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Corporate Social Responsibility in the Nigerian Banking Sector

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2014

Abstract

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by

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MA, Clark Atlanta University 2004

BA, University of South Carolina 2001

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

Corporate social responsibility is presently defined by the World Business Council of Sustainable Development as persistent commitment by businesses to behave ethically and contribute to economic development while also increasing the quality of life of employees, their families, and the community. Guided by Freeman's stakeholder theory, this study examined the relationship between corporate social responsibility and the Nigerian bankers' reported satisfaction with the Nigerian banking sector. Survey data were collected from a convenience sample of 99 Nigerian bankers, including branch managers, zonal managers, tellers, marketers, and investors. A single-stage sampling procedure was used to elicit their satisfaction with the Nigerian banking sector and their perceptions of corporate social responsibility. Corporate social responsibility was conceptualized as a composite variable, with dependent sub-variables of ethics, human rights, and employee rights. A Pearson's *r* correlation test indicated a significant relationship between corporate social responsibility and Nigerian banker satisfaction ($p <$ .05). These findings suggest that a majority of Nigerian bankers are satisfied with the banking sector which they feel, overall, behaves in a socially responsible way, although they also noted concerns related to insider abuse and a lack of transparency among internal processes. Implications for positive social change include informing policy makers and regulatory agencies in Nigeria about changes to public policy and the regulatory banking environment about risks associated with insider abuse and other internal processes in the banking industry that may damage efforts to improve corporate social responsibility with the goal of enhancing economic development in Nigeria.

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Dedication

I dedicate my dissertation to my late brother, Cecil R. Haltiwanger, Jr., who lives on in my heart and soul. I love you always.

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Chapter 1: Introduction to the Study

Introduction

This research study was designed to assess corporate social responsibility in the Nigerian banking sector. Corporate social responsibility is a key quality in social economic development. It is presently defined as persistent commitment by businesses to behave ethically and contribute to economic development while also increasing the quality of life of employees and their families, as well as the local community and society that they live in (Branco & Rodrigues, 2007; World Business Council for Sustainable Development [WBCSD], n.d.). Corporate social responsibility is now broadly understood as including respect for the environment. Although the banking industry was previously considered free of environmental concerns (Carroll, 1979), changes in social values make an examination of the banking industry and environmental protection both important and necessary.

This study was designed to examine ethical behaviors by, the respect of human rights by, and employee rights at Nigerian banks. This study examined corporate social responsibility from the stakeholder theory perspective, examining how managers serve the interest of the stakeholders while attempting to increase wealth and profits because this research design was most appropriate for this research study.

The idea of business ethics and social responsibility is not new, but highly influenced by changes in social mores and local factors such as religion (Campbell, 2007). Pre-Christian Western thinkers, Islam, and Christian have all advocated for corporate social responsibility (Blowfield & Frynas, 2005). In the seventeenth and eighteenth centuries, the Quakers' business credo was that businesses should both make a profit and increase the value of society (Amaeshi, Adi, Ogbechie, & Amo, 2006). Nineteenth-century consumers boycotts in the United States of goods produced with slave labor can also be considered examples of corporate social responsibility ideas in action (Blowfield & Frynas, 2005). It is critical for businesses to have good community relationships that include ethics to sustain business because consumers prefer business to respect ethics and human rights (Cheng & Ahmad, 2010).

The debate about corporate social responsibility began in the last half of the twentieth century as a way to educate businesspersons on how to behave in a socially responsible manner by responding to the evolution of societal demands (Carroll, 1979; Garriga & Melé, 2004; Idemudia, 2011). Corporate social responsibility has significantly evolved since then, and its current conception was devised by heads of state and non-governmental organizations at the United Nations (UN) sponsored Earth Summit in Rio de Janeiro, Brazil, in 1992 (Adeyanju, 2012; Russo & Perrini, 2010). Jenkins (2005) contended that in the late 1990s, leaders of the World Bank and other international agencies began to incorporate CSR into their frameworks due to a paradigm shift in eradicating "poverty and hunger, achieving universal primary education, promoting gender equality, reducing mortality and improving health, and ensuring environmental sustainability" (p. 529) in an attempt to improve businesses and their behavior.

Corporate social responsibility is applicable to many types of organizations; however, banks are most sensitive to CSR because the banking sector includes a diverse group of individuals (Achua, 2008). Banks are generally opaque, rather than transparent, in comparison to other financial institutions; this opacity can easily disguise problems (Awotundun, Kehinde, & Somoye, 2011). Banks also need positive reputations to have qualified employees, a large customer base, and many solid investors (Achua, 2008). If leaders of Nigerian businesses practice CSR, they can address many of the challenges that face Nigeria. Corporate social responsibility in the Nigerian banking sector needs studying because it has the potential to lead to positive social change by reducing poverty and corruption, increasing ethical and transparent banking practices, and increasing business in Nigeria.

Positive Social Change Implications

This research study on CSR in the Nigerian banking sector has the potential to affect social change positively in Nigeria and other developing nations because the results will be broadly applicable. Economic growth is essential in the developing world for nations and individuals to progress (Dobers & Halme, 2009). However, other critical factors grounded in CSR are necessary for sustainable development, including “human capital, public institutions, civil society, and good governance” (Dobers & Halme, 2009, p. 239). The main characteristics of CSR are morality, ethics, professional norms, business principles, human rights, and transparency, factors that are critical for sustainable development (WBCSD, n.d.). Human rights are the most significant characteristic of moral rights justified for all individuals (Wettstein, 2012). According to Amadi and Abdullah (2012), it is vital for businesses to develop the communities in which they are located, especially in developing countries because many individuals are lacking basic needs.

The stability of a banking sector is vital to any society. Other financial institutions, industrial sectors, and service sectors of the economy are of paramount importance for development as well. However, these sectors need the banking sector to thrive, and a responsible banking sector is mandatory for societies to advance economically. According to Achua (2008), corporate social responsibility and the banking sector have been entangled because CSR is a necessity in the banking sector. Additionally, it is critical to improve sustainable development in societies with high poverty rates such as Nigeria. According to Adegbite and Nakajima (2011), effective CSR is likely to make tremendous strides in the lives of Nigerians and Nigeria as a nation. Leaders in the Nigerian banking sector could practice CSR in an attempt to improve its standing in the community by helping to improve the society in which it operates. If leaders of Nigerian banks practice CSR and take the initiative to assist society, they stand to gain a greater profit because more individuals will have funds to invest in the banking sector.

In this chapter, I seek to address background information on CSR and on CSR in the Nigerian banking sector. I will address the research problem that the relationship between the Nigerian banking sector and its ethical practices are unclear. I will also discuss the purpose of the study, which was to explore CSR in the Nigerian banking sector. Additionally, I will present the research questions and directional hypotheses. This chapter includes a brief introduction of the theoretical framework, which was the stakeholder theory. Additionally, the chapter will involve exploring the nature of the quantitative survey study.

Background

The West African nation of the Federal Republic of Nigeria became independent from Britain in 1960 (Central Intelligence Agency [CIA], 2014). Nigeria is Africa's largest and most populated country and largest consumer market, with a population of 177 million, and more than 70% of its citizens live in poverty (Adegbite & Nakajima, 2011; CIA, 2014). Pervasive corruption plagues Nigeria, and in 2012 the country was ranked 139 out of 180 on Transparency International's (TI's) Corruption Perceptions Index, a scale used to measure corruption in nations globally (TI, 2013). Corruption contributes to poverty, and poverty contributes contraption, creating a feedback loop.

Nigeria is a developing nation, but its banking sector is the fastest growing in Africa. The country continuously performs well on the Nigerian Stock Exchange (NSE), one of the largest equities in Africa (Adegbite & Nakajima, 2011; Sanusi, 2010). The NSE, lists approximately 300 companies, and in 2007 was the best performing stock market in the world (Adegbite & Nakajima, 2011; Sanusi, 2010).

Nigeria is also an influential nation in Sub-Saharan Africa and the global economy due to its abundance of natural resources (Amaeshi et al., 2006). Nigeria is the eighth largest crude oil producer and exporter, contains the sixth largest known deposit of natural gas, and has 34 solid minerals (Soludo, 2007). Oil production in Nigeria has resulted in an estimated $600 billion in revenue since the 1960s and provides 95% of the export revenue in Nigeria's commodity-based economy (Amadi & Abdullah, 2012; Amaeshi & Amao, 2009). The country's proven oil reserves total 1.3 trillion barrels, of which approximately 84.6 million barrels per day are produced, and the United States imports 13.7 million barrels per day (Adegbite & Nakajima, 2011).

