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**IMPACT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE ON FINANCIAL PERFORMANCE OF LISTED DEPOSIT MONEY BANKS IN NIGERIA***Alheri Grace Dauda, Murtala Abdullahi (PhD) ,Prof. Benjamin Kumai Gugong**Department of Accounting, Kaduna State University, Kaduna, Nigeria**Corresponding authors' email: alheridauda@gmail.com/07034970021*

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**Abstract**

This study examined the impact of corporate social responsibility expenditure on financial performance of listed deposit money banks in Nigeria. On the methodology, the ex-post factor research design was employed in an attempt to achieving the objective of the study. A sample of eleven (11) out of a total population of fourteen (14) listed deposit money banks in Nigeria was selected for the study. Data were extracted from the annual reports and accounts of the sampled listed deposit money banks in Nigeria for a period of 10 years (2012-2021). Analysis of the data collected showed that, there is significant influence of corporate social responsibility on financial performance of listed deposit money banks in Nigeria at 1% level of significance. In addition, firm size influences the relationship between corporate social responsibility and financial performance (ROA). Thus, it was recommended that, Deposit money banks should embrace idea of fulfilling their corporate social responsibility to its immediate environment by participating in activities that will improve the life of the society at large such as, educational donations, waste management, pollution reduction, and carry out other actions capable of strengthening their reputation, legitimacy and building competitive advantage.

*Keywords:* financial performance, corporate social responsibility, expenditure, deposit Money banks, Nigeria

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**1. Introduction**

Recently, the main business survival depends largely on the realisation of profit and most companies today have a goal of profitability, which is to extend their lifetime to achieve their business objectives. The economic objectives and social objectives are the two main categories of business goals. The economic goal mainly refers to the aims of the organization's marketing efforts to maximise profit, whilst social objectives are related to the aims of the organisation to achieve the shareholders, employees and the public at largest interest (Rao & Krishna, 2002). The research, however, focused on the company's social goals that refer to company social accountability. Corporate Social Responsibility (CSR) is an important factor in business organisations, including banks and other financial and non-financial institutions' operational performance. Instead of focusing only on profit making in order to ensure their long-term survival, organisations have taken on the responsibility of making a positive impact on companies. The organisations, with regard to how deeply and how well social responsibility approaches are incorporated into both strategy and daily activities, have developed a range of strategies for addressing this cross-relation of societal needs, the natural environment and corresponding business imperatives. So far, corporations' societal expectations have not extended beyond efficient resource allocation and profit maximisation to shareholders (dividends).

Companies are now requesting, as stakeholders, that organisations within their domain be treated fairly, so businesses must consider the addition of value beyond profit maximisation. The banking Sector generally represents a major component in the growth and development of every nation. This is because various interest groups and other stakeholders depend on the financial strength of the banking sector to achieve the objective of having a strong financial system thereby creating the platform for economic growth and development. It is therefore important for shareholder, government,



investors and other stakeholders to continue to retain confidence in the financial Sector of the economy (Awotundun et al., 2011). Hence, banks play an importance role in the economic growth and development of Nigeria, and there is a high demand for increase in the corporate social responsibility of Nigerian banks to provide the public and other stakeholders with social benefits that will improve the lives of the people of the communities where these companies are located, such that the issue of corporate social responsibility cannot be overemphasized (Terungwa, 2011).

Over the years, there have been concerns among pressure groups, communities, investors, the public, the government and other stakeholders as to the level of CSR conducted by banks in Nigeria and all over the world. It is in this regard that Nigerian Banks have engaged in programmes and services which will improve the lives of host communities and other stakeholders within the areas where these banks operate (Frenz, 2005). Furthermore, it is imperative for banks to create a good platform by interacting with its environment and upholding good ethical value (Cheng & Ahmad, 2010). It is however significant for researchers to understand the influence of CSR on the financial performance of Nigerian Banks.

