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INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY OF MARKETING ON PERFORMANCE OF COMMERCIAL BANKS IN NIGERIA

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Abstract: The aim of this study was to investigate the effects of corporate social responsibility of marketing on financial performance of commercial banks in Nigeria, 2014-2023. Specific objectives include to: determine the individual influence of dividend payments and tax payments on profitability of selected commercial banks in Nigeria. Ex post facto research design was adopted for the study. Auto-distributed lag model (ARDL) regression technique was used in testing hypotheses. After data analysis, findings revealed that dividend payments and tax payments all exert a significant positive individual and gross effect on profitability of selected commercial banks in Nigeria. Based on the findings, we concluded that corporate social responsibility of marketing had significant positive influence on financial performance of commercial banks in Nigeria between the periods of 2014-2023. It was recommended that commercial banks in Nigeria should continue to spend money on corporate social responsibility of marketing especially in terms of dividend payments to shareholders and tax payments to government in order to save less privileged and the general public as these have proven to have individual and gross significant positive effects on their profitability.

Keywords: Corporate social responsibility, marketing, financial performance, commercial banks, profitability

INTRODUCTION

Organizations operate in an environment that is dynamic, complex and uncertain. Thus, they must take into consideration the interests of their external public in the performance of their day-to-day operations. The existence of organizations has consequences for society and both the organizations and their host communities share a symbiotic relationship; their interdependence is indispensable and, therefore, they are expected to

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reinforce each other. Organizations depend on the society for their personnel, security and the patronage of their goods and services while the society in turn expects them to make socio-economic contribution to the development of their environment. However, both of them can enjoy harmonious relationship only if they meet each other's respective expectations (Ojo, 2018; Palmer, 2001; Uadiale & Fagbemi, 2011).

Over the recent decades corporate social responsibility (CSR) and its relationship with corporate performance became an interesting yet still continuing debate among researchers. According to Wu and Shen (2018) marketing companies are mostly encouraged to adopt CSR thanks to its benefits to micro and macro business performances, where the first is generally related to the reputation of companies, retaining and recruiting highly qualified workers, while the second means environmental improvement and reduction in social inequality (Khurshid, Tetyana, Serhiy, Anna and Lasukova, 2015). Particularly, CSR addresses the activities corporate executives take to balance the interests of all stakeholders, namely, shareholders, employees, customers, suppliers as well as the community and the society in which they operate (Thompson *et al.*, 2018). While achieving their corporate financial performance use the resources of the society they operate in and thus have an impact on changes in their environment.

The debate continued on the relevance of corporate social responsibility (CSR) on corporate financial performance (CFP) is ongoing due to the conflicting results recorded by scholars on the subject. After the banking consolidation that took place in Nigeria from July 6, 2004 to December 31, 2005 the issue of CSR has been embraced by banks as one of the strategies to socialize with the banking publics in order to secure banking relationships with perceived viable business environments. The era of arm-chair-banking has vanished and the banks came out to the public with different products that made the banks appear like financial supermarkets in the eyes of the banking publics. The mindset has been that through the CSR, stakeholders would be engaged in manners that will influence favourably the financial performance of the banks. Based on this belief CSR has been trending in the banking parlance with special interest on how to better the lots of the society and use it as a platform to improve the financial performance of the banks (Lasukova, 2015).

Statement of the Problem

As banks seek for deposit mobilization from customers, offer corresponding services and give out loans to members of their host communities to achieve their desired profitability, over the years, banks in Nigeria have enjoyed huge patronage for these products from their host communities resulting in them recording multiple growth rates, huge profits and expansion in terms of the number of their outlets. The total number of deposit money bank branches in Nigeria rose by about 57 percent post consolidation, i.e. from 3,300 branch networks in July 2004 to 5,810 in December 2023 and the total number of bank branches, stood at 6,605 at the end of the same year (Sanusi, 2012).

