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## *Full Length Research Paper*

# **Effect of Corporate Social Responsibilities of Banks on Ebonyi State University**

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**Corporate social responsibility by banks in Nigeria towards finding out the extent of adoption, the benefits to the banks especially the relationship of Corporate Social Responsibilities (CSR) to the profitability of the banks and the need for regulation on Corporate Social Responsibilities (CSR) for banks in Nigeria. This becomes necessary because the banking sector like other organizations both governmental and non-governmental has a major role to play in fast tracking the well-being of the society. This work aims at studying the effect of Corporate Social Responsibilities of Banks on their Host Communities. A case of Ebonyi State University and Zenith Bank Plc. The study used qualitative data and multiple regression techniques in the analysis. The result of the descriptive analysis shows strong positive relationships between dependent and independent variables. The results of principal component analysis indicate that, there are two factors whose Eigenvalues exceed 1.0. Analysis of the correlation matrix indicates that independent variables has a significant positive relationship between bank corporate social responsibility and host communities in Abakaliki ( $r=0.203$ ). The regression estimation results reveals that the variables-monetary donation (MD) and non-monetary donations (NMD) are statistically significant in explaining the level of host community's confidence in bank corporate social responsibility in Abakaliki. The hypotheses testing shows that bank corporate social responsibility has helped in boosting host community's confidence on bank social responsibility in Abakaliki. We therefore recommend that since CSR is generally seen to have positive relationship with financial performance (profitability) of banks, Bank management should incorporate in their policies the practice of CSR, which should be followed up with measures to ensure implementation.**

**Keywords:** CSR, EBSU, Monetary Donation, Non-monetary Donation, Profitability

## **INTRODUCTION**

Corporate social responsibility (CSR) can simply be defined as the act of taking care of one immediate community. It could be through provision of electricity, pipe bore water Building of good Roads and ensuring security in the society or Environment where you are situated. The ability of banks or firms to care for its

immediate community is what we refer to as social responsibility it could be through monetary or non monetary donations to the community. Earlier before non, societal expectations from business organizations did not go beyond efficient resource allocations and profit maximizations but now, it has changed, modern

businesses must think beyond profit maximization in order to be at least socially responsible to its society at which it operates. Corporate social responsibility is primarily regarded as the financial and human resources to make significant social investment (Ezeoha, 2006) corporate social responsibility in another words, means that a company needs to be responsible for it's actions socially, ethically and environmentally social responsibility entails or has to do with developing business with a positive relationship to the society which they operate in.

Bank commit huge amount of money in undertaking CSR activities especially in their host communities. The goal of such activities usually is to attract deposit and customers to them. Their major Reason for going into CSR Activities is to bring back deposit to them from people in the society that their actions has affected positively this will at the end bring back profits and returns to them. Wiston Churchi says, that "we make a living by what we get, but we make a life by what we give".

Dare (2004) noted that, there is a going global trend towards both government mandated and voluntary corporate disclosure of information on the environmental, labour human rights and social impacts of business practice, this is because people have known that it is their right to benefit from the firms or corporate bodies that is around them or situated around them socially and this right should not be denied of them the firms should see it as obligations that they are to the host communities where they operate.

Corporate social responsibility could be viewed as a symbolic relationship that exists between a firm and all the stakeholders this stakeholders include the customers, government, public, stakeholders etc.

Ramathan (1996) stated that there exist a social contract between the organization and the society, Jagyi andzhao (2006), agreed with the social view when they argue that organization do not exist in a vacuum but are part of society, which creates and support them. They affirm that social responsibility is a part of the total environment in which business operates.

In modern business world, corporate social responsibility has been emphasized by stakeholder as a driving tool for success to be accomplished. It has become an increasing evident and crucial component of overall performance of business organizations generally. Conscious of this concept ordinary citizen, potential investors pressure groups, politicians, insurance companies and a wide Range of other stakeholders are increasingly demanding organizations to account for their social Natural environment and Economic impact that they have on every community in which they operate (Nwachukwu, 2012).

