social responsibility obligations towards society at large.

2.2 Theoretical Review

Utilitarian theory was propounded by Smart in 1973. The theory posits that corporations serve as part of economic systems with a mechanical function that is profit maximization. The need for economics of responsibility in the business ethics of the corporation, according to this theory led to the emergence of CSR ideas. The old idea of laissez faire business gives way to determinism, individualism to public control and personal responsibility to social responsibility. Utilitarian theory is seen as the instrument of wealth creation, and its social activities are the only means to achieve economic results. Friedman (1970) asserted that corporation needs to invest in the local community, in which it can be able to provide resources and amenities for the community. Piercy (2008) further divides the utilitarian theories into two: the social costs of the corporation and the functionalism idea. The social cost theory has a basis for CSR in which the socio-economic system in the community is said to be influenced by the corporate non-economic forces. The utilitarian theory therefore suggests that the corporation must accept social duties and rights to participate in Social Corporation. The functionalist theory specifically advocates that the corporation is seen as part of the economic system whose main goal is to make profit. The firm is seen as an investment which should generate profits. Therefore one may conclude that CSR is coined as a defense tactic of the industrial system

against external attacks because there is a need to provide a balance between profitability and social objectives for the economic systems equilibrium.

2.3 Empirical Review

Maldonado-Guzman, Pinzon-Castro and Lopez-Torres (2016) analyzed the existing relationship between CSR and business performance of 397 Mexican SMEs. Using Confirmatory Factor Analysis (CFA), the results obtained showed the existence of a positive and significant relationship between CSR and business performance. Mensah (2017) examined the effect of corporate social responsibility practices on organizational commitment of employees of rural and community banks in Ghana. A self-reported questionnaire was used to collect the data from 145 employees of 50 Rural and Community Banks (RCBs) across Ghana. Using descriptive statistics, the study found a strong positive relationship between engagement in corporate social responsibility practices and employee commitment. Engagement in corporate social responsibility practices explained 54.1% of the total variation on employee commitment. However, this relationship is insignificant when educational level and years of working with the bank is controlled for. Gender however does not confound this relationship.

Esteban-Sanchez, Cuesta-Gonzalez and Paredes-Gazquez (2017) examined the effect of corporate social responsibility practices on financial performance of 154 financial entities in 22 developed countries, most of them notably affected by financial crisis, from 2005 to 2010. The study employed static data panel models. The results show that banks with better employee relationships and corporate governance had better CFP. Nevertheless, the crisis negatively moderated this effect in the latter, suggesting failures in corporate governance mechanisms. Contrary to what was expected, the product responsibility dimension did not positively influence financial performance. The study found evidence that, during the crisis, better relations with the community could be valued positively by investors, which, in turn, increases financial performance.

Muhammad (2017) examined the impact of corporate social responsibility practices on financial performance of listed deposit money banks in Nigeria for a period of 2006 to 2013 (8years). Nine out of seventeen Banks were selected as sample of the study. The study uses secondary data from fact book and financial statements of Nigerian Stock Exchange (NSE) while total expenditure on corporate social responsibility practices serves as the independent variable, the dependent variables of financial performance were proxied by Return on Assets (ROA), Earnings per share (EPS) and Liquidity (LQT). The result reveals that CSR has a significant positive impact on ROA and EPS. CSR was also found to have a negative impact on LQT.

Alozie and Ndu (2018) evaluated corporate social responsibility practices practice and corporate performance of selected deposit money banks in Nigeria. Using data from the annual reports of five topmost DMBs in Nigeria (FBN, Zenith Bank, GT bank, UBA and Access bank), and the panel data regression technique for data analysis, it was found that there is positive and significant association between CSR and MS; and that there is no significant association between CSR and Liquidity.

Qun, Abdullah and Alvi (2018) evaluated the relationship between employee perception of corporate social responsibility practices (CSR) and employee's outcome in Pakistan forSMEs. The quantitative method was used to collect data from 300 SME's. While regression analysis was performed for mediation analysis. The results showed that organizational justice partially mediated between employee's perception of corporate social responsibility practicesand employee's outcomes. Agyemang and Ansong (2018) examined the influence of corporate social responsibility practices on financial performance of small and medium-sized enterprises (SMEs) in Ghana by using access to capital and firm reputation as mediating variables. The study collected primary data from 423 SMEs within the Accra Metropolis. Partial least squares estimation technique was used to

analyze the data. The study revealed a mechanism through which corporate social responsibility practices results in financial performance of firms.