They express fear over the danger of allowing the managers to play around with shareholders' funds in the name of CSR because of divergence of interest of the principal and agent as predicted by the agency theory. They believe that corporate managers would make unreliable and inefficient agents of social responsibility as they will hide under the guise of CSR and use the funds for the enhancement of their own personal social status thereby influencing unfavourably the financial performance of their firm. On the other hand, some managers of some corporate firms present significant resistance against CSR implementation because they see it as a cost with highly uncertain outcomes. Thus, it becomes difficult to convince them that CSR and corporate financial

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performance (CFP) could be simultaneously and effectively pursued by corporate managers. Based on this assertion, this study is to examine the influence of corporate social responsibility of marketing and financial performance of commercial banks in Nigeria.

Objectives of the Study

The broad objective of the study was to examine the influence of corporate social responsibility of marketing on performance of commercial banks in Nigeria. Specific objectives were to:

- i. Determine the influence of dividend payments on profitability of selected commercial banks in Nigeria.
- ii. Assess the influence of tax payments on profitability of selected commercial banks in Nigeria.

REVIEW OF RELATED LITERATURE

Social Corporate Responsibility

There is no single universally adopted definition of Corporate Social Responsibility; however, all existing definitions share in common the belief that firms are responsible for public goods (Blowfield and Murray, 2018). According to Jamali and Mirshak (2016), Corporate Social Responsibility principles have long been part of enlightened business practice, but the concept witnessed an astounding ascendancy and resurgence in recent years. A growing body of evidence seems to suggest that there is a myriad of definitions of Corporate Social Responsibilities (CSR), each considered valuable in its own right and designed to fit the specific organization. The majority of definitions integrate the three dimensions to the concept, that is, economic, environmental and social dimensions. CSR has also been commonly described as a demonstration of certain responsible behaviour on the part of public and the private (government and business) sectors toward society and the environment.

Corporate Social Responsibility of Marketing

Social responsibility of marketing refers to the obligation of marketing organization and practitioners to pursue those policies, to make decisions or to follow those lines of action which are desirable in terms of objectives and value to the society. it is defined as a sense of obligation and accountability of marketers and marketing institutions to society beyond their basic primary concern of customer satisfaction at profit. It is simply marketers' sensitivity to social costs of economic and marketing activities. The primary concern of social responsibility of marketing is to integrate environmental, ethical, social, economic and legal considerations affecting organizational stakeholders and the general public into marketing and business strategies (Nebo, 2019).

Dividend Payments as CSR of Marketing

A dividend is a portion of a company's profits that is dispersed to its shareholders in accordance with the company's dividend policy, which specifies the amount and frequency with which dividends are paid out (Sheikh *et al.*, 2021). Thus, the dividend distribution by the company will affect the stock price in accordance with the dividend relevance theory, which emphasizes a direct relationship between the dividend policy and its market value (Gitman, 2019). While dividend payments is a plan of action that must be followed in making dividend decisions. Therefore, dividend payments must be formulated for two basic objectives by taking into account the maximization of wealth from the owner of the company and sufficient financing (Buchory, 2019).

Tax Payments as CSR of Marketing

Tax is a compulsory levy payable to government coffer by businesses, private individuals, and other entities in conformity with the laws (Odinkonigbo, 2021). Broadly, tax can either be direct or indirect tax. The

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classification is based on how the tax is collected. When a tax is imposed directly on individuals or businesses, who are responsible for paying the tax, it is considered to be direct (Odinkonigbo, 2021). Taxes are one of the sources of revenue for government to implement their social and economic activities (Eneisik, Obara & Uwikor, 2023). According to the Black Law Dictionary (2012) tax is a charge, usually monetary, imposed by the government on persons, entities transaction or property to yield public revenue.

Financial Performance of Commercial Banks

Banks performance can be viewed as a way of observing, monitoring, reporting and evaluating the performance of an organization; probably with a view to ensuring that the outcome conforms to the predetermined goals and objectives. Herbert (2016), organizational performance can be measured by the extent to which objectives and goals that are important to the organizations are met through the productive efforts of subordinates.

Profitability as a Measure of Commercial Banks Performance

Profitability can be defined as the final measure of economic success achieved by a company in relation to the capital invested in it. Profitability company is a picture that measures how well the company can generate profits from operational processes that have been implemented to ensure the continuity of the company in the future (Manoppo & Arie: 2016).