The poverty rate in Nigeria increased from 28% to 66% between 1980 and 1996, which is an indicator that the government needs to make changes to assist impoverished individuals (Phillips, 2006). According to Blowfield and Frynas (2005) where strong governance and rule of law are lacking, CSR is more essential to assist with development than it is in nations with strong governance systems. Therefore, corporate social responsibility is necessary in Nigeria, especially in the banking sector to allow for the implementation of good governance.

There is a significant need for a study of corporate social responsibility in the Nigerian banking sector because academics, governments, and businesspersons know little about the impact of CSR in developing nations and in Nigeria specifically. Furthermore, Nigeria has been experiencing rapid growth in the banking industry (Adegbite & Nakajima, 2011). Between 2005 and 2008, the Nigerian banking sector contributed 5.1% to the gross domestic product (GDP) of Nigeria (Gberevbie, 2012). It is important for the leaders of the Nigerian banking sector to act responsibly toward shareholders and the society in which they operate for the banking sector to thrive (Babalola, 2012). Investors are gaining more interest in emerging markets such as Nigeria because of the global financial downturn, which is another reason the promotion of CSR in the Nigerian banking sector is essential; to further economic growth (Adegbite & Nakajima, 2011). Corporate social responsibility has not been researched thoroughly in emerging markets, which are vital to the world economy.

There is more research on corporate social responsibility in industrialized nations than in developing nations, but the need for CSR is greater in developing nations (Dobers & Halme, 2009). Enderle stated in 2010 that further research was necessary on CSR in Asia, Africa, and Latin America. However, there has been significantly more CSR research on Asia than on Latin America and Africa, and the primary focus on Africa has been limited to South Africa (Idemudia, 2011).

In-depth studies about CSR in the banking sector in Africa do not exist (Kolk & van Tudler, 2010). African banks do not receive the same research attention as banks in other developing nations because researchers in developed nations view them as underdeveloped and unstructured (Ezeoha, 2007). However, African economies are developing rapidly, and the banking sector is critical to this development. Nigerian banks must be good corporate citizens if their leaders expect to make profits and function well in society (Erondu et al., 2004). Most of the extant studies on CSR in Nigeria are on multinational corporations as opposed to indigenous organizations (Amaeshi et al., 2006). Researchers have conducted studies on CSR in the South African and Nigerian banking sectors, but it has not been in-depth and there are gaps in the literature (Kolk & van Tudler, 2010). According to Erondu, Sharland, and Okpara (2004), the study of ethical issues in the Nigerian banking sector is vital, and there is little empirical evidence on the way Africans conduct business in Africa. Therefore, additional research is essential.

Nigerian banks do not have a good reputation for ethical behavior (Erondu et al., 2004). This research study fills a gap in the literature through an exploration of the practice of CSR, according to Nigerian bankers, in the Nigerian banking sector.

According to Adeyanju (2012), business leaders in Nigeria need CSR to address their issues because social, health, education, and environmental needs are tremendous and business leaders must manage them. The emerging markets in Sub-Saharan Africa, especially Nigeria, are becoming more interesting to institutional investors (Adegbite & Nakajima, 2011).

The banking sector is the engine for economic growth and development of the economy; therefore, leaders must sufficiently manage and guide it to maintain the confidence of the public, who are the ones who invest in the banking sector (Gberevbie, 2012; Nwakama, Okereke, & Arewa, 2012). The Nigerian banking sector works within and survives on the wealth in the Nigerian economy and should therefore be responsible to Nigeria (Terungwa, 2011). Corporate social responsibility in the Nigerian banking sector should satisfy bankers, shareholders, depositors, and regulators, and be held in high regard as a good corporate citizen (Achua, 2008).

Adeyanju (2012) asserted that many Nigerians and some Nigerian government officials perceive the Nigerian banking industry, along with the telecommunications industry, as being the cause of many of the problems in the economy. According to Adegbite and Nakajima (2011), misconduct and corruption by directors of organizations have been major issues for Nigeria, particularly in the banking industry. Bank directors have concealed interest on loans on properties sold or leased to the bank and taken unsecured and interest-free loans about which shareholders were unaware (Adegbite & Nakajima, 2011).

Many Nigerians believe that the banking industry is making a large profit in a developing world economy due to unethical practices (Adeyanju, 2012). The unethical practices are shortcomings pertaining to CSR in banking and the sector suffers from fraudulent practices, including bad management and bad credit policy (Achua, 2008; Okpara, 2009). Leaders for the Central Bank of Nigeria (CBN) have made reforms in an attempt to combat these unethical practices. However, the bank reforms are likely to be detrimental if CSR is not strongly established (Achua, 2008). Corporate social responsibility is a critical tool for the development of society and businesses because organizations positively affect their host communities by achieving profits and operating ethically (Adeyanju, 2012). The practice of CSR by organizations is necessary in developing countries such as Nigeria to protect the rights of individuals (Adeyanju, 2012). All of these factors suggest a strong need for more studies on CSR in the Nigerian banking sector.

The banking sector needs exploring to determine how to make changes to allow for a more ethical banking system that incorporates CSR. Banking practices should be ethical and transparent because bank funds and resources belong to the deposit holders. The application of CSR can reduce the prevalence of unethical banking practices.

I intend to use my research study results to consult with banks and policy makers about the need for CSR in the Nigerian banking sector. Corporate social responsibility has the ability to improve policy in the Nigerian banking sector by allowing for transparency with shareholders, ethical banking practices, and the improvement of employee rights. The improvement of policy in the Nigerian banking sector should allow for an improvement of cooperation with bank employees, shareholders, government, and the community. This research adds to existing scholarly research by informing individuals of CSR, Nigeria, Nigeria's banking sector, and the results of my research study. Interested scholars should have the ability to either duplicate my research study in Nigeria or another location or build on my research to add to the body of knowledge on CSR in banking.

Problem Statement

Nigerian banks operate within a climate of endemic corruption that has poor corporate governance. There are several cases of unethical banking practices (Achua, 2008). A review of the literature revealed that the Nigerian government attempts to highly regulates the banking sector in an attempt to enforce laws and responsibility; however, firms are products of their environment, and the government itself has inherent problems with regulating and enforcing rules and laws (Achua, 2008; Amaeshi et al., 2006). The literature review established that CSR is necessary in the Nigerian banking sector. However, it is unclear how leaders in the Nigerian banking sector practice and implement CSR. The problem is that the relationship between the Nigerian banking sector and its ethical practices are unclear. Establishing this information may provide a rationale regarding why CSR is necessary in the Nigerian banking sector.

Purpose of the Study

The purpose of this study was to examine the relationship between CSR and the Nigerian bankers' satisfaction with the banking sector based on the Nigerian bankers' satisfaction with the banking sector based on CSR. More specifically, the objective of this study was to examine what aspects of CSR exist in the Nigerian banking sector based on the stakeholder theory framework. Corporate social responsibility refers to human rights, employee rights, environmental protection, community involvement, supplier relations, and monitoring (WBCSD, n.d.). The independent variable was the Nigerian bankers' satisfaction with the Nigerian banking sector and CSR was a composite variable measured by dependent subvariables that include ethics, human rights, and employee rights.

Research Questions and Hypotheses

The following research questions and hypotheses derive from reviewing the literature on CSR, demographic information on Nigeria, the Nigerian banking sector, and CSR in the Nigerian banking sector. Corporate social responsibility is a composite variable that I broke down into specific dependent subvariables for measurement and analysis, including ethics, human rights, and employee rights. The independent variable was the Nigerian bankers' satisfaction with the Nigerian banking sector. The initial sample size was 50, however I had to increase the number of surveys distributed to 230. The respondents were 100 bankers in Nigeria, from a population of 77,519 (CBN, 2010). The variables were on an ordinal scale.

Research Question 1: What is the relationship between socially responsible banks and ethical practices in the Nigerian banking sector?

Null Hypothesis 1: There is not a significant relationship between socially responsible banks and ethical practices in the Nigerian banking sector.

Alternative Hypothesis 1: There is a significant relationship between socially responsible banks and ethical practices in the Nigerian banking sector.

Research Question 2: Do Nigerian bankers practice CSR?

Null Hypothesis 2: The majority of Nigerian bankers do not act ethically.

Alternative Hypothesis 2: The majority of Nigerian banks act ethically.

Theoretical Framework

The stakeholder theory was the theoretical framework used for this research study. The stakeholder theory served to explain and guide the corporation's structure and purpose (Donaldson & Preston, 1995). The term stakeholder first appeared in an internal directive at the Stanford Research Institute (SRI International, Inc.) in 1963 (Parmar, Freeman, Harrison, Wicks, Purnell, & de Colle, 2010). The idea of a stakeholder was meant to challenge the idea that stakeholders are a group to which management needs to be liable (Parmar et al., 2010).