Ethim (2011) defined CSR as a concept where by a company indulges in continuous, responsible activities that point to it's good intention as a corporate citizen. Mc

Williams and Siegel (2001) also defined CSR as a situation where a firm carries out "actions that appear to further some social good beyond the interest of the firm and that which is required by law it sees CSR as voluntary actors by a corporate entity pursuant of social good. This agrees with EU's Green paper, on CSR which defined it as a concept whereby companies integrate social and environmental concerns in them businessoperations and in their interaction with stakeholders on voluntary basis

The history of corporate social responsibility can be traced to practices in the oil and gas sector driven by western MNCS. In Nigeria the concept of CSR has been localized (Nationalized) to mean that corporations are expected to fill the gap in various social delivers. Where government have often failed the citizens the thinking being that after all the corporations make their money from the patronage of citizens in addition, the federal government of Nigeria decided to set up the federal environmental protection Agency (FEPA) as stipulated in Decree 58 of 1988 to protect the potential dangers that industrial activities may pose to the environment and the society at large (Obeya 1991)

There have been a number of studies on CSR but most of them are focused on multinational firms and less on the Banking industries and Ebonyi State University (Ile, 2004).

Nigeria banks and Ebonyi state university perhaps with a few excerptors, cannot be excluded from organizations that shares diversity of preceptors or CSR, the need arises due to the goal of banks and the original intent of CSR. Calls for further research on whether CSR actually impact on the well being of the host community.

## REVIEW OF RELATED LITERATURE

### Conceptual Reviews

Various definitions have been given to corporate social responsibility. All depends on the understanding of the concept and also the practice in a particular country or environment. Mc-Williams and Siegel (2001) defined corporate social responsibility as "Actions that appears to further some social good beyond the interests of the firm and that which is required by law. Obi (2011) opines that corporate social responsibility was defined by different people as follows:

- i. A renowned social responsibility analyst in the Ukmallam Banker, as; how companies manage the business processes to produce an overall positive impact on society.
- ii. The world business council for sustainable development, as continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at

- iii. large.
- iv. Paul Bureke, the CEO of Nestle: as creating shared value says that for businesses to be successful in the long run, it must consider the needs of two primary stakeholders at the same time; communities where it operates and the shareholders.

According to Wikipedia (2009) corporate social responsibility also known as corporate responsible, corporate citizenship. Responsible businesses sustainable responsible business or corporate performance is a form of corporate self-regulation that is integrated into business model a way in which business would proactively promote the interest of the public by getting involved in community growth and development and voluntarily eliminating practices that harm the public regardless of legality.

Chandler (2001), argued that while there is no universal definition of CSR. It generally refers to transparent business practices that are based on ethical values compliance with legal requirements and respect of people, communities and environment thus beyond making profit. Companies are responsible for the totality of their impact on people and environment. CSR is a means of discussing to what extent of obligations businesses, banks have to its immediate society. A way of proposing policy ideas on how those obligations can be met as well as tool through which the benefit to a business for meeting those obligations can be identified (CSR guide cited by Amole, Adebisi, and Airologa 2012).

### **Principles of Corporate Social Responsibility**

The underlying principles behind CSR shows that companies that carry out social responsibility activities enjoy risk adjusted above average returns. Corporate social responsibilities embrace large principles or ideas and these range from corporate governance, business ethics and sustainable development through human rights and environmental concerns. The principles identified by Amole Adebisi and Awolaja (2012) include Business ethics, sustainable development, corporate governance, the environmental concerns social responsible investment.

### **Benefits and Cost for Companies Which Behave Socially Responsible**

Several studies suggest that firms practicing good ethics and good corporate governance are more rewarded by financial market while firms practicing poor ethics and poor governance are punished in other words; there are cost benefit for every action or decision.