Traditionally, banks and other business organizations are primarily driven by the profit motive and in an effort to meet this objective, many organizations have failed to respond to the expectations of the society or environment in which they operate. Proponents of CSR argue that corporations increase long-term profits by operating within a CSR perspective while critics argue that business organizations are primarily established to make profit and not charity. Studies have shown that corporate social responsibility can enhance the profit margin, survival, respectability and reputation of a business. However, despite the positive impact of corporate social responsibility on bank performance, some banks still neglect or rather consider it irrelevant (Okegbe & Egbunike, 2016). One major reason underlying this attitude is that banks' desire to make more profit while trying to reduce cost of operations (Enughulu & Dabor, 2018). Another reason is that corporate social responsibility though practiced successfully in developed countries is still largely unpopular in many developing nations including Nigeria.

The concept of CSR has undergone changes from top managements' philanthropic activities to become a vital component of stakeholder management and has been incorporated into strategic performance models. Organizations, irrespective of the industries in which they operate, face immense pressure from competitors to run their operations in a socially responsible manner (Oladipo et al., 2015). This is reflected in the creation of codes of ethical conduct, publication on CSR reports, and invitation of independent auditors to evaluate execution of their CSR frameworks (Kolodinsky et al., 2010). Social responsibility is becoming a societal norm, since social responsibility now affects the very survival of business organizations and will have to consider their corporate social performance more than ever before (Carroll & Shabana, 2010).

A review of empirical studies on Nigerian banks reveals that some of the studies were conducted using small samples (Amadi & Ndu, 2017; Folajin et al., 2014; Tijani et al., 2012) and beginning period pre-dating 2010 (see for instance, Abdulrahman, 2013; Amadi & Ndu, 2017). Cross sectional studies of Nigerian banks beginning from periods preceding 2010 are likely to produce spurious result since banks in Nigerian before the year 2010 operated different financial year-end, which makes comparison difficult. In addition, none of the studies covers the period 2017. These are the gaps in knowledge addressed by the present study. Hence, this study examines the impact of corporate social responsibility on the financial performance listed deposit money banks in Nigeria over the period 2010-2019. Empirical evidence on the impact of CSR on financial performance (particularly in the banking sector) in developing economies like Nigeria is rather quite scanty and available studies have produced mixed results. Also, in the wake of the covid-19 major deposit money banks such as Zenith bank, United bank for Africa, Guarantee Trust Bank, Access Bank, Union Bank made donations in cash



and kind. These donations are from corporate profit which could affect the performance of the banks. Hence it is expedient that study of this nature be conducted to examine the impact of CSR on financial performance.

The major objective of the study is to determine the extent to which corporate social responsibility expenditure affects the financial performance of listed deposit money banks in Nigeria. From the foregoing objective of the study, the hypothesis of the study is presented in null for below:

**H<sub>01</sub>:** Corporate social responsibility expenditure has no significant impact of financial performance of listed deposit money banks in Nigeria.

This study will be significant to the entire stakeholders. It will help the management to make an informed decision based on the outcome of whether to give more commitment to CSR or otherwise. It will help the shareholders/investors to patronize the shares of socially responsible banks to overcome the problem of the risk profile of investing in irresponsible corporations. This study is expected to augment the body of literature in the area by filling the literature gap particularly as it relates to developing economies. Therefore, the aim of the study is to investigate the impact of CSR on the financial performance of listed deposit money banks in Nigeria. The remaining part of the paper is arranged as follows: Section 2, discusses the literature review and theoretical framework, section 3, presents the methodology, section 4, is the results and discussion while section 5, concludes the paper.

## 2. Literature Review

Empirical studies that underscore the significance of the variables been examined were carried out on corporate social responsibility and they are discussed.

### Empirical Review

Japhitha, Mohammed and Simon (2015) examined the influence of CSR on the performance of listed manufacturing companies in Nigeria. Using stratified random sampling of a sample of 15 out of 74 companies from five different sectors of manufacturing industry. The study found that CSR activities have a moderate positive effect on the performance of manufacturing companies listed on the Nigerian Stock Exchange. The study suggested that companies should participate in CSR guidelines that will improve their performances and also to strengthen their legitimacy, reputation and build competitive advantage among the firms.