Freeman (1984) was the first noted scholar to suggest that managers apply vocabulary based on the idea of the stakeholder, at which point Freeman and other scholars used the concept to address three interconnected business problems. The three interconnected problems discussed initially by Freeman and then other scholars were the problem of value creation and trade, the problem of ethics pertaining to capitalism, and the problem of the thought process of businesspeople (Parmar et al., 2010). The issues discussed by Freeman and other scholars were not new when Freeman first applied the terminology, but it was the first time someone had formulated and applied the stakeholder theory itself to various circumstances. The theory related to the study approach because the stakeholder theory was a key process in explaining CSR and Nigeria's principal cultural ideology that indicates a strong element of stakeholder orientation (Adegbite & Nakajima, 2011). Adegbite and Nakajima (2011) also argued that stakeholder theories are influential in determining Nigerian corporate governance because they allow for discourse and the execution of ways to protect businesses and involved individuals. Chapter 2 contains a discussion on the theoretical framework in more detail.

Nature of the Study

This research study included a survey design to generalize from a sample of the banking population about the practices and behaviors of CSR within the Nigerian banking sector. The survey design allowed me the opportunity to explore the bankers' attitudes about CSR in the Nigerian banking sector, therefore allowing an examination of the practice of CSR in the banking sector. The basis of the design was the independent variable, the Nigerian bankers' satisfaction with the Nigerian banking sector, and the dependent variable, ethics. This type survey design was preferable because it identified characteristics of the Nigerian banking sector, which is a large population, from a small group of individuals. I emailed the surveys via SurveyMonkey to the Nigerian bankers (participants) at one point in time. Using SurveyMonkey ensured anonymity. The data analysis included the mean, mode, standard deviation, range, median, Pearson's r correlation, split-half reliability, and Cronbach's alpha.

The mean gave the average bankers' attitudes about CSR in the Nigerian banking sector. The mode denoted the most frequent attitudes about CSR from the Nigerian bankers' standpoint. Standard deviation represented the dispersion from the mean and the expected outcome. The range showed the difference between the views felt by the Nigerian bankers about CSR. The median illustrated the middle value given by the Nigerian bankers. A Pearson's r correlation provided the measure of the linear correlation between the two variables; the independent variable was the Nigerian bankers' satisfaction with the Nigerian banking sector, and CSR was a composite variable measured by dependent subvariables that included ethics, human rights, and employee rights. The split-half reliability and Cronbach's alpha tests increased the reliability of the results of this research study. I used the Statistical Package for the Social Sciences (SPSS) Version 21.0 software to conduct statistical tests.

Definition of Terms

Corporate social responsibility: the continuing commitment by businesses behaving ethically and contributing to economic development while improving the quality of life of the workforce and their families, as well as the local community and society (WBCSD, n.d.).

Corruption: a relative term based on the place and culture in which someone applies it, corruption refers to behavior that deviates from normal duties in an attempt to make personal or private gains. Corruption includes fraud, bribery, theft, embezzlement, extortion, nepotism, and improper political donations (Shehu, 2004).

Emerging markets: low-income economies with rapid success also referred to as developing nations that are advancing (Foo, 2007).

Ethics: unwritten codes, values, and regulations based on societal norms (Enderle, 2010).

Globalization: the intensification of multinational relations between business and social ventures (Scherer & Palazzo, 2009).

Human rights: the most significant characteristic of moral rights justified for all individuals (Wettstein, 2012).

Philanthropy: generous donations or contributions (WBSCD, n.d.).

Poverty: low income, living on less than US $2 per day (World Health Organization, 2011).

Stakeholder: individuals or groups who have a vested interest or stake in an organization, including employees, consumers, suppliers, and the local community (Branco & Rodrigues, 2007; Cheng & Ahmad, 2010).

Stakeholder theory: stakeholders are individuals or groups that have legitimate interest in substantive aspects of corporate activity and the interest of all stakeholders are of intrinsic value (Donaldson & Preston, 1995).

Assumptions and Limitations

It is necessary to describe the assumptions to inform the reader about how to interpret the results of this research study. I assumed that the participants would answer the questionnaires honestly because I ensured the participants of their anonymity of the their questionnaire responses to help better Nigeria. There are limitations to research studies; with this research study, I was not able to select my participants randomly because a list of the population was unavailable. When conducting a nonprobability sample, there is no way to indicate the probability of each unit's inclusion in the sample (Frankfort-Nachmias & Nachmias, 2008).

Scope and Limitations

In this study, I determined the relationship between CSR and the Nigerian banking sector. The population studied was Nigerian bankers, which totaled 77,519 employees (CBN, 2010). I excluded other populations that did not need studying because my focus was on Nigerian bankers. The results from my research study were suitable to generalize about CSR in banking systems in Nigeria and other developing countries in Africa. Additionally, I excluded theories that have been used to study banking sectors because they did not specifically apply to this research study.

I excluded the agency theory from my research study because it would not explain the relationship between CSR and the Nigerian banking system in the same manner as the stakeholder theory. The agency theory refers to the relationship under which one or more persons (the principal) and another person (the agent) act on their behalf to delegate some decision-making authority to the agent (Awotundun et al., 2011). The expectation is that the agent would act on behalf of the principal. Alchain and Demaetz established the agency theory in 1972 and Jensen and Meckling further developed it in 1976 (Awotundun et al., 2011). The literature review also contains a discussion on the triple bottom line theory with regard to CSR in the Nigerian banking sector. Triple bottom line theory refers to people, planet, and profit, the three pillars that are valuable to stakeholders as opposed to shareholders (Amadi & Abdullah, 2012). The stakeholder theory is a key process in defining CSR and was therefore suitable as the theoretical framework for my research study (Branco & Rodrigues, 2007).

Limitations exist in research studies. A limitation of this study related to the research design was the fact that I was unable to randomly select participants because the sample frame was unavailable. I could not get access to a list of all of the names of the Nigerian bankers. To address this limitation I selected Nigerian bankers as respondents based on various job titles at five banks that varied in financial performance.

Summary

The focus of this research study was the relationship between CSR and the Nigerian banking sector. The Nigerian banking sector and its success are vital to the economy of Nigeria. Additionally, several gaps existed in the literature about CSR in developing nations, particularly Africa and specifically Nigeria. Discussions about CSR began in an attempt to get business leaders to behave ethically and responsibly and therefore improve individuals' quality of life. Banks are the cornerstone of economic development, and CSR, or the lack thereof, especially affects them due to their nontransparent nature. Nigeria is an impoverished but resource-wealthy nation in which the banking sector operates within an environment of endemic corruption. I conducted this research in an attempt to bring about positive social change through economic development, while promoting human rights, which is critical in developing and developed nations. The stakeholder theory served as a framework for this survey design research study. Chapter 2 contains a review of the literature on which I based the research study.

Chapter 2: Literature Review

Introduction

Nigerian banks operate in an environment of perpetual corruption that has inadequate governance and many cases of unethical banking practices (Achua, 2008). Additionally, a review of the literature revealed that the Nigerian government highly regulates Nigerian banking in an attempt to enforce laws; however, firms are products of their environment, and the government has inherent problems with regulating and enforcing rules and laws (Achua, 2008; Amaeshi et al., 2006). It is unclear how leaders in the Nigerian banking sector practice and implement CSR based on the definition by the WBCSD (n.d.), which includes human rights, employee rights, environmental protection, community involvement, supplier relations, and the stakeholder theory. This study specifically examined the relationship between the Nigerian banking sector and its ethical practices, with a goal providing a rationale for why and how CSR should be made policy in the Nigerian banking sector.

The purpose of the survey study was to examine whether Nigerian bankers feel that Nigerian banks practice CSR, and, if they do, in what manner. My research study objective was to establish the relationship between CSR and the Nigerian banking sector. This research study involved exploring what improvements bankers feel are necessary in the Nigerian banking sector with regard to the practice of CSR based on the stakeholder theory framework.

There is a wealth of information on CSR in business and banking in developed nations (Dobers & Halme, 2009). However, researchers have not extensively studied

CSR in Africa or in Nigeria specifically (Blowfield & Frynas, 2005; Ezeoha, 2007). Additional research on CSR in the Nigerian banking sector was necessary because of the lack of empirical evidence about business in Africa, and Nigerian banks do not have a good reputation for ethical behavior (Erondu et al., 2004). Research on the Nigerian banking sector was necessary to explore in what ways it can advance and improve the nation as a whole.