CSR of Marketing and Performance of Commercial Banks

There have been growing literatures on the association between CSR and the financial and non-financial performance of firms. However, some studies contend that originally, certain CSR involvements are non-profit maximizing while others are of the opinion that some firms pursue profit maximizing CSR activities (Bénabou and Tirole, 2010). However, in the case of the banking industry, the association between CSR and financial performance has not been extensively examined, and the few existing studies offer conflicting empirical evidences.

Conceptual Framework

The model in figure 2.5 explained the relationship between corporate social responsibility of marketing on performance of commercial banks in Nigeria. From the hypothesized economic dividend payments, tax payments, represent independent variables while performance of commercial banks in Nigeria remains for dependent variable. The model further explains that relationship exist between corporate social responsibility of marketing and performance of commercial banks in Nigeria.

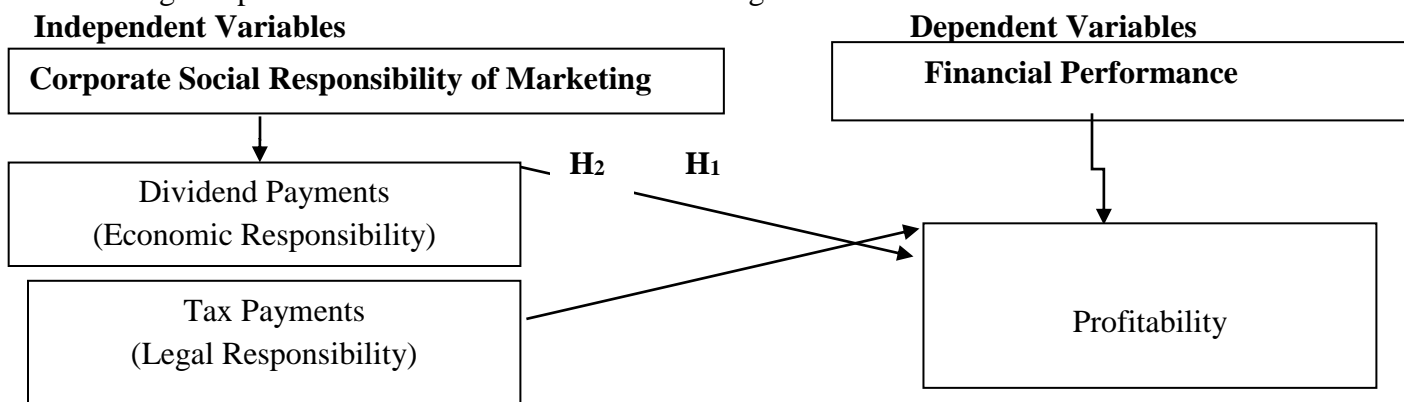


Figure 1: Model of Corporate Social Responsibility of Marketing and Commercial Banks

Source: Adapted from Carroll (2019); Hemphill (2004) and Windsor (2001).

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Theoretical Framework

The nature of the study, *CSR Disclosure Theory* was anchored significantly as theoretical base under the study.

CSR Disclosure Theory

This theory was propounded by Holder-Webb in (2009), the theory explains that it is not enough for corporations to simply engage in CSR activities but it is also important and desirable to make information about these activities available to stakeholders. Additionally, the call for disclosure of non-financial information has grown in response to the awareness that financial statement omits salient information about the firm (Adams *et al*, 1998; Adams, 2002). The financial statement actually portrays a limited picture of the firm through providing merely financial metrics. Therefore, the relevance of non-financial information has increased significantly over the years. The emergence of non-financial information reporting can be seen as an attempt to increase transparency with respect to corporate actions concerning social and environmental issues (Nielsen and Thomsen, 2007).

Further, it is acknowledged that the disclosure of non-financial information is essential to reduce information asymmetry that exists between management and key stakeholders as well as to allow investors to better assess key areas of performance and support a broader view of corporate performance that encompasses society at large (Huang and Watson, 2015). Along with the increased interest to engage in CSR activities, today, corporate across the world are more voluntarily disclosing information about their CSR performance? Unquestionably, numerous motivational bases can explain companies' involvement in CSR reporting practices (Holder-Webb *et al*, 2009). As CSR, the voluntary commitment for non-economic goals going beyond legal requirement, comes more and more to the center of public and academic debates (Schmitz and Schrader, 2015), therefore, we provide a comprehensive and analytical review of the theoretical perspectives on corporate social responsibility disclosure.