2.4 Corporate Social Responsibility and Financial Performance of Banks

Corporate Social Responsibility is becoming an increasingly important aspect of business operations for banks in Nigeria. CSR refers to the voluntary actions taken by corporations to positively impact society and environment. Many deposit money banks in Nigeria have recognized the importance of corporate social responsibility and are investing heavily in social services. One way that corporate social responsibility can impact financial performance is through enhanced reputation and brand image. When banks invest in projects that benefit society, it portrays them as responsible institutions, thus enhancing their reputations among customers. This can translate into increased customer loyalty, which may lead to higher revenues. Moreover CSR efforts can also help reduce costs associated with reputation damage or legal issues resulting from non-compliance with environmental regulations or unethical practices. These savings can contribute positively to a bank financial performance.

Additionally, Corporate Social Responsibility initiatives creates opportunities for new markets and revenue streams, banks that actively participate in community development programs often gain access to new markets previously untapped while promoting economic growth within the local communities they serve. There is growing evidence suggesting a positive correlation between corporate social responsibility activities and financial performance of deposit money banks in Nigeria. As such it has become imperative for these institutions to prioritize their participation not only for societal benefits but also as a means of boosting profitability over time.

2.5 Research Gap

Most studies (such as Omoro, Kinyua, & Okiro, 2014; Iqbal, Ahmad, Hamad, Bashir, & Sattar, 2014; Muhammad, 2017) focused on CSR and financial performance. However, there is need to examine the impact of corporate social responsibility on the operational performance of deposit money banks in Nigeria. Hence, this study focused on CSR and operational performance of deposit money banks in Nigeria. The study covers non-financial performance such as customer service delivery while dividend per share were uniquely used to measure financial performance.

More so, the previous studies classified corporate social responsibility as a unique variable. However, this study classified CSR as Educational Related Corporate Social Responsibility,

Community Development focused Corporate Social Responsibility and Philanthropy Related Corporate Social Responsibility. All these were done with the aim of investigating the impact of CSR on performance of deposit money banks in Nigeria, banking sector being an important sector contributing to the nation's economy.

3. METHODOLOGY

This study examined corporate social responsibility and performance of deposit money banks in Nigeria. Primary and secondary data were employed. The primary data were obtained through copies of questionnaire administered on officials of deposit money banks in Lagos state. Lagos state was chosen because it is the biggest commercial center in Nigeria and also has the highest number of banks' branches in the country. One hundred and twenty five copies of questionnaire were distributed and used for the analysis of the study. The secondary data was obtained from audited annual reports, financial statements, CSR reports and website of fourteen quoted deposit money banks operating in Nigeria covering ten years (2012-2022). The choice of 2012 year was because Nigerian deposit money banks commenced the adoption of International Financial Reporting Standards while as at the time of this study, 2023 financial reports of Nigerian deposit money banks are yet to be published.

The fourteen (14) banks selected were: Access Bank, Diamond Bank, Ecobank, Fidelity Bank, First Bank PLC, First City Monument Bank (FCMB), Guaranty Trust Bank (GTB), Stanbic IBTC Bank, Sterling Bank, United Bank of Africa (UBA), Unity Bank, Union Bank, Wema Bank and Zenith Bank. The choice of these selected banks was because they are deposit money banks quoted on Nigerian Stock Exchange and also these banks represents 64 percent of the total population. Ordered logit regression technique was used to examine the impact of CSR on non-financial performance of deposit money banks in Nigeria. The method used in this study was unique because the dependent variable had more than two response categories and the responses are ordered. While, balanced panel data analysis was used to analyze the secondary data related to the impact of CSR on financial performance of deposit money banks in Nigeria.