Research has shown a lack of ethics, transparency, disclosure, and employee rights in the Nigerian banking sector (Nwakama et al., 2012). Most Nigerian banks are not transparent; their leaders are not accountable for their actions, they submit false returns to the regulatory bodies, and they conceal information from authorities to prevent the detection of unsound banking practices (Olayiwola, 2010). Nwakama et al. (2012) asserted that the quality of assets in Nigerian banking portfolios is not up to par, which is an indicator of poor CSR. Unethical practices are rampant in Nigerian banks, and banks have closed overnight without making the public aware (Achua, 2008; Erondu et al., 2004). Hence, leaders in Nigerian banks do not practice professionalism, transparency, or accountability (Olayiwola, 2010). Nevertheless, the banking sector is imperative for Nigeria's growth, contributes to the GDP, and is a significant source of labor (Gberevbie, 2012). Therefore, improvements are necessary because the banking sector has the potential to assist with the development of Nigeria (Gberevbie, 2012). Improvements could lead to an increased per capita GDP for Nigerians.

Corporate social responsibility provides a good reputation for businesses, better financial performance, promotion of ethical values, employee rights, human rights, accountability, transparency, and stakeholder disclosure (Adeyanju, 2012; Akanbi & Ofoegbu, 2012; Terungwa, 2011). The above characteristics are critical for the Nigerian banking sector because Nigeria is an impoverished nation with poor governance and a culture of corruption. Additionally, the Nigerian banking sector has a history of mismanagement, corruption, and unethical practices (Olayiwola, 2010). Leaders at the CBN have made recent improvements in the banking sector, but the sector still has low ethical standards and is not accountable for its actions (Achua, 2008). Therefore, a need for CSR exists in the Nigerian banking sector.

Western CSR spread to Africa by way of colonialism, and later globalization was a main contributor of CSR in Africa via MNCs (Dartey-Baah & Amponsah-Tawiah, 2011; Wettstein, 2012). Nevertheless, Western CSR has traditionally differed from African CSR due to political and cultural differences (Adegbite & Nakajima, 2011). Adegbite and Nakajima (2011) contended that Anglo-Saxon values form the basis of CSR; however, leaders in the Nigerian government have made strides to implement CSR (Babalola, 2012). Leaders in the Nigerian banking sector practice philanthropy, which is an aspect of CSR (Phillips, 2006). However, a need existed to examine Nigerian bankers to obtain their feedback on CSR and the way Nigerian banks address stakeholders in Nigerian banking.

The stakeholder theory is an important concept in CSR. The stakeholder theory posits, "Stakeholders are individuals or groups that have legitimate interest in substantive aspects of corporate activity and that the interest of all stakeholders are of intrinsic value" (Donaldson & Preston, 1995, p. 67). The theory holds that organizational leaders practice CSR because its basis is a social contract and it affects the activities of all involved parties (Achua, 2008; Bird, Hall, Momentè, & Reggiani, 2007). Corporate social responsibility success results from stakeholder dialogue because the necessary actors join in important discussions about how to implement CSR properly (Blowfield & Frynas, 2005). According to Adegbite and Nakajima (2011), stakeholder theory is influential in determining Nigerian corporate governance. Nigerian governance is lacking, and the application of the stakeholder could help develop the nation.

Literature Search Strategy

My research drew primarily on current peer-reviewed journal articles that were accessible using the Walden University Library. The research databases used to find peer-reviewed journal articles were SAGE Premier, Google Scholar, Thoreau, ProQuest Central, and EBSCOhost. The key search terms used included *banking, Nigeria, Nigerian banking sector, corporate social responsibility, corporate social responsibility in the Nigerian banking sector, corruption in Nigeria, ethics, ethical banking,* and *Nigeria banking*. Google Scholar yielded the most results, but none of the articles listed were relevant to my dissertation topic. The scope of the articles collected was from 2004 to 2013 in an attempt to collect the most current research available on CSR in the Nigerian banking sector. I accessed reference materials from the CIA World Factbook, the World Fair Trade Organization, World Health Organization, and the United Nations websites for demographic information and term definitions on Nigeria and corporate social responsibility. I researched CSR documents on the World Business for Sustainable Development’s website, I studied several banking regulation documents from the Central

Bank of Nigeria's website, and I reviewed proposed Nigerian Senate bills from 2008 and information about Nigeria's practice of CSR at the Nigerian government Federal Executive Council's website. Additionally, I frequently used books from my current program on quantitative research in the social sciences and approved dissertations while completing this work and throughout my program on research methods and designs.

Theoretical Framework

The stakeholder theory was the theoretical framework for my research study. The purpose of the stakeholder theory is to serve as a blueprint for a corporation's structure and purpose (Donaldson & Preston, 1995). The term stakeholder first appeared in an internal memorandum at SRI International in 1963 (Parmar et al., 2010), as a means to challenge the idea that stakeholders are the group to which management needs to be accountable (Parmar et al., 2010).

Freeman (1984) recommend that managers use terminology based on the idea of the stakeholder, which prompted Freeman and other scholars to use the concept to focus on three interrelated business problems: the problem of value creation and trade, the problem of ethics pertaining to capitalism, and the problem of the mind-set of business professionals (Parmar et al., 2010). The topics discussed by Freeman and other intellectuals were not new when Freeman first applied the vocabulary, however it was the first time that researchers had devised and employed stakeholder theory to various situations.

According to stakeholder theory, company leaders should consider CSR and the way it affects all persons of interest (Bird et al., 2007). Stakeholders consist of individuals who are making decisions on behalf of an organization (Branco & Rodrigues, 2007). These stakeholders can include “creditors, employees, customers, suppliers, and the communities at large” (Branco & Rodrigues, 2007, p. 7). Primary stakeholders are the individuals who participate within the organization, including employees, managers, and the local community (Branco & Rodrigues, 2007; Cheng & Ahmad, 2010). Secondary stakeholders are the individuals in an organization who are not vital for its survival and do not have influence over operations, including the government regulators, and social pressure groups (Branco & Rodrigues, 2007; Cheng & Ahmad, 2010). Nevertheless, all stakeholders are important to organizations according to CSR (Branco & Rodrigues, 2007).

Stakeholder theorists define appropriate and inappropriate organizational behavior based on how corporations behave toward their stakeholders (Campbell, 2007). Hence, there is not an exploratory goal to the stakeholder theory; researchers use it to help organizational leaders provide better care to their constituents (Freeman, Russconi, Signori, & Strudler, 2012). Additionally, firm leaders and stakeholders need to discuss the best ways to implement CSR in an attempt to protect their constituents (Riordan & Fairbrass, 2008). According to Branco and Rodrigues (2007), stakeholder theory is a key process in defining CSR.

Supporters of stakeholder theory argue that organizational leaders practice CSR because its basis is a social contract and it affects the activities of all involved parties (Achua, 2008; Bird et al., 2007). Corporate social responsibility success results from stakeholder dialogue because necessary actors have pertinent discussions about how to implement CSR (Blowfield & Frynas, 2005). However, this can be difficult in developing nations where language, culture, and education vary, which makes negotiations difficult (Blowfield & Frynas, 2005). Additionally, Nigeria's dominant cultural ideology indicates that there is a strong element of stakeholder orientation (Adegbite & Nakajima, 2011). Adegbite and Nakajima (2011) contended that stakeholder theories are influential in determining Nigerian corporate governance because they allow for discussion and implementation of ways to protect businesses and involved individuals. The stakeholder theory's focus on CSR affords businesses protection and leads to profit increases.

The premise of the stakeholder theory is that the majority of the benefits of the company will pass through to the customer and investor (Donaldson & Preston, 1995). Stakeholder theory proposes that organizational leaders will do their best to maximize the wealth of stakeholders and the organization (Jamali, 2008). Donaldson and Preston (1995) contended that several influential studies of CSR make explicit and implicit references to stakeholder perspectives using conventional statistical methodology. Corporate social responsibility studies based on the instrumental stakeholder theory have demonstrated that the implementation of stakeholder practices achieved CSR objectives better than other approaches (Donaldson & Preston, 1995). The CSR-focused stakeholder theory has achieved wide acceptance in business organizations, but it changes as the company changes (Russo & Perrini, 2010). The stakeholder theory presumes the corporation's duty is wealth creation in conjunction with CSR (Jamali, 2008). Within CSR, the focus of the stakeholder theory has been on the idea that stakeholders create, increase, and maintain the value of an organization (Jamali, 2008). Corporate social responsibility specifies the responsibilities of organizations, whereas the stakeholder theory designates to whom the organization should be accountable (Jamali, 2008). Stakeholders want businesses to practice CSR because ethics are always a critical concern (Cheng & Ahmad, 2010). If a corporation causes harm to stakeholders, they have a duty to rectify the situation (Campbell, 2007). An organization cannot function properly without stakeholders.