Hilda, Nzewi & Nwoye (2015) explored the connection between CSR cost and profitability of particular companies in Nigeria. The exploratory research design was employed with the use of time series data while the product moment correlation was used to determine the significant difference between CSR and firm performance. The study covered a period of 5 years from (2007-2011). Finding of the study revealed that there is a significant connection between social responsibility cost and corporate profitability. The study recommended that firms in Nigeria should strive to increase their commitment to social responsibility by dedicating certain amount of their income to social responsibility programmes.

Abdulrahman, (2015) examined the influence of CSR on the performance of Quoted Conglomerates in Nigeria. The study used multiple regression model as the techniques of data analysis and the study covered a period of 6 years from 2006-2011. The findings of the study revealed that Employee Relation (ER) and Company Performance (CP) have a substantial positive influence while the Environmental Management System (EMS) has a negative influence on the profitability of conglomerates in Nigeria. The study suggested that corporations should engage on CSR exercise as this would lead to enhanced profitability.

Shahid et al. (2014) investigated the influence of CSR on the performance of cement firms on the Karachi Stock Exchange in Pakistan. The study used panel data models for the data over a period of



7 years from 2008 to 2014. Finding revealed a positive and substantial association between CSR and performance. The study recommends that the sustainability annual report of firms be made available to researchers so as to accurately measure CSR in other sectors.

Xiping et al. (2014) studied the connection between CSR and financial performance (FP) in China. The study used the Pooled Least Squares regression method of analysis. The study covered a period of 4 years from 2010 to 2013. The study found that the differences in the association between CSR and performance of five sublevel industries are due to industry characteristics. The study commended that the government should create a development practice whereby firm profits are closely tied to CSR.

Novrianty and Ely (2015) examined the effect of CSR on performance. This study used a quantitative approach and the method of multiple linear regression analysis of the data was carried out for a period of 4 years from 2009-2012. The study found that corporate social responsibility has partial significant effect on Return on Asset and Net Profit Margin and no significant effect on Return on Equity and Earnings Per Share. The study therefore recommended that companies should implement CSR as it is the social responsibility of the companies to the society and the environment.

Emelie and Anna (2015) studied whether CSR engagement has a direct impact on financial performance in the form of stock returns in Sweden. The study used the market model for estimation of normal and abnormal returns over a period of 4 yrs from 2006 to 2009. The study found a negative correlation and to argue that firms investing in CSR perform as well as other firms. The study therefore suggested a closer look at the specific stakeholders of companies investing heavily in CSR as this would answer several questions, such as if different stakeholders' demand for how CSR affects the financial value due to increased CSR engagement.

Seyed and Mojtaba (2015) explored the influence of social responsibility on corporate performance in Iran. The study used linear regression method for a period of 10 years from 2002-2011. The findings of the study showed a significant association between social responsibility and corporate performance. The study suggested that Innovative algorithms should be used to design social responsibility model and fuzzy systems should be used for ranking social responsibility and corporate performance.

Akinleye and Faustina (2017) examined the influence of corporate social responsibility on profitability of multinational companies in Nigeria. The main objective of the study was to specifically analyse the relationship and impact of corporate social responsibility spending on profit after tax, as well as the causal relationship between corporate social spending and profit after tax. Five multinational companies were randomly selected and data extracted from the annual reports and accounts of the sampled firms between 2010 and 2014. The study employed the correlation analysis, pooled OLS estimation, fixed effect and random effect estimators and hausman test. The result of the study revealed that, there is a weak negative correlation between corporate social spending and profit after tax, while there is only evidence for unidirectional causal relationship running from corporate social spending to profit after tax for Oando Plc. This showed that, increase in corporate social spending by multinational corporations will reduce its performance. This could be as a result of spending earnings on corporate social responsibilities, which consequently affects what is left to be distributed as dividends to the primary owners of the institutions. Although this study provided some reliable findings, it is limited to only multinational companies which are governed by different rules and regulations. A sample of five companies cannot be considered sufficient as the population of listed firms in Nigeria is over a hundred. Similarly, the period covered by the study was just five years thus limiting the predictive power of the independent variable on performance.