Empirical Review

Azharina and Muhammad (2023) conducted the influence of corporate social responsibility, dividend payout ratio, intellectual capital, and profitability on firm value of companies affected by the covid-19 pandemic in Indonesia. The results showed that corporate social responsibility, dividend payout ratio, and intellectual capital has no significant effect on firm value, while profitability has a significant effect on firm value.

Manel and Anis (2023) studied the moderating effect of dividend policy on the relationship between corporate social responsibility and financial performance in Indonesia. This study aims to investigate the relationship between Corporate Social Responsibility and financial performance and shows how dividend policy can moderate this relationship. Findings: The authors have demonstrated that Corporate Social Responsibility positively impacts a firm's financial performance proxy with Tobin's Q (TQ), suggesting that investment in social activities helps firms achieve better financial results.

Ktit and Khalaf (2024) conducted study on corporate governance, corporate social responsibility, and dividends in Europe. This study analyses whether corporate social responsibility (CSR) initiatives, corporate governance, and payment of dividends procedures intersect in European businesses. The findings have indicated that the DPR within European firms has been impacted widely due to CSR, firm size, board size and profitability, while no significant influence is there of board independence and meetings.

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Lasisi and Fijabi (2023) carried out a study corporate taxes and financial performance of listed information and communication technology companies in Nigeria. This paper examined the effect of corporate taxes and financial performance of listed information and communication technology companies (ICT) in Nigeria. The findings showed that corporate taxation positively and significantly affected the financial performance of information and communication technology companies in Nigeria.

Eneisik, Obara, and Uwikor (2023) examined effect of companies' income tax on financial performance of listed manufacturing companies in Nigeria. Findings show that company income tax had a negative and insignificant effect on net profit margin of quoted manufacturing companies in Nigeria. Capital gains tax had positive and significant effect on net profit margin of quoted manufacturing companies in Nigeria. Tertiary education taxes had negative and insignificant effect on net profit margin of quoted manufacturing companies in Nigeria.

Gerasimos and Sofokleous (2024) studied the impact of taxation on firm performance and risk: Evidence from Department of Economics, National and Kapodistrian in Athens. The empirical results reveal a positive relationship of financial performance with net deferred tax, total tax expense/revenue, income tax and deferred tax expense/revenue. Moreover, deferred tax asset is found to affect financial performance in a negative fashion, while deferred tax liability bears a positive influence on financial performance.

Fadilla and Wahyu (2023) investigated corporate social responsibility and tax avoidance: a systematic literature review in Indonesia. The study found that based on the classification of research methods, analytical methods dominated research by 74%, survey methods by 19%, and literature review methods by 7%. The results of this study described not only the latest research but also the research agenda for further research in Corporate Social Responsibility and Tax Avoidance.

Gaps in Empirical Review

After so many empirical literatures were reviewed, it was observed that many studies were carried out on the area but none of the studies reviewed the influence of corporate social responsibility of marketing and performance of commercial banks in Nigeria. The few studies done were carried outside and did not focus on the corporate social responsibility of marketing and performance of commercial banks in Nigeria especially on the dividend payments, tax payments against profitability in Nigeria. The major gap here was that this present study adopted dividend payments, tax payments as measures of corporate social responsibility of marketing which other studies did not.

METHODOLOGY

The researcher adopted *ex-post facto* design for this study. The choice of the *ex-post facto* design were because the research relied on already recorded data, and researchers do not have control over the relevant dependent and independent variables they are studying with a view to manipulating them (Onwumere, 2009). This study made use of secondary data of time series covering a period of 10 years i.e. 2014 – 2023, which were obtained from Central Bank of Nigeria (CBN), stock exchange group, and world development indicators statistical bulletin.