Corporate social responsibility considers the interest of stakeholders in the organization and community; these actors work together for positive outcome (Akanbi & Ofoegbu, 2012). Stakeholder dialogue has the potential to be beneficial for handling stakeholder dealings (Riordan & Fairbrass, 2008). Communication between managers and stakeholders about CSR activities and obligations can balance stakeholders' requests (Riordan & Fairbrass, 2008). In corporations, managers have a duty to act on behalf of the shareholders and to make as much of a profit as possible (Branco & Rodrigues, 2007). Riordan and Fairbrass (2008) contended that the relationship between businesses and stakeholders could be challenging because of differing expectations, different interpretations based on cultural differences, and what is the most prudent means of handling operations. Some have argued that it might be unethical to require managers to pursue CSR because the funds do not belong to them; rather, they belong to the stakeholders (Branco & Rodrigues, 2007). Therefore, the state should handle the role of CSR because it is a political actor (Branco & Rodrigues, 2007). However, CSR is not mandatory in all states because some states feel it should be voluntary. Nevertheless, the instrumental stakeholder theory is used to identify connections or lack thereof, between objectives and stakeholder management (Branco & Rodrigues, 2007).

Instrumental Stakeholder Theory

Instrumental stakeholder theory is used along with empirical data to distinguish between connections, or lack thereof, of stakeholder management and the organization's goals (Donaldson & Preston, 1995). According to the instrumental stakeholder theory, the corporation is a tool for wealth creation to further economic incentives (Jamali, 2008). Stakeholders' interests must receive consideration with the operationalization of the organization, including maximizing wealth (Branco & Rodrigues, 2007).

I identified the function of the Nigerian banking sector based on the instrumental stakeholder theory and the guidelines set forth by the WBCSD. WBCSD is a coalition, which was founded in 1995, of 180 organizations (by invitation only) whose members work toward achieving sustainable development and recommend self-regulation for organizations (Adeyanju, 2012). WBCSDs application of CSR focuses on sound ethics, core values, economic growth, respect for the environment, and societal progression (WBCSD, n.d.). WBCSDs guidelines of CSR relate to this study because the aforementioned strategies are used to improve profit, businesses ethics, and communities. However, WBSCD acknowledged that CSR is practiced differently based on culture, religion, and government (WBCSD, n.d.).

In emerging markets such as Nigeria, the cultures and institutions that govern the market activity differ from those of developed markets (Foo, 2007). Emerging economies are low-income economies with rapid success (Foo, 2007). The emerging economies rely more on informal constraints as opposed to formal regulations (Foo, 2007). According to Foo (2007), there is a question of whether CSR and stakeholder management will work in emerging markets due to unethical practices. However, CSR has the ability to improve ethical standards.

Corporate Social Responsibility

The purpose of CSR is for businesses to go beyond concerns about the bottom line and assist with development challenges through ethics, transparency, and the reduction of poverty while legitimizing businesses that assist with these challenges (Akanbi & Ofoegbu, 2012; Blowfield & Frynas, 2005; Idemudia, 2011). The primary concern of CSR is the “triple bottom line, people, planet, and profit, referring to economic, environmental, and social issues” (Babalola, 2012, p.40). Triple bottom line helps organizational leaders to generate sustainability with regard to management and is vital for society, the environment, and business (Akanbi & Ofoegbu, 2012). In turn, business profit margins generally increase. The goal of CSR is to progress society by managing an organization that is economically viable, legal, ethical, and supportive of the community (Kolk & van Tudler, 2010). Organizational leaders, the media, political leaders, and academics discuss CSR with regard to how business leaders can act ethically, assist society, and increase their profits (Campbell, 2007). This discussion of CSR is critical for developed and emerging economies; however, emerging economies have challenges with sustainable development that are complex (Blowfield & Frynas, 2005). Nevertheless, the application of CSR differs based on region and culture (Idemudia, 2011). Due to cultural complexities, individuals view CSR in different ways.

There are countless definitions for CSR because it varies based on the organization, location, and culture (Adeyanju, 2012). According to researchers at WBCSD (n.d.), CSR is a persistent commitment by businesses behaving ethically and contributing to economic development while increasing the quality of life of employees and their families, as well as the local community and society. Corporate social responsibility has initiated debates concerning negative business practices and their effects on society and business obligations regarding society (Riordan & Fairbrass, 2008). Scholars and business leaders want to determine the best ways to apply CSR and the ways it can improve profits.

There is no single agreed upon definition of CSR and therefore some business leaders are uncertain about its expectations (Adeyanju, 2012; Wettstein, 2012). At its core, CSR is a term that consists of a complicated array of issues related to business and societal practices (Wettstein, 2012). Corporate social responsibility is a voluntary practice based on a vision of social and environmental concerns relating to business operations and dealings with stakeholders (Enquist, Johnson, & Skålèn, 2006; Russo & Perrini, 2010). Corporate social responsibility also entails transparent and ethical business practices that respect the community, employees, and environment (Dartey-Baah & Amponsah-Tawiah, 2011). Mordi, Openyemi, Tonbara, and Ojo (2012**)** described CSR as a moral obligation by lawful firms to promote society. Additionally, CSR represents the use of responsible business application to bring about societal and environmental change (Dartey-Baah & Amponsah-Tawiah, 2011). The change brought on by CSR should be positive for the business and community.

Some terms used to describe CSR are social issues management, corporate accountability, corporate conscience, corporate citizenship, and public policy (Dartey-Baah & Amponsah-Tawiah, 2011; Garriga & Melé, 2004). The main themes of CSR are human rights, employee rights, environmental protection, community involvement, supplier relations, and monitoring (WBCSD, n.d.). The basis of human rights afforded to individuals under CSR is the UN Declaration of Human Rights of 1948 (WBCSD, n.d.), and the basis of employee rights within CSR is the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work (WBCSD, n.d.). Environmental protection under CSR includes protecting the environment from business operations (WBSCD, n.d.). Community involvement with regard to CSR entails philanthropy (generous donations or contributions), community health and safety, and educational needs (WBSCD, n.d.). The notion of supplier relations consists of business leaders acting responsibly in choosing suppliers (WBSCD, n.d.). The monitoring aspect involves measuring and reporting performance (WBCSD, n.d.). There are several important components for the practice of CSR; however, the application is dependent upon the culture in which people practice it.

Corporate social responsibility is a culture because it has a cultural foundation that affects beliefs and influences the culture of capitalism (Blowfield & Frynas, 2005). Therefore, the definitions and issues pertaining to CSR are different in various cultures (Blowfield & Frynas, 2005). Another concern of CSR is business leaders being accountable for their actions and how they affect the community, shareholders, customers, employees, suppliers, environment, and obeying laws (Achua, 2008;

Adeyanju, 2012). The aspects to CSR are ethical, philanthropic, economic, and legal (Adeyanju, 2012). Brown stated that "corporate social responsibility is a corporate responsibility that goes far beyond philanthropy and includes a year-round responsibility that company leaders accept the environment around them, set forth the best working practices, engage in the local community, and contribute to poverty reduction" (UK Department of Trade and Industry, 2004, p. 2**)**. Corporate social responsibility is what a company does socially, economically, politically, or developmentally to contribute to a community (Terungwa, 2011). Moral obligation, brand recognition (reputation), and operational management are the main reasons CSR is necessary for a business (Porter & Kramer, 2006). Campbell (2007) described CSR as socially responsible behavior in which employees earn a decent living wage and participate in responsible behavior that does not harm the environment or the community. The goal of CSR is to attain sustainability through a balance of economic, environmental, and social measures (Akanbi & Ofoegbu, 2012). Corporate social responsibility is critical for organizations to have a positive reputation and high performance (Akanbi & Ofoegbu, 2012). Businesses need to make a profit.

Corporate social responsibility must also entail helping communities to solve problems that the business has caused (Adeyanju, 2012). Business leaders must also be responsible to stakeholders and have respect for human values (Adeyanju, 2012). Business leaders need to practice CSR that manages risks and their reputations, protects human capital assets, and responds to consumer demands (Doane, 2005). Economic responsibilities of CSR entail an organization's integrity, economic development, the prevention of corruption and bribery, and employing local labor (Adeyanju, 2012).

A firm's social responsibilities consist of human rights, respecting individuals, and training individuals in the community (Adeyanju, 2012). Thus, it is imperative that organizational leaders adopt human rights, and a legal framework should be in place to hold leaders of corporations accountable for human rights violations (Wettstein, 2012). The ethical responsibilities of a firm encompass protecting people, achieving objectives, having integrity, supplying goods or services that do not injure people, entering into legitimate contracts with all parties, using resources to make a profit, compensating workers equitably, and enhancing the organization's operations (Adeyanju, 2012). According to research firms, companies whose leaders base their performance on CSR are more profitable than are companies whose leaders do not (Terungwa, 2011). The valuation of a company whose leader implements CSR, which includes community endeavors, is positively affected (Bird et al., 2007). Corporate social responsibility also improves an organization's brand, reputation, and dealings with the community and government; therefore, the market rewards companies that practice CSR (Bird et al., 2007; Terungwa, 2011). Hence, companies that do not meet regulatory and community obligations are negatively affected.