Odetayo et al. (2014) investigated empirically the impact of corporate social responsibility on profitability of Nigerian banks. Data were collected from annual reports of six sampled banks for the



period of 10 years (2003-2012). Simple regression analysis was employed as a statistical technique to analyse data collected using STATA 11. The regression results revealed that, there is a significant relationship between expenditure on corporate social responsibility and profitability of Nigerian Banks, implying that, as Nigerian banks expend on corporate social responsibility performance is improved. Although this study covered a period of ten years, it was conducted eight years ago. Thus, there is the need to conduct a fresh study due to the economic and social changes that may have occurred during these years. Similarly, Enughulu and Dabor (2018) investigated the relationship between corporate social responsibility and bank performance in Nigeria. The study revealed that, return on capital employed has no influence on corporate social responsibility of banks in Nigeria, while return on investment showed a positive relationship with corporate social responsibility of banks in Nigeria. This study measured performance of Nigerian banks using the accounting-based approach to performance. Although these measures provide some basis to explaining the relationship between corporate social responsibility and performance it does not consider the market-based approaches measures such as earnings per share (EPS), dividend per share (DPS) Tobin's Q etc.

Idowu (2014) examined the practice of corporate social responsibility in Nigerian banking industry with emphasis on their corporate social responsibility initiatives, endeavours and expenditures. Six listed deposit money banks were randomly selected for the study. Using Ratio analysis, data were extracted from the annual reports and accounts of the sampled banks for 2011. The results of the study revealed that averagely, banks sampled spend less than three percent of their profit after tax on corporate social responsibility initiatives. The results also revealed that most of the banks corporate social responsibility is based of financial, economic, social, community health and environment. This study considered just 2011 which is a time series study. Such study does not consider the heterogeneous nature of other firms within the industry. The study did not explore market-based measures of performance that takes into account the changes in the market and economy.

Oladipo et al. 2015) studied corporate social responsibility expenditure and profitability of listed deposit money banks in Nigeria. Using the ex-post facto research design, data were extracted from the annual reports and accounts of the fifteen listed deposit money banks sampled for the study using the purposive sampling technique. The study covered the period 2005-2013 (9 years). Descriptive statistics, correlation and panel data regression analysis were employed to assess the relationship between corporate social responsibility expenditure and profitability. The findings of the study revealed that, there is a positive association between corporate social responsibility expenditure and profitability of the sampled banks, this implies that, for every unit increment in the corporate social responsibility expenditure, profitability will be increased by 1.35 in profit after tax of the banks.

Okegbe and Egbunike (2016) established a positive relationship between corporate social responsibility disclosure and return on assets in Nigerian quoted companies. This finding was the outcome of an investigation into corporate social responsibility and financial performance of selected quoted companies in Nigeria. The study employed the ex-post facto research design. Data for the study were extracted from the annual reports and accounts of the quoted companies. Data from the thirty (30) sampled companies were analysed using SPSS version 22. This study was limited to listed companies and not specific to a particular sector. Return on assets (ROA) used a measure of performance is only quantitative in nature. Thus, the study ignored the qualitative aspect of the financial statements which is equally of importance to users and performance assessment of the listed companies.