Model Specification

The aim of this study was to examine the influence of corporate social responsibility of marketing on financial performance of commercial banks in Nigeria. The study adopted model of Ehekoba and Egbunike (2019). The model is specified in functional form and modified as follows:

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$$PFY = f(DIV, TX, \dots) \text{----- (i)}$$

Transforming the data into a log form, the econometric model becomes;

$$LPGY_t = \alpha + \beta_1 LDIV_{t-1} + \beta_2 LTX_{t-1} + \dots + \epsilon_{t-1} \text{----- (ii)}$$

Where;

LPGY = Profit for the Year (a proxy for Performance of Commercial Banks)

LDIV = Dividend Payments

LTX = Tax Payments

μ = Error Term

α = Constant

β = Regression coefficient

t = Time at Present

t-i = Time at lag i, i-1, 2,

The apriori expectation (i.e, $\beta_1 \geq 0$)

Hypothesis One Model:

Dividend payments do not have significant positive influence on profitability of commercial banks in Nigeria.

$$LPGY_t = f(DIV_t) \text{----- (3.1)}$$

$$LPGY_{t-1} = \beta_0 + \beta_1 DIV_{t-1} + \epsilon_{t-1} \text{----- (3.2)}$$

Where;

LPGY_t = Profit for the Year

DIV_{t-1} = Dividend Payments

β_0 = Constant

β_1 , = Proxies of the coefficient of the parameter estimates

ϵ = Error term

t = Time period

log = Log of the variables

A prior expectation: $\beta_1 > 0$

Hypothesis Two Model:

Tax payments do not have significant positive influence on profitability of commercial banks in Nigeria.

$$LPGY_{t-1} = f(LTX_t) \text{----- (3.3)}$$

$$LPGY_t = \beta_0 + \beta_1 LTX_{t-1} + \epsilon_{t-1} \text{----- (3.4)}$$

Where;

LPGY_t = Profit for the Year

LTX_t = Tax Payments

β_0 = Constant

β_1 , = Proxies of the coefficient of the parameter estimates

ϵ = Error term

t = Time period

log = Log of the variables

A prior expectation: $\beta_1 > 0$

Methods of Data Analyses

Time series data covering a period of 10 years was estimated using descriptive statistics, correlation test and unit root test. The study used Auto-distributed lag model (ARDL) regression analysis method to test hypothesis. However, Unit root test was carried out for each of the variables so as to ascertain the time series properties of

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the data set and obtain the stationary status. Unit root test or stationary test is a preliminary test done to prevent running a spurious regression.

The following regression model was adopted.

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e$$

Where; Y = Profit for the Year

X₁= Dividend Payments

X₂ = Tax Payments

e is the error of prediction.

DATA PRESENTATION AND ANALYSES

Data Analysis

Descriptive Statistics

This section describes the data used for the analysis under statistical tool such as mean, maximum, minimum and standard deviation. The behaviour and movement of the data are observed under these statistical tools and their associated variance. The result of the descriptive statistics is presented in Table 1.

Table 1 Descriptive Statistics

	LOGDIV	LOGTX	LOGPFY
Mean	13.70521	11.53421	13.68220
Median	13.37265	9.935930	12.17020
Maximum	20.63247	18.05462	19.16471
Minimum	7.745868	7.278629	7.463937
Std. Dev.	3.659065	3.436814	3.452811
Skewness	0.394071	0.685311	0.435171
Kurtosis	2.301834	1.902885	1.788484
Jarque-Bera	2.309592	6.421381	4.635974
Probability	0.315122	0.040329	0.098472
Obs	50	50	50

Source: Extracted from E-view 10 Package see appendix 1

Table 1 presents the descriptive statistics for the dependent and independent variables and all the mean value of all the variables. Table 4.2.1 contains the description of the variables using normality test which comprises of Skewness, Kurtosis and Jarque – Bera Statistics. The table shows that the profit for the year, tax payments and dividend payment are positively skewed relative not normally distributed.