The model used established a relationship between CSR and non-financial performance of deposit money banks in Nigeria. Thus, our model is presented as follows:

$CSD = f(PHRCSR, EDRCSR, CDFCSR)$…….. (1)
$CSD = \beta 0 + \beta 1 PHRCSR + \beta 2 EDRCSR + \beta 3 CDFCSR + \mu$……..... (2)
Where:
$\beta 0$ = Constant
CSD = Customer Service Delivery
CSR = Corporate Social Responsibility
PHRCSR= Philanthropy Related Corporate Social Responsibility,
EDRCSR = Educational Related Corporate Social Responsibility and
CDFCSR= Community Development focused Corporate Social Responsibility.
μ = Error term

The study went ahead to analyze the effects of corporate social responsibility on the financial performance of deposit money banks using dividend per share as a proxy for banks' performance. The use of DIV here is germane because it represents what each shareholder earns per every single share held in a firm. Thus, using dividend per share (DIV) as the dependent variable, the DIV is written as being determined by educational related corporate social responsibility, community development focused corporate social responsibility and philanthropy related corporate social responsibility in a functional form as:

$DIV = f(PHRCSR, EDRCSR, CDRCSR)$……..…….. (3)
$DIVit = \beta 0 + \beta 1 PHRCSRit + \beta 2 EDRCSRit + \beta 3 CDFCSRit + \mu it$…..... (4)
Where:
$\beta 0$ = Constant
DIV = Dividend per Share

4. RESULTS AND DISCUSSION OF FINDINGS

The analysis and finding session of this study aimed to examine the impact of corporate social responsibility (CSR) on the performance of deposit money banks in Nigeria. The result shows that there is a positive relationship between corporate social responsibility initiatives and financial performance. It was found that banks with strong CSR strategies had higher profitability ratios compared to their counterparts who did not prioritize social responsibility.

Table 4.1: Correlation Coefficients

Variables	EDRCSR	CDFCSR	PHRCSR	DIV	Variance inflation factor(VIF)
EDRCSR	1				1.64
CDFCSR	0.28	1			1.54
PHRCSR	0.2651	0.1557	1		1.78
DIV	0.132	-0.0308	0.0226	1	1.13

Source: Authors' computations, 2023.

The study examined the existence of multicollinearity among the variables used for the panel regressions. The existence of multicollinearity is a problem that invalidates the estimates of regression estimators. To assess this, a pair-wise correlation was conducted. This shows the nature of relationship between each pair of the variables used. The result of the correlation is presented in Table 4.1. It shows that CDFCSR and DIV have negative correlation coefficients
(negative relationship) while all other variables are positively correlated. However, the correlation coefficient is less than 0.5 for all the variables.

Moreover, the Variance Inflation Factor (VIF) test was employed to also test the presence of multicollinearity. The rule of thumb is that, when the VIF value is greater than 5 there is the problem of multicollinearity otherwise there is no problem of multicollinearity. The result of the VIF shows that the values of the VIF, 1.64, 1.54, 1.78 and 1.13 for EDRCSR, CDFCSR, PHRCSR and DIV respectively are less than 5. Therefore, there is no problem of multicollinearity in the model. This implies that there is no strong interdependence among the variables. Hence, multicollinearity does not exist among them. Since there is no multicollinearity, the fixed effect and random effect regressions are employed without dropping any of the variables.

Table 4.2: Result of Ordered Logit Regression for CSD

Independent variables	Dependent variable: Customer Service Delivery (CSD)	
	Coefficient of ordered logit (1)	Marginal effect (2)
CDFCSR	0.83 (1.34)0.013 (0.014)	
EDRCSR	6.48*** (1.41)	0.10 (0.096)
PHRCSR	-1.37*** (0.48)	-0.021 (0.019)
Constant cut 1	9.54*** (2.22)	
Constant cut 2	15.5*** (4.04)	
Constant cut 3	22.3*** (6.24)	
Constant cut 4	27.2*** (7.58)	
Observations	125	125
Log likelihood	154.41577	
Wald statistics	23.54	
P-value of Wald statistics	0.0000	

Source: Authors' computations using STATA 12, 2023.

Standard errors in parentheses; Where ***, ** and * denotes 1%, 5% and 10% level of significance respectively. Ordered logit regression was used to investigate the effects of corporate social responsibility on customer service delivery of Nigerian deposit money banks (DMBs). The result is displayed in table 4.2 above. The estimates of the coefficient of the regression and the marginal effects are presented in column 1 and column 2 of the table respectively. The coefficients are used to examine the nature of relationship and significance of the independent variables while the marginal effect is used to evaluate the extent (magnitude or size) of impact of the independent variables on the dependent variable. The dependent variable is Customer Service Delivery (CSD) while community

development related corporate social responsibility (CDFCSR), education related corporate social responsibility (EDRCSR) and philanthropy related corporate social responsibility (PHRCSR) are the independent variables. The result indicates that EDRCSR and CDFCSR are positively related to CSD. This implies that there is more likelihood that the probability of efficient CSD will increase with increase in EDRCSR and CDFCSR of the banks. On the other hand, there is inverse relationship between PHRCSR and CSD. It means rise in PHRCSR will reduce the probability of high CSD of the banks in Nigeria.