According to Maneli (2002 cited by Amole et al (2012), the market positive consequences reward of CSR are reflected in employees and customer fidelity corporate

rewards positive consequences are viewed in two prospective "Carroll's for success and freedom from sticks" include not being subject to NGO Non-governmental organizations attacks, not having government impositions, not being boycotted from regions of market or not losing key employees with different ethical values, and cannot for success include good public relations brand enhancement access to contract with CSR requirement positive relations with NGO's or attracting higher quality staff at however rate, all lead to increased performance/profitability (Manelli, 2004) In commercial organization, it is also seen that CSR leads to here are in stakeholders value Auka (2001), summarized the benefit of CSR to financial institution as follows:

- i. Improved corporate image
- ii. Keeping up with competition
- iii. Increased ability to attract and Retain employee
- iv. Reduced risk
- v. Improved sales and customer loyalty

Auka (2011) also identifies the factors that influence the extent of the practice of corporate social responsibility in financial institution as follows:

- i. Corporate image
- ii. Moral obligations
- iii. Solving societal problems
- iv. Company policies
- v. Pressure from society
- vi. Regulation compliance.

### **Mode of Delivery**

Mode of delivery has done with ways of delivering social responsibility by banks, firms or businesses to the host communities. This could be seen in two modes which are as follows internally and externally (Adeboye and Tarit 2011) the internal mode requires the corporate entity to take charge of its CSR achievement implementation and external mode implies outsourcing of CSR implementation to third parties in both cases the corporate entities normally have in house units or decisions whose duties include two strategize plan performance, implement, monitor and report results.

### **Strategic Roles of Corporate Social Responsibilities**

Corporate social responsibility activities have been positioned to include incorporate social characterize or features into products with no fluorocarbons or using environmentally friendly technologies achieving levels of environmental performance through the act of recycling and pollution abatement e.g. adopting aggressive stance towards reducing emissions) and advancing goals of community organization e.g. working closely with group such as united way managers have much to do in the

area of CSR. If they are to remain the ever growing competitive business world in most cases efforts of banks to attract customers using the CSR strategy defeats the original intention of such social obligation and a discrepancy does sometimes exist between the goal of banks and the original intention of CSR when banks dedicate some portion of assets to community economic development (Sethi 2005) the banks become better, more responsible employment of disabled persons and the mobilization of staff for community services as well as subsidizing costs of operations by offering affordable services to their Host community (Ezeoha, 2006) this are strategic roles of corporate social responsibilities. This act by banks if carried out changes the wellbeing and welfare of the Host communities where they operates as they tend to benefit from both monetary and non-monetary donations that is given to them by the banks and this in return bring back the stakeholder to them by attracting more deposit from the customers or society to the banks.

### **Banks and CSR Investments**

Emerging trends suggest that the financial services industries remains an economic sector mostly in need of proper sense of corporate social responsibility (MHC. 2004). Aside from the areas of corporate social responsibility other areas that are peculiar to financial services firms among others bother on the lending criteria. These include the extents to which social and environmental benefits should be factored into the business case: the extent to which it should be made within the banks for business lending that is the idea of social responsibility Ezeoha (2006) financial institution in addition to be involved in CSR activities are also expected to use the huge fund that are invisible and available to them to influence other involvement in CSR activities (Hopkins, 2004) Nigeria banks are busy acquiring assets to institutional investment networks pension funds, insurance Business, mutual and trust funds it is important to note that at present, only four of all large banks in Nigeria are the license pension's custodians and may be very influential in the investment choices of the pension administrators (Ezeoha, 2006).

### **Empirical Review**

Ajide and Adremi (2014) carried out a study the effects of corporate social responsibility activities disclosure on corporate profitability. They made use of the annual reports and accounts of twelve commercial banks in Nigeria for the year 2012 only the method adopted for data analysis was the multiple regression analysis of ordinary least square (OLS) they found out that banks size and CSR disclosures have a positive relationship

with the profitability of banks while owner equity has negative association with and profitability. This is to show that when banks carry out CSR activities and are committed to impacting and improving the well being of people these return are capable of improving banks patronage and profitability.