Unit Root Test

Literature has established that it is not economically acceptable to carry out a regression on non-stationary time series data as it will ultimately lead to spurious regression result. Therefore, using non-stationary variables in the model might lead to spurious regression which cannot be used for precise prediction. Hence, the first step is to examine the characteristic of the time series data used for estimation of the model to determine whether the variables have Unit Root, whether it is stationary and the order of the integration. Hence, a variable is considered stationary if the absolute ADF value is higher than any of the absolute Mackinnon values. In order to address the problem, the Augmented Dickey-Fuller (ADF) unit root test was employed on the chosen data set to ascertain the stationarity of the data as follows:

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Table 2 Unit Root Test

Variables	ADF	cv@5%	Probability	Inference
LOGDIV	-7.087	-2.92	0.0000	I(1)
LOGTX	-6.812	-2.923	0.0000	I(1)
LOGPFY	-6.871	-2.923	0.0000	I(1)

Source: extracted from E- View 10 package

The a priori expectation when using the ADF test is that a variable is stationary when the value of the ADF test statistic is more negative than the critical value at 5%. Table 4.2.4 shows that the profit for the year, tax payments and dividend payment are stationary at first difference. Based on this evidence, Autoregressive Distributed Lag Model (ARDL) will emerge as a best tool for testing hypotheses rather than Ordinary least Square since there was consistency of I(1) in all the variables.

Test of Hypotheses

Restatement of hypothesis in null and alternate form thus:

H_{a1}: Dividend payments do not have significant positive influence on profitability of selected commercial banks in Nigeria.

H_{a1}: Dividend payments have significant positive influence on profitability of selected commercial banks in Nigeria.

Decision Rule: Accept the null hypothesis if the sign of the coefficient is negative and probability value > 0.05. Otherwise, reject the null hypothesis and accept the alternate accordingly.

Dependent Variable: LOGPFY

Method: ARDL

Date: 05/30/24 Time: 17:11

Sample (adjusted): 2015 2063

Included observations: 49 after adjustments

Maximum dependent lags: 4 (Automatic selection)

Model selection method: Akaike info criterion (AIC)

Dynamic regressors (4 lags, automatic): LOGDIV

Fixed regressors: C

Number of models evaluated: 20

Selected Model: Table 3 ARDL (1, 1)

Note: final equation sample is larger than selection sample

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
LOGPFY (-1)	0.651848	0.115746	5.631699	0.0000
LOGDIV	0.762754	0.122096	6.247184	0.0000
LOGDIV (-1)	-0.491614	0.146661	-3.352053	0.0016
C	1.045559	0.795471	1.314389	0.1954
R-squared	0.866374	Mean dependent var		13.66422
Adjusted R-squared	0.857465	S.D. dependent var		3.486227
S.E. of regression	1.316182	Akaike info criterion		3.465455
Sum squared resid	77.95507	Schwarz criterion		3.619889
Log likelihood	-80.90364	Hannan-Quinn criter.		3.524047
F-statistic	97.25336	Durbin-Watson stat		1.809196
Prob(F-statistic)	0.000000			

*Note: p-values and any subsequent tests do not account for model selection.

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Table 3 above shows that the R^2 which measures goodness of fit is 0.866374, that is about 86%. This indicates that 86% change in the dependent variable being profit for the year is explained by the independent variables and the higher the R^2 the better fit the independent variables. The F – statistics which measure the significance of the regression model is 97.25336 while its probability value is 0.000000. This shows that the model is significant as the F –statistics is less than the probability value of 0.05. The Durbin – Watson stat (1.8) is approximately equal to two (2) indicating the absence of autocorrelation.

Decision: Given the decision criteria to reject H_0 if the t-statistics is 6.247184 and the probability value is < 0.05 . Table 3 shows the t-statistics as 6.247184 while the probability is $0.0000 > 0.05$. We reject the null hypothesis (H_0) and conclude that dividend payments exert a significant positive influence on profitability of selected commercial banks in Nigeria.

Test of Hypothesis Two

Restatement of hypothesis in null and alternate form thus:

H_{a2}: Tax payments do not have significant positive influence on profitability of selected commercial banks in Nigeria.

H_{a2}: Tax payments have significant positive influence on profitability of selected commercial banks in Nigeria.