Scherer and Palazzo (2009) asserted that corporations assist society by providing goods, services, jobs, and paying taxes. Businesses are the foundation of the economy and their role is to produce goods and provide services to make a profit (Carroll, 1979). Yet, companies have an obligation to act toward improving social ills if they are able, even if it costs the shareholders because profits will increase in the future (Branco & Rodrigues, 2007). Improved social performance of companies contributes to improved financial performance (Scherer & Palazzo, 2009). However, the literature on CSR has shown that leaders of weak organizations are less likely than leaders of strong organizations to practice CSR because weaker organizations do not have the resources that firms that are more profitable have (Campbell, 2007). Nevertheless, leaders of weak organizations could invest in some type of CSR to improve their business.

Practice of Corporate Social Responsibility

The implementation and application of CSR are important for businesses to behave ethically. Many corporations have their CSR initiatives on their websites and on hard copy to inform the public of their campaigns in an attempt to advertise to customers because the public and government value ethical behaviors from businesses (Akanbi & Ofoegbu, 2012). Campbell (2007) asserted that corporations are not as likely to practice CSR if they have very little competition or too much competition. Nonetheless, CSR can lead to loyalty from customers and employees because of increased trust, which therefore increases financial performance (Akanbi & Ofoegbu, 2012). The reputation of a company is of paramount importance because it can strengthen or weaken the company and its stock value (Porter & Kramer, 2006). Corporate social responsibility activities can bring about a reputation of goodwill for a company, which will increase the long-term value of a company (Bird et al., 2007). Companies operate to make a profit, and organizational leaders should implement CSR to improve their economic performance (Porter & Kramer, 2006). Corporations are more likely to be socially responsible if they operate within cultures that focus on CSR and have the funds to do so (Campbell, 2007). Nonetheless, CSR has spread to many cultures via globalization, including Coca-Cola in India, Mexico, Brazil, and South Africa (Idemudia, 2011).

Globalization is rapidly increasing around the world, and business practices must include human rights because individuals should receive fair treatment (Wettstein, 2012). Globalization is the intensification of multinational relations between business and social ventures (Scherer & Palazzo, 2009). Negative business practices have intensified because of globalization, mainly through MNCs (Scherer & Palazzo, 2009). Hence, major MNCs function differently outside of their home country, even more so if the MNCs' base is in the developed world and the company is operating in a developing nation (Amaeshi & Amao, 2009; Dartey-Baah & Amponsah-Tawiah, 2011). The basis of CSR is the socioeconomic climate of a nation, and the developing world differs socioeconomically from the developed world (Amaeshi et al., 2006). Additionally, culture affects the way organizational leaders implement practices and policies in various cultures, and MNCs are not immune to cultural differences.

Multinational corporations are powerful economic and social organizations, and the global system of regulation is inadequate and limited (Scherer & Palazzo, 2009). Amadi and Abdullah (2012) asserted, "MNCs are the world's most efficient and sustainable engines of change; offering opportunity for people who are convinced there is none" (p. 61). Some Nigerian banks are MNCs. The leaders of MNCs are generally involved with CSR in developing countries where governance is poor and the living standard needs to be improved (Amadi & Abdullah, 2012).

Major focuses on CSR for MNCs are fair wages, working time, and working conditions (Matten & Moon, 2008). For example, MNCs such as Nestle, Unilever, and Cadbury have CSR policies but their leaders will not offer fair trade because they do not want their profits affected or to change the way in which they source their products in the developing world (Doane, 2005). Fair trade is a trading collaboration based on discussion, transparency, and respect that seeks greater objectivity in international trade (World Fair Trade Organization, 2011). The focus of fair trade is to empower the producers in emerging nations who supply to consumers in developed nations (Dobers & Halme, 2009). However, the premise of fair trade is inconsistent because it gives an unfair advantage to producers in the developing world over those in the developed world (Dobers & Halme, 2009). Nevertheless, the absence of offering fair trade is better than corrupt practices.

Between 1996 and 1998, inside sources reported that the consumer goods MNC Unilever Nigeria was guilty of insider dealings, shares racketeering, and awarding contracts to businesses in which the company had financial interests (Adegbite & Nakajima, 2011). Unilever experienced serious corporate abuse because the shareholders were unable to oversee the managers because the majority ownership was in the United Kingdom (Adegbite & Nakajima, 2011). There were no checks and balances in Unilever to prevent the corrupt practices (Adegbite & Nakajima, 2011). According to Kolk and van Tudler (2010), it has been difficult to regulate corporate operations because the regulations require government policies or they will not be feasible. However, companies whose leaders attempt to weaken their CSR activities in emerging economies may have to succumb to societal pressure and practice CSR because they are afraid to oppose the arguments for CSR (Amaeshi & Amao, 2009; Henderson, 2004). The increased growth of Western retailers that receive their supplies from developing countries caused the retailers to act responsibly with regard to working conditions and the treatment of the environment because corporate reputation has made businesses more susceptible to adverse media attention (Jenkins, 2005). The fact that Western retailers had to act more responsibly in the developing world due to pressure from Western consumers is an example of how culture affects CSR, because individuals in the developing country did not demand accountability.

Nike leaders had to change their labor practices after *New York Times* staff reported on labor abuses of Indonesian workers (Porter & Kramer, 2006). Nike's No Sweat campaign consequently improved the working conditions in its factories (Doane, 2005). Critics have argued that conditions differ in various nations and that imposing international standards prevents the development of low-income nations by preventing employment opportunities (Henderson, 2004). According to Idemudia (2011), the number of families that became impoverished increased in Indonesia because the children were no longer able to work. Corporate social responsibility can be a factor of bad capitalism and bad development if not practiced correctly (Blowfield & Frynas**,** 2005). Nevertheless, paying low wages to employees and demanding them to work in substandard conditions will likely have an adverse effect on output, therefore costing the firm more in the long term (Bird et al., 2007). Company leaders have shown concern about their reputations, and CSR is more than a public relations offensive for businesses

(Doane, 2005; Jenkins, 2005). Nevertheless, company leaders also focus on public relations.

Multinational corporations are not the only type of organizations whose leaders practice CSR. Small and medium-sized enterprises (SMEs) also have CSR activities, although their approaches differ (Russo & Perrini, 2010). A small-scale enterprise is an organization with between 11 and 100 employees and total revenue above 1.5 million naira (Nigerian currency; US$ 9,000.00) that does not exceed 50 million naira (US$ 303,000.00;Terungwa, 2011). The CBN no longer allows Nigerian banks to have a capital base below 50 million naira. A medium-scale enterprise is an organization that has total revenue above 50 million naira that does not exceed 200 million naira (US$1.21 million) with between 101 and 300 employees (Terungwa, 2011). Some Nigerian banks fall into the category of medium-scale enterprises. Small and medium-sized enterprises are the foundation of nations and the majority of businesses in emerging markets, including Nigeria, and SMEs are therefore critical for economic growth and sustainable development (Terungwa, 2011). Small and medium-sized enterprises have greater employment opportunities for the indigenous population than MNCs and contribute to the development of technology (Terungwa, 2011). The ethical issues of SMEs relate to religion: trust, openness, and honesty (Russo & Perrini, 2010). Leaders of SMEs do not have the capital to invest in CSR in the same manner as leaders of MNCs (Russo & Perrini, 2010). However, leaders of large firms have a stricter organizational structure and more stakeholders to consult (Russo & Perrini, 2010). Nonetheless, leaders of SMEs and MNCs in developed and developing nations can focus on various aspects of CSR.

There is a great need for CSR in the developing world because development and infrastructure are inadequate and the governments are unreliable (Amadi & Abdullah, 2012). The cultures and institutions in emerging economies have fewer formal rules and more informal limitations than do those in developed markets (Enquist et al., 2006). Therefore, CSR should address poverty alleviation, health care, education, and the development of infrastructure (Amaeshi et al., 2006). Corporate social responsibility is relevant with all organizations; nonetheless, the banking sector is susceptible to the effects of CSR because bankers have involvement with the economic development of the economy (Terungwa, 2011). The banking sector's role is to help build the economy.

Doane (2005) maintained that businesses have to be profitable to exist, and social and environmental goals are not the answer to a business being competitive. Other scholars have contended that CSR is a distraction from the economics of businesses (Mordi et al., 2012). Despite that, company leaders use CSR to improve business operations because their activities can increase the value of the company (Bird et al., 2007; Ginnarakis & Theotokas, 2011). Corporate social responsibility can also enable organizational leaders to provide solutions to social and environmental problems (Mordi et al., 2012). Some CSR activities have immediate cost savings for companies and increase the profitability of a company (Bird et al., 2007). Properly implemented CSR is not just a cost or a charity but an advantage in the marketplace because it is what the consumer wants (Porter & Kramer, 2006). Doane (2005) contended that CSR is superficial if it is only profit driven, but it is beneficial to practice CSR, regardless of the motivation.