However, the result indicates that EDRCSR and PHRCSR are statistically significant at 1%
Level of significance. This is because half of the values of the coefficients of these variables are greater than the standard errors of the coefficients. This means CSR has significant impact on CSD of Nigerian banks. The values of the marginal effect of the logit regression (in column 2) indicate that respondents strongly agree that the probability of having high CSD increases by 0.10 with the increase in EDRCSR while the probability of quality CSD fall by 0.021 with rise in PHRCSR. So, CSR has huge impact on CSD of Nigerian DMBs. In the table all the constant cut values are statistically significant, therefore we cannot collapse any of the categories. This means all the response categories are relevant and thus cannot be collapsed. The Wald test statistics is 23.54 with P-value 0.0000 this means that the model has a good fit.

Table 4.3: Hausman Test

MODEL	**Hausman test**	**P-value**
FIXDIV RANDOMDIV	0.30	0.9593

Source: Authors' Computation, (2023)

Hausman Test

When both fixed and random effects models have good fit, Hausman test is used to compare and choose a better model between the two. The null hypothesis for the Hausman test is that a random effect model is better than the fixed effect model, or a random effect model is consistent. If the null hypothesis is rejected, use the fixed effect model; otherwise, go for the random effect model.

In the case of the Hausman test results presented in table 4.3 above, the chi-square statistics of the Hausman test for FIXDIV and RANDOMDIV is 0.30 with P-value 0.9593. Since the
P-value is greater than 5% level of significance, the null hypothesis is not rejected and the result of the random effect model supersedes empirical inferences regarding the relationship and impact of the independent variables for DIV.

Table 4.4: Result of Fixed Effect and Random Effect Models for DIV

	Dependent Variable: Dividend Per Share (DIV)	
	Fixed effect model	Random effect model
Independent Variable	(1)	(2)
LogEDRCSR	0.46** (0.21)	0.49** (0.20)
LogCDRCSR	0.19 (0.24)	0.18 (0.23)
LogPHRCSR	-1.01*** (0.34)	-0.97*** (0.33)
Constant	9.88 (7.37)	8.94 (6.85)
Observations	112	112

Source: Authors' computations using STATA 12, 2023.

Standard errors in parentheses***, ** and * denotes 1%, 5% and 10% level of significance Respectively.

The model estimated in this study to evaluate the effect of corporate social responsibility on dividend per share of deposit money banks in Nigeria is the one presented in table 4.4. The results of random effect model are presented in column 2. In the model, the dependent variable is Dividend Pay Share (DIV). The Educational Related Corporate Social Responsibility (EDRCSR), Community Development focused Corporate Social Responsibility (CDRCSR) and Philanthropy `Related Corporate Social Responsibility (PHRCSR) still remain the independent variables. The independent variables were logged to harmonize the unit of measurements. This is because DIV is in ratios while all the independent variables are measured in millions of naira. The results of the random effect model illustrate that EDRCSR and CDRCSR are positively related to the DIV. That is, DIV of DMBs in Nigeria increased with increase in their corporate social responsibility on education and community development. PHRCSR is inversely related to DIV. So, rise in philanthropic corporate social responsibility tends to reduce the DIV of the deposit money banks.

Moreover, the coefficient of logEDRCSR and logPHRCSR are indicated to be statistically, significant at 5% and 1% respectively in random effect model. This implies that, corporate social responsibility on education and philanthropy are significant determinants of DIV of the deposit money banks in Nigeria. In other words, corporate social responsibility has significant effect on dividend per share of deposit money banks in Nigeria.

Averagely, DIV increased by 0.0046 (0.46/100) and 0.0049 (0.49/100) units in the random effect model due to a percent increase in the expenditure on education related corporate social responsibility of DMBs in Nigeria. However, the results of random effect model indicate that 0.0097(0.97/100) and 0.0101 (1.101/100) units decreases in DIV result from a percent increase in PHRCSR. This implies a spectacular impact of corporate social responsibility on DIV of deposit money banks in Nigeria. The coefficients are divided by 100 and the interpretation is in percentage change to unit change because the independent variables are logged. Meanwhile, the results imply a spectacular impact of corporate social responsibility on DIV of DMBs in Nigeria.