### **Theoretical Framework**

The theory underpinning this study is the stakeholder theory. Freeman (1983) developed the stakeholder concept into corporate social responsibility (CSR) model of stakeholder management. Roberts (1992) documented that stakeholder of the company include stockholders, creditors, employees, customers, suppliers, public interest groups and governmental bodies. Freeman (1984)



defined stakeholders as any group or individual who can affect or be affected by the achievement of a firms' objectives. Stakeholder theory according to Jones (1995) is an “ethical theory that proposes managers have a duty to put stakeholders’ needs first in order to increase the value of the firm”. The Stakeholder theory recognizes the need for an organization to be responsive to the needs of members of the community who will be affected by the organisations' actions (Sandaruwan & Ajward, 2017). The Stakeholder Theory opines that firms could maximize the value of the shareholder as it takes into account all stakeholder rights and interests (Mele, 2008). According to the Stakeholder theory, CSR initiatives enhance a favourable link between the firm and its stakeholders (Mele, 2008). This favourable link could ultimately propel the firm’s financial performance (Brik et al., 2011). Corporate Stakeholder Theory suggests that firms that manage stakeholders well will be well-rewarded financially (Freeman, Wicks & Parmar, 2004; Mele, 2008). The stakeholder theory asserts that corporate executives can improve the efficiency of their firms by aligning the business to meet the desires of the stakeholder (Palmer, 2012).

### **3. Methodology**

This study investigates the impact of corporate social responsibility on the performance of listed deposit money banks in Nigeria for the period of 2012 to 2021. The choice of listed deposit money banks is based on the fact that they spend vast amount of fund on corporate social responsibility owing to the nature of their activities. The listed deposit money banks are fourteen (14) as at December 2022, out of which a sample of eleven (11) banks were selected. The sampled deposit money banks were selected using the judgmental sampling technique using some criteria (filters). This technique is considered appropriate when there is evidence of incomplete data relating to variable of the study. The correlational and ex-post facto research designs were employed because the study uses secondary data extracted from annual reports and accounts of the sampled deposit money banks. Data collected were analysed using Simple Regression Technique and STATA 13 as tool of analysis.

#### **Variable Measurement and Model Specification**

**Table1**

*Variable Measurement*

| <b>Variable</b> | <b>Type</b> | <b>Definition</b>                           | <b>Measurement</b>                                       | <b>Author</b>                                |
|-----------------|-------------|---------------------------------------------|----------------------------------------------------------|----------------------------------------------|
| ROA             | Dependent   | Return on Assets                            | Proportion of Profit After Tax to Total Assets           | (Odetayo et al., 2014; Ramzan et al., 2021)  |
| CSR             | Independent | Corporate Social Responsibility Expenditure | Natural Logarithm of total amount of donation & charity. | (Enughulu & Dabor, 2018; Tomas et al., 2019) |
| FSIZE           | Control     | Firm Size                                   | Natural Logarithm of Total Assets                        | (Adekoya et al., 2020; Marte et al., 2012)   |

**Source: Computed by Author, 2023.**



### Model Specification

In order to test the hypotheses of the study, the following regression model is presented:

*Functional relationship:*

$$ROA = F(CSREX, FSIZE) \text{-----} (1)$$

*Regression Model:*

$$ROA = \alpha + \beta_1 CSREX_{it} + \beta_2 FSIZE_{it} + \mu_{it} \text{-----} (2)$$

Where:

$ROA_{it}$  = Return on Assets of firm  $i$  in time  $t$ .

$CSREX_{it}$  = Corporate Social Responsibility Expenditure of firm  $i$  in time  $t$ .

$FSIZE_{it}$  = Firm Size of firm  $i$  in time  $t$ .

$\alpha$  = Constant.

$\beta_1 - \beta_2$  = Coefficients of the parameter estimate.

$\mu_{it}$  = Stochastic error term of firm  $i$  in time  $t$ .

### 4. Results and Discussion

This section deals with the presentation of result, analysis and interpretation of the data collected for the purpose of testing the model used in the study. Also, findings were discussed and policy implications from the findings were also drawn.