Corporate Social Responsibility and Ethical Values

Corporate social responsibility is necessary for ethical business practices (Doane, 2005). Ethical values form the basis of the relationship between business and society (Garriga & Melé, 2004). Ethics have been a focal point for business leaders and academics for a long time because of its impact on society (Erondu et al., 2004). In addition, stakeholder concern about ethics is the norm in developing countries, including Nigeria, because of the prevalence of corruption (Cheng & Ahmad, 2010). The absence of ethics in a business can lead to a bad standing, loss of customers, and lower profits (Erondu et al., 2004). Therefore, a business should accept ethical practices (Erondu et al., 2004). Ethical leadership is the basis of ethical practices in banks (Gberevbie, 2012). Ethical leaders are of paramount importance because unethical leaders are likely to procure funds at any cost (Gberevbie, 2012). Unethical leadership has been problematic in the public and private sectors in Nigeria, including the banking sector.

Judeo-Christian values and ethics form the basis of CSR policies and practices (Idemudia, 2011). Doane (2005) contended the future of ethical cooperation is dependent upon awareness of the limitations of the market's ability to serve society. Companies should focus on the ethics and legitimacy of a company's behavior to satisfy customers and stakeholders because stakeholders are a key element in the existence of an organization (Giannarakis & Theotokas, 2011; Riordan & Fairbrass, 2008). Therefore, stakeholders have the right to receive ethical and socially responsible treatment by companies (Adeyanju, 2012). The lack of ethical treatment to stakeholders could prevent the organization from making a profit.

The practice of CSR gives businesses the ability to attract investors due to their ethical behavior practices (Adeyanju, 2012). Companies are demonstrating CSR when they have a comprehensive set of responsible policies, practices, and programs toward society and the environment regarding business operations (Adeyanju, 2012). However, corporations are not the cause of all the problems in the world and do not have the capability or responsibility to solve them all (Porter & Kramer, 2006). Additionally, the practice of CSR can cause increased costs and impair the performance of organizations (Henderson, 2004). Leaders of socially responsible organizations manage their business practices in a manner that supports and improves the local community (Adeyanju, 2012). In general, businesses can identify the practices in which they do well and apply them to the social ills that need addressing in an attempt to improve society (Porter & Kramer, 2006). The leaders of some businesses align their CSR activities with their business activities to manage their CSR in a way that satisfies stakeholders, the nation, industry, and the public (Kolk & van Tudler, 2010). Therefore, company leaders can simply match a social need to the ability of their company to provide assistance (Carroll, 1979). Any assistance provided to society by a company is beneficial.

Empirical Studies of Corporate Social Responsibility

Ginnarakis and Theotokas (2011) evaluated CSR in 112 companies whose leaders implemented the Global Reporting Initiative (GRI) between 2007 and 2010 in an attempt to measure the effects of the financial crisis on CSR performance. The basis of the GRI reporting framework was a 6-point score tested on 112 companies that measured the companies' corporate reputation, concern for the community, stakeholder pressure, and economic performance. The Wilcoxon signed-rank-sum test showed that companies that increase CSR increase their business performance significantly (Ginnarakis & Theotokas, 2011). A parametric paired-sample *t* test indicated that the financial crisis caused company leaders to terminate socially responsible behavior because satisfying stakeholder expectations was costly (Ginnarakis & Theotokas, 2011). However, Ginnarakis and Theotokas concluded that there are many benefits of implementing CSR and that CSR is critical for a company's longevity because it confirms trust between the company and its stakeholders. A strength of this research study was the use of the GRI framework because it is the most thorough reporting of CSR by a business (Ginnarakis & Theotokas, 2011). Two limitations discussed by Ginnarakis and Theotokas were that they based the study on companies that listed 4 years of GRI and they only examined large companies, as opposed to small and medium companies. Corporate social responsibility is vital for large, small, and medium-sized companies.

Corporate social responsibility is essential for the longevity of organizations and their policies, practices, and actions that can affect their businesses (Adeyanju, 2012; Akindele, 2011). The goal of organizations is maximizing profit and strengthening economic growth (Adeyanju, 2012; Akindele, 2011). Corporate social responsibility increases profits because customers like the idea that the companies they do business with have leaders who believe in acting ethically and giving back to the community (Adeyanju, 2012). Companies with leaders who seriously practice CSR increase business performance even in cases where businesses do not support investments (Ginnarakis &

Theotokas, 2011). Therefore, CSR is a by-product of profitability (Achua, 2008). Any addition to the bottom line of a company is positive.

Enquist et al. (2006) conducted a case study on CSR at Swedbank, one of the largest retail banks in Scandinavia, and grounded the study on the neo-institutional and stakeholder theories. Enquist et al. based their study on structured interviews at Swedbank between 2002 and 2004, annual reports at Swedbank, and supplemental data that included documents and bachelor’s and master’s theses. Four business-related activities served as empirical data for the study, including savings virtue, Swedbank and the GRI, Swedbank and the environment, and multicultural banking. The findings indicated that Swedbank leaders adopted an ethical practice of CSR, which has improved their relationship with stakeholders and positively affected their business (Enquist et al., 2006). The findings also indicated Swedbank leaders who are more socially responsible with multicultural banking and helping with social and environmental resolutions will perform better (Enquist et al., 2006). An observed strength of the research study was the use of the GRI because it is comprehensive, and the main weakness of the study was the use of the bachelor’s and master’s theses written by individuals tutored by one of the authors because the research studies could have included bias.

Bird et al. (2007) conducted a research study on potential conflict of management following the application of the stakeholder theory view. The data were from KLD Research & Analytics, Inc. KLD is a company that provides social issue ratings of various CSR activities and the impact on stakeholders in the United States market, from 1991 to 2003. The activities examined were community (charitable activities), diversity (opportunities for minorities), employee relations (profit sharing), environment (pollution prevention), and product (high innovation). Bird et al. used a regression model with the Wald test to evaluate the significance.

Bird et al. (2007) found that diversity and concern for the environment indicated market rewards for businesses and the market was hesitant to realize CSR activities. However, after 2 years, CSR activities improved the companies, with an increase of good employment practices (Bird et al., 2007). Organizations whose leaders failed to recognize diversity and environmental concerns were hindered (Bird et al., 2007). The broad data analysis periods from 1991 to 1997 and 1998 to 2003 were strengths of Bird et al.'s research study. Nonetheless, the deletion of small positive book value stocks was a weakness of the research study because the stocks could have altered the results.

Nigeria

Several factors are important when determining how firm leaders should operate in Nigeria because of the division and separation in African economies (Amaeshi & Amao, 2009). Nigeria is a complex nation that has a substantial population that consists of over 252 ethnic groups and tribes and many religions, cultures, and languages (Amaeshi et al., 2006; Shehu, 2004). The three main ethnic groups are the Yorubas, Hausas, and Igbos (Amaeshi et al., 2006). Nigeria is also a theistic nation, and most Nigerians believe in the supernatural or spiritual realities (Amaeshi et al., 2006). The poverty rate in Nigeria is extreme, most Nigerians do not have access to clean water or electricity, and the illiteracy rate is approximately 40%, which has led to a problem of crime (Adegbite & Nakajima, 2011; CIA, 2011; Shehu, 2004). The Nigerian road networks suffer from a lack of developed infrastructure (Amaeshi et al., 2006). The health care system in Nigeria is underdeveloped, the country has one of the worst doctor-patient ratios (1:1000), and the Nigerian government spent only $2 per person on health care in 2002 (Amaeshi et al., 2006; Phillips, 2006). Nigeria's extreme poverty rate and lack of infrastructure have exacerbated the nation's problem of development.

Unethical leaders are unlikely to bring about development (Gberevbie, 2012). Poor leadership in Nigeria has been a major hindrance of development and has created enormous poverty (Gberevbie, 2012). Therefore, good governance, properly implemented laws, and property rights are necessary for efficient businesses in Nigeria (Porter & Kramer, 2006). Bribery, corruption, labor standards, and human rights are major issues that need addressing in Nigeria (Amaeshi & Amao, 2009). Nevertheless, the meaning of corruption is relative and based on the place and culture in which it exists. For this research study, corruption refers to behavior that deviates from normal duties in an attempt to make personal or private gains (Shehu, 2004). Corruption includes fraud, bribery, theft, embezzlement, extortion, nepotism, and improper political donations (Shehu, 2004). Corruption continues to affect the socioeconomic development of Nigeria negatively (Afolabi, 2010). In Nigeria, corruption became a way of life during the 32 years of military rule (Afolabi, 2010). The corruption is at a fatal stage and the country could decline if it continues on this path (Shehu, 2004). Nigeria is no longer under military rule, but corruption has continued.