Olayinka and Temitope (2011) researched on corporate social responsibility and financial performance in developing economy. The Nigerian experience" using a sample of forty audited financial statement of quoted companies in Nigeria the study adopted content analysis research design tracing of sentence of each component of CSR disclosed in Reports of the sample companies analysis were carried out with the aid of the statistical package for social science, (Spss version 15.0) the result shows that CSR has a positive and significant relationship with the financial performance measures

Richard and Okoye (2013) examined the effects of corporate social responsibility on the deposit money banks in Nigeria the study adopted a descriptive survey design approach and content analysis of web reports of the banks used. The study reveals that CSR has great impact on the performance and growth of money deposit banks in Nigeria of which it also impacts on the society by adding to the infrastructures and development of the society.

Amaechi, Adi, Ogbechie and Amao (2006) Research on corporate social responsibility in Nigeria. Indigenous practice the study adopted a survey design approach it collected data through structures interview and content analysis of web reports of the companies used with emphasis on the waves issues and modern in line with dapple and moon (2005) these analysis shows that understanding and practice of CSR activities in Nigeria is still largely philanthropic and altruistic the implication is that the understanding and practice of CSR in Nigeria differs from that of western economics where CSR has advanced beyond philanthropy.

Ajide and Aderemi (2014) carried out a study on the effects of corporate social responsibility activity disclosure on corporate profitability. They made use of the annual reports and accounts of twelve commercial banks in Nigeria for the year 2012 only. The method adopted for data analysis was the multiple regression analysis of ordinary least square (OLS). Their findings is that banks' size and CSR disclosure score have a positive relationship with bank profitability, while owners equity has negative association with bank profitability. The implication is that when banks show greater commitment to impact and improve people's lives, these in return are capable of improving bank's patronage and profitability.

Akindele (2011) carried out a study on corporate social responsibly as an organizational tool for survival in Nigeria. The study adopted a survey design and took samples from four selected banks. The data were analyzed using Analysis of Variance (ANOVA). The

findings show that there is a significant relationship between bank profitability and CSR practices.

Olayinka and Temitope (2011) researched on "Corporate social responsibility and financial performance in Developing Economies – The Nigerian Experience". Using a sample of forty audited financial statements of quoted companies in Nigeria, the study adopted content analysis research design tracing of sentences of each component of the CSR disclosed in the annual reports of the sampled companies. Analyses were carried out with the aid of the statistical package for social sciences', (SPSS Version 15.0). The results show that CSR has a positive and significant relationship with the financial performance measures.

Margolis and Walsh (2001) cited by Olayinka and Temitope (2011) in a survey of 95 empirical studies conducted between 1972-2001, reported that: "When treated as an independent variable, corporate social performance is found to have a positive relationship to financial performance in 42 studies (53%), no relationship in 19 studies (24%), a negative relationship in 4 studies (5%), and a mixed relationship in 15 studies (19%).

In another research, Keffas and Olulu-Briggs (2011), carried out a study on corporate social responsibility and financial performance of banks. The study examined the financial performance of CSR and Non-CSR banks using financial ratios and frontier efficiency analysis, together with accounting information of banks in Japan, USA and UK got from bank-scope database. The study also used a non-parametric linear programming technique known as Data Envelopment Analysis to create a piece wise linear frontier that helps to determine the efficiency level of both a common and a separate frontier analysis. The finding of the study is that there exist a positive relationship between CSR and financial performance. The implication is that banks that incorporate CSR have better asset quality, capital adequacy, and are more efficient in managing their portfolios and capital.