**Table 2**

*Summary of Descriptive Statistics*

| VARIABLES | Obs | Mean    | Std. Dev. | Min     | Max     |
|-----------|-----|---------|-----------|---------|---------|
| ROA       | 110 | 0.0220  | 0.0419    | -0.1264 | 0.2829  |
| CSR       | 110 | 18.7848 | 1.4076    | 13.5593 | 21.8433 |
| FSIZE     | 110 | 20.5530 | 1.1263    | 18.0992 | 22.5656 |

**Source: STATA 13 Output, 2023.**

Table 2 above shows that the return on assets (ROA) of the sample deposit money banks has an average value of 0.0220 with standard deviation of 0.0419, and minimum value of -0.1264 and 0.2829 as the maximum value. The standard deviation value indicates that the sampled banks' ROA deviates from the mean value from both sides by 0.0419, implying that there is widely dispersed data from the mean because the standard deviation is large. A minimum value of -0.1264 implies that the performance of the sampled deposit money banks during the period of this study decreased by 12.64% while a maximum value of 0.2829 implies that the performance of the sampled deposit money banks in Nigeria during the period of this study increased by 28.29%. The table also shows that the mean of the corporate social responsibility (CSR) of the sample deposit money banks is 18.7848 with standard deviation of 1.4076, and minimum value of 13.5593 and 21.8433 as the maximum value. This implies that CSR expenditure of sampled deposit money banks deviates from both sides of the mean by 1.4076 implying there is a significant dispersion of the data from the mean because the standard deviation is higher. The table also shows that firm size (FSIZE) of listed deposit money banks during the period of the study had an average size of 20.5530 with a standard deviation of 1.1263. The minimum and maximum values of the firm size are 18.0992 and 22.5656 respectively.



### Correlation Matrix

In this section, the summary of the correlation coefficients of the variables of the study are presented in table 2 as follows;

**Table 3**  
*Correlation Matrix*

| Variables | ROA                 | CSR                | FSIZE |
|-----------|---------------------|--------------------|-------|
| ROA       | 1                   |                    |       |
| CSR       | 0.2862<br>(0.0024)  | 1                  |       |
| FSIZE     | -0.1151<br>(0.2312) | 0.5569<br>(0.0000) | 1     |

### P-Values in Parentheses

**Source: STATA 13 Output, 2023.**

The correlation table presents the degree of relationship between the (corporate social responsibility expenditure and control variable) and performance of sampled deposit money banks in Nigeria during the period of the study. The table shows a positive association between CSR and ROA from the correlation coefficient of 0.2862 which is statistically significant at all levels of significance (from the p-value of 0.0024). This result implies that the higher the CSR expenditure of deposit money banks the higher their performance which is significant at all levels. On the contrary, the tables show a negative association between FSIZE and ROA of sample deposit money banks from the coefficient of -0.1151 which is not statistically significant at all levels of significance (from the p-value of 0.2312). This implies that assets size of deposit money banks in Nigeria is a significant factor in determining CSR expenditure.

### Summary of Regression Results

This section presents and analyses the regression results of the model of the study. These results are presented in table 4 below;

**Table 4**  
*Summary of Regression Results (Random Effect)*

| VARIABLES                | Coefficient   | Z-Statistics | P-Values |
|--------------------------|---------------|--------------|----------|
| CONSTANT                 | 0.1238        | 1.33         | 0.183    |
| CSR                      | 0.01189       | 3.18         | 0.001    |
| FSIZE                    | -0.0158       | -3.20        | 0.001    |
| R <sup>2</sup> : within  | <b>0.0816</b> |              |          |
| R <sup>2</sup> : between | <b>0.3619</b> |              |          |
| R <sup>2</sup> : overall | <b>0.1762</b> |              |          |
| Wald Chi <sup>2</sup>    | <b>13.90</b>  |              |          |
| Prob > Chi <sup>2</sup>  | <b>0.0010</b> |              |          |