Table 4.5: Fitness of the Models

Goodness of fit		MODEL	Fit-Statistics	P-value
FIXDIV	5.10	0.0044		
RANDOMDIV	15.90	0.0012		

Source: Authors' Computation, (2023)

Goodness of fit

In order to examine the goodness of fit of the panel regression models employed in this study, F- test was used for the fixed effect model. The results of the tests are presented in table 4.5. FIXDIV and RANDOMDIV represent the fixed and random effect models in which dividend per share is the dependent variable respectively. The fit- statistics for FIXDIV and RANDOMDIV are 5.10 and 15.90 with P-values 0.0044 and 0.0012 respectively. When the P-Value of the statistics is less than the conventional level of significance (1%, 5% and 10%), the model is said to have a good fit, otherwise the fit is bad. The fit statistics of all the models in table 4.5 have P–Values which are much less than 5% level of significance. So, all the models have good fit and their estimates are valid for empirical inferences.

4.2 Discussion of Findings

The results of this study revealed that there is a positive relationship between corporate social responsibility variables (such as education related corporate social responsibility, community development focused corporate social responsibility) and customer service delivery in Nigerian DMBs while philanthropy related corporate social responsibility have a negative relationship with performance of DMBs which is consistent with the study of Alozie and Ndu (2018). Therefore, the null hypothesis which states that corporate social responsibility does not significantly affect banks' customers' service delivery in Nigeria should not be accepted.

Moreover, the research reveals that CSR activities contribute positively to brand reputation, customer retention, employee satisfaction and risk management practices. This benefit indicates that focusing on social services can create value for all stakeholders involved. These findings provide evidence supporting the argument that corporations should integrate social responsibility into their business operations as it has tangible benefits for both society and financial performance.

Finally, the study revealed that corporate social responsibility (such as education related social responsibility and philanthropy corporate social responsibility) have significant impact on dividend per share of Nigerian deposit money banks which is consistent with the study of Adeyanju (2012). These findings conform to Utilitarian theory which is seen as the instrument of wealth creation, and its social activities are the only means to achieve economic results.

5. CONCLUSION AND RECOMMENDATIONS

To sum it all up, Corporate Social Responsibility has become a critical component of the operations of deposit money banks in Nigeria, it is no longer just an activity to fulfill regulatory compliance but rather, a way to gain competitive advantage and improve financial and nonfinancial performance. The findings of this study also confirm that CSR initiatives have a significant impact on the profitability, growth, customer loyalty and reputation of deposit money banks in Nigeria. Furthermore, we found out through our analysis that corporate social responsibility positively affects employee productivity, community development and environmental sustainability which are key factors for business success. The study also reveals that corporate social responsibility impacts on customer service delivery of deposits money banks in Nigeria. Corporate social responsibility has significant impact on the dividend per share in Nigerian deposits money banks. Finally, it can be concluded that effective implementation of Corporate Social Responsibility practices will lead to improve performance not only for deposit money banks but any corporation operating within the Nigerian Market.

Based on the conclusion above, the study recommends that for deposit money banks to achieve enhanced and sustained customer service delivery, involvement in educational related corporate social responsibility should be maintained because educational related corporate social responsibility has been identified as determinant of customer service delivery. In terms of economic performance, the management of deposit money banks should intensify their involvement in community development focused corporate social responsibility so as to improve their profitability. Corporations are encouraged to integrate social services into their operational strategies as part of their core values so as to achieve long term benefits such as increase revenue generation due to brand recognition from satisfied customers who value both quality service delivery and community involvement.

REFERENCES

Adeyanju, O. (2012). An Assessment of the Impact of Corporate Social Responsibility on Nigerian Society: The Examples of Banking and Communication Industries. *Universal Journal of Marketing and Business Research*, 1(1): 17-43.

Agyemang, O. S., & Ansong, A. (2017). Corporate Social Responsibility and Firm Performance of Ghanaian SMEs. *Journal of Global Responsibility, 8*(1), 47–62. https://doi.org/10.1108/JGR-03-2016-0007

Akinyomi, O. J. & Olutoye, E, A. (2015). Corporate Governance and Profitability of NigerianBanks. *Asian Journal of Finance and Accounting, 7* (1), 172-182. Doi:10.5296/ajfa.v7i1.6543

Alozie, A. & Ndu, E. (2018). Corporate Social Responsibility Practice and Corporate Performance of Selected Deposit Money Banks in Nigeria. *International Journal of Advanced Studies in Economics and Public Sector Management.* 6(1): 63-88.