## **Theoretical Framework**

There are many theories of corporate social responsibility as earlier mentioned there is no strong consensus on a definition for CSR, CSR has been used as a synonym for business ethics and considered Strathy as relating to environmental policy. CSR has also been confused with corporate social performance and corporate citizenship.

### **Social Benefit Theory**

This is reminiscent of the consideration of private externalities associated with innovative activity.

Externality is defined as the impact of an economic agents actors on the well being of people in a community.

Pollution is a classic example of negative externality while innovation (whose Benefits cannot be entirely appropriated by its creator) is a classic example of positive externality while those that Accrue to the company may be high the social returns to innovations (through the creation of new improved products and processes) may be greater when firm link the provision of a public good to the sale of their (private) products (e.g. eco-building). Bay oil and watts (2003) model this behaviour are found that the propensity of banks to engage in strategic CSR. Depends on two factors: the intensity of competition and provision of CSR. Understanding that the relation between a banks affecting the well being of its Host communities the CSR Phenomenon Requires that we take account of other stakeholders as well which comprise of customers employees, government, suppliers, tax payers, community group and society at large.

### **Legitimacy Theory**

Again another theory is the Legitimacy theory that is derived from the concept of organisational legitimacy, which has been defined by Dowling and Ptefer (1975) as a condition or status which exist when an entity's value system is congruent with the value system of the larger social system of which the entity is a part when actual disparity exist between the two value systems, there is a threat to the entity's legitimacy theory posts. That organization continually seeks to ensure that they operate within the bond and norms of their respective societies. In adopting a legitimacy theory perspective, a company or firm would voluntarily report on activities if management perceived that those activities were expected by the communities in which it operates (Deegan 2002: Deegan, Rankn and voght 2000? Cormier 2007). This theory Relies on the fact that there is a "social contract" between a company and the society in which it operates (Deegan 2000: Deegan 2000; Mather 1993; Paiten 1991, 1992). While there is no generally acceptable theory for explaining CSR disclose practice, recent research in the CSR interactive has primarily relied on legitimacy theory (Deegan 2002) indeed it is said that legitimacy theory is the most widely used theory to explain environmental and social disclosure (Campbell, craven and shrves, 2003)

### **The Stakeholder Theory**

From our Review in this study, there is no doubt that it is very relevant that stakeholders theory is used which holds that business organization must play an active social role in the society in which it operates freeman (1984) cited by Amole et al (2012) asserts that managers

Occupation	Frequency
EBSU staff	50
Zenith Bank Staff	50
Total	100

Source: Authors Computation, 2014

must satisfy a variety of constituents e.g. investors and shareholders, Employees, customers, suppliers, public and local community organization who can influence firm outcome. This view According to it, is not sufficient for managers to focus exclusively on the needs of stakeholders or the owner of it can be beneficial for the firm to engage in certain CSR activities that non-financial stakeholders perceive to be important otherwise, those groups might withdraw their support. Due to the fact that stakeholders group vary from firm to firm, CSR should begin with identification of stakeholder followed by finding the strategy to satisfy and harmonize their expectation

A fundamental characteristic of stakeholder theory is to attempt to identify individuals and group that states organization and companies are accountable to but that has also been part of the theory challenge the interaction between the banks and it's stakeholders is the essence of stakeholders theory it emphasized that interest of all the stakeholders theory in a firm must be recognized and not just shareholders as this tends to improve their well being.

## METHODOLOGY

A convenience sampling technique was used to reduce to bringdown the population of the study.The reason for this is because using the actual population size would have resulted to a very large sample size. The sample of the study was then based on first 100 target respondents, which is made up of the following:

### Target Respondents

A correlation test and regression analysis were used since sample statistics was obtained so as to estimate a population parameter. Correlation statistics is a branch of statistics that assumes that data have come from a type of probability distribution and makes inference about the parameter of the distribution. In the qualitative research analysis, the reason product moment correlation technique will be used to establish the relationship between the first round and the second round responses of the instrument administered. The reason product moment correlation technique will be used to determine the relationship between the independent and the dependent variable described above.