Dependent Variable: LOGPFY

Method: ARDL

Date: 05/30/24 Time: 17:19

Sample (adjusted): 2015 2063

Included observations: 49 after adjustments

Maximum dependent lags: 4 (Automatic selection)

Model selection method: Akaike info criterion (AIC)

Dynamic regressors (4 lags, automatic): LOGTX

Fixed regressors: C

Number of models evaluated: 20

Selected Model: Table 4 ARDL (1, 1)

Note: final equation sample is larger than selection sample

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
LOGPFY (-1)	0.804858	0.099041	8.126494	0.0000
LOGTX	0.574694	0.097845	5.873505	0.0000
LOGTX (-1)	-0.449989	0.112206	-4.010393	0.0002
C	1.267804	0.810112	1.564973	0.1246
R-squared	0.859075	Mean dependent var		13.66422
Adjusted R-squared	0.849680	S.D. dependent var		3.486227
S.E. of regression	1.351648	Akaike info criterion		3.518634
Sum squared resid	82.21284	Schwarz criterion		3.673068
Log likelihood	-82.20652	Hannan-Quinn criter.		3.577226
F-statistic	91.43981	Durbin-Watson stat		1.824391
Prob(F-statistic)	0.000000			

*Note: p-values and any subsequent tests do not account for model selection.

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Table 4 above shows that the R^2 which measures goodness of fit is 0.804858, that is about 80%. This indicates that 80% change in the dependent variable being profit for the year is explained by the independent variables and the higher the R^2 the better fit the independent variables. The F – statistics which measure the significance of the regression model is 91.43981 while its probability value is 0.000000. This shows that the model is significant as the F –statistics is less than the probability value of 0.05. The Durbin – Watson stat (1.8) is approximately equal to two (2) indicating the absence of autocorrelation.

Decision: Given the decision criteria to reject H_0 if the t-statistics is 5.873505 and the probability value is < 0.05 . Table 4 shows the t-statistics as 5.873505 while the probability is $0.0000 > 0.05$. We reject the null hypothesis (H_0) and conclude that tax payments exert a significant positive influence on profitability of selected commercial banks in Nigeria.

Discussion of Findings

Objectives One: Determine the Influence of Dividend Payments on Profitability of Selected Commercial Banks in Nigeria.

The result of hypothesis one indicates that dividend payments exert a significant positive influence on profitability of selected commercial banks in Nigeria. This is in agreement with study of Achmad and Mustopa (2019) who examined profitability, dividend policy, corporate social responsibility and stock price on the Regional Development Bank of West Java and Banten Provinces in Indonesia. The results show stated that partially the ROA had a positive but not significant effect on stock price; DPR has a positive and significant effect on stock price, and CSR has a positive and significant effect on stock price; Simultaneously, ROA, DPR, and CSR have a significant effect on stock price.

Objective Two: Assess the Influence of Tax Payments on Profitability of Selected Commercial Banks in Nigeria.

The result of hypothesis two shows that tax payments exert a significant positive influence on profitability of selected commercial banks in Nigeria. It is in line with related study of Eneisik, Obara, and Uwikor (2023) who examined effect of company's income tax on financial performance of listed manufacturing companies in Nigeria. The study empirically ascertains the effect of companies' income tax on financial performance of quoted manufacturing companies in Nigeria. Findings show that company income tax had a negative and insignificant effect on net profit margin of quoted manufacturing companies in Nigeria. Capital gains tax had positive and significant effect on net profit margin of quoted manufacturing companies in Nigeria.

Summary of Findings

- i. Dividend payments had a significant positive influence on profitability of selected commercial banks in Nigeria ($F=6.247184$, $pv=0.0000 < 0.05$).
- ii. Tax payments had a significant positive influence on profitability of selected commercial banks in Nigeria ($F=5.873505$, $pv=0.0000 < 0.05$).

Conclusion

Based on findings, we conclude that corporate social responsibility of marketing had significant positive influence on financial performance of commercial banks in Nigeria between the period of 2014-2023. In line with other sub variables examined, the researcher also concluded that dividend payments, tax payments had a significant positive influence on profitability of selected commercial banks in Nigeria. This means that the

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banks' corporate social responsibility of marketing expenditure was sufficient enough to affect the profitability of the banks

Recommendations

Based on the findings from the study, the following were recommended;

- 1) Commercial banks in Nigeria should continue to pay dividend regularly as this will go a long way in retaining shareholders and attracting new investors which will invariably improve profitability of the banks.
- 2) Commercial banks in Nigeria should continue to pay taxes to government to avoid closure of their businesses which will invariably affect profitability of the bank. Regular payment of taxes will help commercial banks again the much-needed support from government of Nigeria.

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