Camilleri, M.A. (2017). Corporate Sustainability and Responsibility: Creating Value for Business, Society and the Environment. *Asian Journal of Sustainability and Social Responsibility.* 2(1), 59-74.

Dahlsrud, A. (2008). How Corporate Social Responsibility is defined: An Analysis of 37 Definitions Corporate Social Responsibility and Environmental Management. *Corporate Social Responsibility and Environment Management, 15*(15), 1-13.

Elias, R. Z. (2004). The Impact of Corporate Ethical Values on Perceptions of Earnings Management. *Managerial Auditing Journal*, 19(1), 84-98. https://doi.org/10.1108/02686900410509839.

Esteban-Sanchez, P., De la Cuesta-Gonzalez, M. and Paredes-Gazquez, J. D. (2017). Corporate Social Performance and its Relation with Corporate Financial Performance: International evidence in the banking industry. *Journal of Cleaner Production, [ejournal],* 162, 1102-1110. https://doi.org/10.1016/j.jclepro.2017.06.127.

Friedman, (1970). The Social Responsibility of Business is to Increase its Profits. New York Times Magazines, 13 September, 32-33.

Garriga, E., & Mele, D. (2004). Corporate Social Responsibility Theories: Mapping the Territory, *Journal of Business Ethics*, 53, 51-71.

Harelimana, J. B. (2017):The Role of Risk Management on Financial Performance of Banking Institutions in Rwanda, *Journal of Business and Economics, 8(*1), 1-5.

Iqbal, N., Ahmad, N., Hamad, N., Bashir, S., & Sattar, W. (2014). Corporate Social Responsibility and its Possible Impact on Firm's Financial Performance in Banking Sector of Pakistan. *Arabian Journal of Business and Management Review (OmanChapter), 3*(12), 150.

Khoury, G., Rostami, J. & Turnbull, J.P. (1999). Corporate Social Responsibility: Turning Words into Action, Conference Board of Canada, Ottawa.

Maldonado-Guzman, G., Pinzon-Castro, S. Y., & Lopez-Torres, G. C. (2016). CorporatE social responsibility and business performance: The Role of Mexican SMEs. *International Journal of Asian Social Science*, *6*(10), 568-579.

Mensah, S. (2017). Discrete Choice Modeling (NYU Working Paper no.EC-07-07). New York: New York University, Stern School of Business.

Muhammad, S. (2017). Corporate social responsibility practices and Financial Performance of Listed Deposit Money Banks in Nigeria. *Al-Hikmah Management Review,* 2(1), 1-16.

Ngerebo-A, T. A. & Yellowe, S. (2012). The Effects of Corporate Governance on Patronage of Banking Services in Nigeria. *Australian Journal of Business and ManagementResearch*, 2(5), 30-36.

Omoro, N., Kinyua, H., & Okiro, K. (2014): Investments in corporate social responsibility and sustained growth in commercial banks in Kenya. *Journal of Emerging Issues in Economics, Finance andBanking (JEIEFB), 3*(2), 1047-1068.

Osemene, O. F. (2012). Corporate Social Responsibility Practices in mobile telecommunications industry in Nigeria. *European journal of business and management*. 4(8), 149-157. Organisation for Economic Cooperation and Development (2001). *Corporate Responsibility:Private Initiatives and Public Goal.* Paris. Parliamentary Joint Committee on Corporations and Financial Services (2006). *Corporate responsibility: Managing risk and creating value*, June, Canberra.

Piercy, F. N. (2008). *Market-Led Strategic Change: Transforming the Process of Going to Market.* Northeastern: A Butterworth-Heinemann.

Qun, D. C., Abdullah, T. J., & Alvi, J. A. (2018). A Better Way to Gauge Profitability: Systematic Ratio Analysis using the Advanced DuPont Model. Journal of Accountancy, 206(2), 38-42.

Richard, E.O. & Okoye, V. (2013). Impact of Corporate Social Responsibility on the Deposit Money Banks in Nigeria. Global Business and Economics Research Journals, 2(3): 71-84.

Toutou J. (2011). *The Relationship between Liquidity Risk and Performance*, An Empirical Study of Banks in Europe, Umea School of Business.