## DATA PRESENTATION AND ANALYSIS

This chapter presents and analyzed data collected for the purpose of this research project. The data are from questionnaires administered to Zenith Bank Staff and EBSU Staff in Ebonyi State. The data gathered from the questionnaire is tabulated into two separate sheets each for bank employees and Ebsu Staff. This data is analyzed by using a statistical software package known as Statistical Package for Social Sciences (SPSS 15 version).

Hypothesis testing is performed on the basis of regression analyses. Similarly, correlation analysis is performed to check the intensity of association between the variables of the study. Finally, factor analysis is conducted to testify the patterns of relationship among the dependent variable and independent variables.

### Presentations of Personal Characteristics of the Study Sample

The personal characteristics of the study sample are presented in this section in tables 1 to 4 as follows:

From table 1, 66.67% of the respondents were male, while 33.33% were female.

From table 2, 65.71% of the respondents were male, while 34.25% were female.

From table 3 above, 6.67% of the respondent have between First School Certificate and West African Examination Council, 10% have Ordinary National Diploma, 50% have between Higher National Diploma certificates and Bachelor of Science or its equivalents, while 33.33% have between Masters of Science/Masters of Business Administration and Ph.D.

From table 4 above, 17.86% of the respondent have between First School Certificate and West African Examination Council, 25% have Ordinary National Diploma, 50% have between Higher National Diploma certificates and Bachelor of Science or its equivalents, while 7.14% have between Masters of Science/Masters of Business Administration and Ph.D.

### Presentation of Results

As stated in chapter 3, the relationships between the variables (dependent and independent) were analyzed

**Table 1:** Frequency Distribution of Sex for EBSU Staff

Sex	Frequency	Percent	Cumulative Percent
Male	20	66.67	66.67
Female	10	33.33	100
<b>Total</b>	<b>30</b>	<b>100</b>	

Source: Field Survey 2014.

**Table 2:** Frequency Distribution of Sex for Zenith Bank Staff

Sex	Frequency	Percent	Cumulative Percent
Male	24	65.71	65.71
Female	4	34.25	100
<b>Total</b>	<b>28</b>	<b>100</b>	

Source: Field Survey 2014.

**Table 3:** Frequency Distribution of Education Qualification for EBSU Staff

Level	Frequency	Percent	Cumulative Percent
FSLC-WAEC	2	6.67	6.67
OND	3	10	16.67
HND/B.Sc	15	50	66.67
M.Sc/MBA-Ph.D	10	33.33	100
<b>Total</b>	<b>30</b>	<b>100</b>	

Source: Field Survey 2014.

**Table 4:** Frequency Distribution of Education Qualification for Zenith Bank Staff

Level	Frequency	Percent	Cumulative Percent
FSLC-WAEC	5	17.86	17.86
OND	7	25	42.86
HND/B.Sc	15	50	92.86
M.Sc/MBA-Ph.D	1	7.14	100
<b>Total</b>	<b>28</b>	<b>100</b>	

Source: Field Survey 2014.

**Table 5.** Mean, Variance, Standard Deviation and Coefficients of Variation of Questionnaire Responses

Questionnaire	Mean	Variance	Standard Deviation	Variation	Coefficient of Items
1.		0.4	0.87	0.197	4.57
2.		0.6	0.2	0.116	4.55
3.		0.1	0.3	0.166	4.52
4.		0.7	0.05	0.194	4.50
5.		0.6	1.95	0.187	4.52
6.		0.8	1.8	0.158	4.55
7.		0.4	0.19	0.186	4.49
8.		0.8	0.49	0.194	4.57

Author's Computation 2014.

using regression analysis, correlation analysis and factor analysis. The dependent variables, 'Y' has one factor represented by 'A' with Host Community ( $HC_1$ ). While the independent variables (B) have factors represented by 'B' with component as monetary donation ( $MD_1$ ) and Non-monetary donation ( $NMD_2$ ).