**Source: STATA 13 Output, 2023.**



The cumulative  $R^2$  overall (0.1762) which is the multiple coefficients of determination gave the proportion of the total variation in the dependent variable explained by the independent variable jointly. Hence, it signified that 17.62% of the total variation in Return on assets of listed deposit money banks in Nigeria was caused by their corporate social responsibility expenditure and total assets. The F-statistics or Wald chi-squared statistics are really the same thing in that, after normalization, chi-squared is the limiting distribution of the F as the denominator degrees of freedom goes to infinity. Therefore, the Wald  $\chi^2$  of 13.90 which is significant at one percent (1%) indicated that the Return on asset and corporate social responsibility model was fit. This indicates that the model is fit and the independent variables are properly selected, combined and used, this implies that for any changes in CSR and FSIZE of listed deposit money banks in Nigeria; their ROA will be directly affected hence their performance. The value of Wald  $\chi^2$  which is statistically significant at a level of 0.0010 means that there is a 99.9 percent probability that the relationship among variables was not due to mere chance.

### **Corporate social responsibility and Performance**

From the table above, it was observed that the Z-value of corporate social responsibility (CSR) was 3.18 and a coefficient value of 0.01189 with a significant value of 0.001. This signifies that corporate social responsibility is positively, weakly but significantly influencing performance of listed deposit money banks in Nigeria. This also implies that for every one-point increase (N1) in what the banks spend on corporate social responsibility, their performance may increase. This may be as a result of the fact that, investment in corporate social responsibility activities attracts customers within and outside the business environment, thus increasing patronage that will in turn lead to increased performance. Similarly, investors in and customers of listed deposit money banks in Nigeria are interested in banks that give bank to the society through various schemes such as educational scholarships, health, community infrastructural development. However, this study considered the influence of firm size as a control variable. The Z-value of firm size of -3.20 and a p-value of 0.001 implies that, as the assets of listed deposit money banks increases their corporate social responsibility expenditure decreases. This could be as a result of deposit money banks try to maintain its assets and investments. Banks with small assets tends to contribute more to CSR than banks with large assets. This could be as a result of the small banks trying to attract investors from the economy. It was found that the size of listed deposit money banks in Nigeria significantly influence the amount of corporate social responsibility commitments of listed deposit money banks in Nigeria during the period of this study. Hence, concluded that performance of listed deposit money banks in Nigeria is influenced by the amount of corporate social responsibility expenditure incurred in a period.

In view of the above result reported in respect of corporate social responsibility showing that the variable is statistically significant in influencing performance, this therefore, provides evidence of failing to accept the null hypothesis of the study. This finding is in line with those of (Hilda et al., 2015; Malik & Okere, 2020; Sanyaolu et al., 2017) but contrary to those of (Abubakar et al., 2014; Abdul, & Naveed, 2014; Shahid et al., 2014).

## **5. Conclusion and Recommendations**

This study attempts to explore the resultant effect of CSR on the performance of listed deposit money banks in Nigeria which is measured by return on asset (ROA). This study determines that CSR has a positive and significant effect on the performance of eleven (11) registered DMB's in Nigeria between 2010 and 2019. However, banks should endeavor to carry out CSR practices that will ensure the improvement of the communities as it aims at achieving its bottom-line business objectives. Also, their involvement in corporate social responsibility would bring about other benefits to the business organization which include; increased patronage, increased customer loyalty, increased sales and other long run benefits as such competitive advantage among organization in similar industry.



Based on the findings and conclusions of the study, the following recommendations are discussed. Deposit money banks should embrace idea of fulfilling their corporate social responsibility to their immediate environment by participating in activities that will improve the life of the society at large such as, educational donations, waste management and carry out other actions capable of strengthening their reputation, legitimacy and building competitive advantage. The listed deposit money banks should carry out public enlightenment programmes on CSR via workshops, Seminars and conferences capable of educating the general public on the importance of CSR. Deposit money banks should increase their commitment to social responsibility activities such as community projects and environmental protection in order to enhance a peaceful and cordial relationship with the community in which they operate.

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