In order to eliminate possible errors, data collected were edited, coded and tabulated base on their frequency distribution. Also the mean, variance, standard deviation and coefficient of variation of the distribution were determined as shown in table 5 above.

Using the 5-point likert scale of 5, 4, 3, 2 and 1 used in the questionnaire responses, means score of 3 and

above were rated as positive while those below 3 mean score were rated as negative. From table 6 below, the dependent variable which is Host Communities (HC) has a mean score of 0.804, standard deviation of 0.142 and variance of 0.020. Monetary donation ( $MD_1$ ) and Non-monetary donation ( $NMD_2$ ) are the independent variables in the research. They are account for a mean score of 0.706 and 0.823 respectively and standard deviation of 0.154 and 0.169 respectively.

Table 6 above explains the descriptive statistical analysis between the dependent variable and the independent variables using mean, standard deviation and variance. The descriptive analysis shows above

**Table 6:** Descriptive Statistical Analysis

Variables	Mean	Standard Deviation	Variance
HC	0.804	0.142	0.020
MD	0.706	0.154	0.024
NMD	0.823	0.169	0.029

Author's Computation 2014

**Table 7:** Total Variance Explained

Variables	Initial Eigenvalues			Extraction Sums of Squared Loading		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
HC	0.317	5.280	100			
MD	2.396	39.929	39.929	2.396	39.929	39.929
NMD	1.112	18.526	58.455	1.112	18.526	58.455

Sources: Principle Component Analysis

**Table 8:** Correlation Between Factors Of Bank Corporate Social Responsibility And Host Communities.

Variables	Pearson Correlation (r)	Significance (2-tailed)
HC	0.203	0.013
MD	0.531	0.000
NMD	0.604	0.000

R is Pearson correlation coefficient

Correlation is significant at the 0.05 level.

The empirical data associated with this regression results are as stated below;

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.232234	0.078055	1.376167	0.0000
MD	0.106182	0.056789	0.115231	0.0000
NMD	0.284232	0.067426	0.342145	0.0000
R-squared	0.784647	Mean dependent var		12.22381
AdjustedR-squared	0.754352	S.D. dependent var		4.312310
S.E. of regression	3.528592	Akaike info criterion		5.563931
Sum squared resid	199.2153	Schwarz criterion		5.812627
Log likelihood	-53.42128	F-statistic		3.467704
Durbin-Watson stat	1.738021	Prob(F-statistic)		0.000000

Source: E-View 4.0

show strong positive relationships between dependent and independent variables.

### Test of Hypotheses

The independent variables and the dependent variable are aggregated and tabulated in SPSS for hypothesis testing. The techniques used are as follows.

### Factor Analysis

The research incorporates factor analysis as criteria for validity. Confirmatory factor analysis is used for the measurement criteria based on other studies related to banks corporate social responsibility. The same method of analysis is conducted to identify the strongest underlying factor of the independent variable (bank

corporate social responsibility) on host communities in Abakaliki.

The Eigenvalues and sum of squares loadings for the factors are displayed in table 7 below.

The results of principal component analysis indicate that, there are two factors whose Eigenvalues exceed 1.0. The Eigenvalue of a factor represents the amount of the total variance explained by that factor. The two factors identified in this study explain 58.45% of the total variance. The first factor explained 39.92% of this variance. Similarly, the second factor explained 18.52% of the total variance. The percentage of variance combines for succeeding unknown variables to make up 100 % variance. The research incorporates Kaiser's criterion and Cattell's scree test to extract the first two factors. According to Kaiser's criterion, factors with Eigenvalues of 1.0 and greater than 1.0 are extracted for further investigation. Two factors are identified for the factor analysis using the Eigenvalue criteria. ( $r=0.177$ ).

The variables hold a positive correlation at a significance level of 0.05. The value shows that bank corporate social responsibility has helped in boosting host communities confidence on bank corporate social responsibility.

### **Correlation Analysis**

Analysis of the correlation matrix indicates that independent variables has a significant positive relationship between bank corporate social responsibility and host communities in Abakaliki ( $r=0.203$ ). The positive result implies that host community (EBSU)'s perception towards bank corporate social responsibility is high. The results also indicate that there is a strong, positive correlation between the two variables: monetary donation and host community ( $r=0.531$ ). The result also shows that non-monetary is found to have a significant positive relationship with host community ( $r=0.604$ ).

### **Regression Analysis**

In order to test the hypothesis, the study used linear regression analysis to find out the relationship and intensity for how each independent variable affect host communities. The dependent variable and the independent variables are aggregated for data analysis and are entered for regression analysis. The value of R squared (goodness of fit) is 0.785 or 0.79 approximately. The value of R squared shows the portion of dependent variable explained by the independent variables. The score for R squared is significant at 0.0001 level, which shows that the findings are statistically robust. The estimation results reveals that the explanatory variables jointly account for approximately 78.46% change in host community. The Durbin Waston statistic of 1.738 shows the absence of auto correlation. The estimation results show that the variables- monetary donation (MD) and Non-monetary donation (NMD) are statistically significant in explaining the level of host community's awareness bank corporate social responsibility in Abakaliki.

The results are interpreted as follows:

Monetary donation: The first hypothesis in this study (H1) is about the impact of monetary donations on the well being of the host communities in Abakaliki. The hypothesis is accepted as the results show that monetary donations have a coefficient value of 0.106 and significance of 0.000, which is consistent with the results expectation. This leads to the acceptance of the hypothesis as there exist a positive relationship between monetary donations and host communities in Abakaliki. This means that the introduction of monetary donation has helped in boosting host communities confidence on bank corporate social responsibility in Abakaliki.

The regression result shows that the NMD coefficient value is 0.284 and the p-value is 0.0000 which means that it is significance. The result shows a strong positive relationship between non-monetary donation and host community in Abakaliki. Based on this, the null hypothesis is rejected while the alternative hypothesis is accepted with a conclusion that there is significant positive relationship between non-monetary donation and host community in Abakaliki.

## **CONCLUSION AND RECOMMENDATIONS**

### **CONCLUSION**

The practice of Corporate Social Responsibility as a concept entails the practice whereby corporate entities voluntarily integrate both social and environmental upliftment in their business philosophy and operations. Banks in Nigeria are already doing a lot in the area of CSR, providing scholarships, sponsoring educational trips, donating food items and clothing to orphanages, sponsoring sports competitions and so on. But still, more can be done.

True application of CSR in banks can be of immense benefits, and lead to increase in profitability for the bank in the long run. We therefore conclude that CSR practice by Zenith Bank of Nigeria Plc abakaliki branch has really contributed to the host community using EBSU as a case study thereby attracting quality customers and investors.

### **RECOMMENDATIONS**

In line with the objectives of the study we wish to make the following recommendations;

- 1) Since CSR is generally seen to have positive relationship with financial performance (profitability) of banks, Bank management should incorporate in their policies the practice of CSR, which should be followed up with measures to ensure implementation.
- 2) There should be a reorientation among banks (companies) in Nigeria to adopt CSR as mere philanthropy. Banks should be educated on the benefits of adopting this practice to enable them look beyond the short run cost and target the long run benefits. The society should also be educated on this obligation which companies in their environment owe them, and how to follow up their demand.
- 3) There should be regulation on banks as to the minimum annual financial commitment to the host society expected of them, and they should be made to see CSR not just in the aspect of philanthropism but the concept of giving to the society what it takes from it.
- 4) Finally, the society should be educated on this obligation which companies in their environment owe them, and how to follow up their demand.

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