Nigeria suffers from political instability, which Akindele (2011) contended could be because of a lack of CSR that has contributed to poverty, environmental degradation, poor infrastructure, corruption, and a decaying educational system. The aforementioned problems are detrimental to the development of the society because corporations need healthy societies to be successful (Porter & Kramer, 2006). Governments can cause jobs to disappear and they cannot collect taxes if jobs are nonexistent (Porter & Kramer, 2006). Using taxes properly can assist with the development of a nation.

Nigeria's legal system is a result of the British colonial government system: an Anglo-Saxon-based system of laws implemented prior to Nigeria's independence (Adegbite & Nakajima, 2011). Therefore, Nigerians inherited their legal system as opposed to devising it based on the Nigerian culture and business environment (Adegbite & Nakajima, 2011). However, Nigeria's legal system is not similar to the legal system in the United Kingdom (Adegbite & Nakajima, 2011). Nigeria's legal system is too underdeveloped to manage its problems of nontransparency, corruption, and corporate abuse (Adegbite & Nakajima, 2011). The need for development in Nigeria is critical.

Nigerian Banking Sector

Financial sectors play a critical role in the development of economies because their goal is to promote economic growth, and CSR is an essential component of the banking sector (Gberevbie, 2012; Ogujiuba & Obiechina, 2011). The banking sector is vital because it plays the role of intermediary in an economy by "mobilizing savings from surplus units and channeling these funds to the deficit units of private industries for the purpose of expanding production capability" (Oghojafor, Olayemi, Okonji, & Okolie, 2010, p. 244). However, the development of the banking sector in Nigeria has experienced structural and institutional adjustments due to challenges (Ogujiuba &

Obiechina, 2011). Nevertheless, the difficulties in the Nigerian banking sector are not a new phenomenon.

History of the Nigerian Banking Sector

Employees of Elder Dempster and Co., a Liverpool shipping firm, established the first bank in Nigeria in 1891 (Gberevbie, 2012). By 1912, the British colonial government had issued currency, which was the foundation of the Nigerian banking sector (Gberevbie, 2012). The establishment of banks in Nigeria was for the British commercial services of the colony but not for the Africans to use (Uche, 2004). Most early businesses in Nigeria were British owned because after the abolishment of the slave trade, the British had authority over its colony, Nigeria (Amaeshi et al., 2006). Nigerians established an African-owned bank, the Industrial and Commercial Bank, in 1929 because leaders of foreign banks discriminated against Africans because they believed Africans were too primitive to use the banking system (Uche, 2004). Nevertheless, the bank failed due to mismanagement and embezzlement (Uche, 2004). Between 1951 and 1952, Nigerians established 24 indigenous banks, but only eight of the banks were in existence by 1954 because 16 failed due to unethical practices and other factors (Uche, 2004). From 1892 to 1952, there were no banking laws in Nigeria (Ezeoha, 2007). Therefore, the Nigerian government established the CBN in 1952 to create a platform for Nigerians to make monetary decisions, management rules, and regulations in an attempt to improve the banking sector (Okpara, 2009). Bank regulation and supervision are mandatory to prevent bank failure (Okpara, 2009), but are not the only factors needed to prevent banks from failing.

In 1986, Nigeria's military President Ibrahim Babangida took the advise of the International Monetary Fund and the World Bank to adopt the Structural Adjustment Program (Uche, 2004). The objective of the program was to restructure the economy, eliminate inflation, and reduce the dependence on imported goods and oil exports in an attempt to increase economic growth. The Nigerian government had to agree on a decided-upon exchange rate for the naira, deregulate trade, rely on market forces for prices, and deregulate the banking sector (Uche, 2004). Consequently, bank licensing was lenient (Uche, 2004). The number of licensed commercial and merchant banks surged from 40 to 120 between 1985 and 1992 (Uche, 2004). The majority of these "banks bought and sold foreign exchange because of the various currency exchange rates in the government Inter Bank Foreign Exchange Market (IFEM) and the parallel market" (Uche, 2004, p. 68). Twenty banks lost the ability to trade on the foreign exchange market in 2002 for participating in this unethical practice of insider abuse known as round tripping (Uche, 2004). The 20-bank suspension was a significant number of banks.

Fifty banks had their licenses revoked and assets liquidated between 1994 and 2006 (Achua, 2008). In July 2004, prior to the complete liquidation, there were a total of 89 banks and 3,382 branches, low capital base, dominance of a few banks, weak corporate governance, and poor asset quality (Soludo, 2006). Before the end of 2005, about 10 banks controlled over 50% of the total assets and deposits in the banking sector (Ezeoha, 2007). The shareholders could not find merger partners and did not have the required capital base by January 2006, therefore 12 banks had consolidated and the others were eliminated (Achua, 2008). Prior to consolidation, many Nigerian banks were privately or family owned (Adegbite & Nakajima, 2011; Ezeoha, 2007). However, the mergers and acquisitions that took place after the consolidation reduced the number of family-owned banks in Nigeria (Adegbite & Nakajima, 2011). In many instances, family-owned businesses have appointed relatives and close friends to boards and management positions even when they do not have the proper qualifications or are incompetent (Adegbite & Nakajima, 2011). The CBN recommended that families not own banks in an attempt to increase diversification of shareholders and lessen the incidences of corruption (Adegbite & Nakajima, 2011). However, the CBN recommendation that families not own banks is not a law.

After consolidation, Union Bank had the largest capital base of approximately $446 million, which indicated that Nigeria was not a major factor in global banking (Ezeoha, 2007). According to Emini and Omokhudu (2007), in comparison with other global markets, both mature and emerging, Nigeria's banking sector is "imperfect, underdeveloped, and there is a low level of understanding about banking operations by the public and private sectors" (p. 65). Leaders at the CBN should foster increased investment and CSR in the Nigerian banking sector to improve the sector (Ezeoha, 2007). Banking industry consolidations have taken place globally, including in the United States, Europe, and Asia. Hence, the phenomenon of bank consolidation is not specific to Nigeria (Ezeoha, 2007). Nevertheless, African economies and infrastructure are different from those of the developed world. According to Ezeoha (2007), CBN leaders should not have modeled the consolidation after that of the United States, Europe, and Asia because the financial structure of Nigeria differs considerably.

Reliable credit rating agencies do not exist in Nigeria, and the legal process is long and costly; therefore, banks are rarely able to sue borrowers for financial abuses (Sanusi, 2010). The consolidation created larger banks but did not strengthen the weak corporate governance or CSR because the bank leaders continued to partake in fraudulent and unethical practices (Sanusi, 2010). Nigerian bankers borrowed government funds to purchase private jets and used customer deposits as alleged raised capital (Sanusi, 2010). These abuses were examples of blatant corruption.

Other developing countries have had paths similar to that of Nigeria. However, Nigeria experienced financialization at a rapid rate due to the excess liquidity from foreign direct investment and oil revenues that caused the NSE market capitalization to increase 5.3 times and bank stocks to rise nine times between 2004 and 2007 (Sanusi, 2010). These events lead to Nigeria's financial bubble (Sanusi, 2010).

In 2009, the Nigerian economy experienced more difficulty due to the state of the global economy, and the banking system experienced a crisis (Sanusi, 2010). The Nigerian stock market collapsed by 70% between 2008 and 2009; therefore, the CBN provided eight banks with 620 billion naira (US $3.76 billion) in an attempt to prevent a collapse of the banking sector (Nwakama et al., 2012; Sanusi, 2010). Additionally, leaders at CBN terminated the jobs of eight chief executives and executives of five major Nigerian banks, including Intercontinental Bank, Oceanic Bank, Afribank, Union Bank, and Finbank, between August and October 2009 because of poor corporate governance and violating financial ground rules (Oghojafor et al., 2010; Pratt, Ademosu, Adamolekun, Alabi, & Carr, 2011; Sanusi, 2010). Police arrested banking chief executive officers and seized their assets (money, investments, and properties) due to their unethical practices (Gberevbie, 2012). Achua (2008) contended the liquidation of banks led to a loss of GDP and a waste of resources because Nigeria could have used the resources to develop the society. Nonetheless, the banks needed assistance to prevent the economy from collapsing.

Sanusi (2010) asserted that Nigerian banks and the Nigerian government had to learn from the banking crisis and implement measures to establish financial stability in an attempt to develop the economy. A lack of investor and consumer knowledge, inadequate disclosure and transparency about the financial status of banks, irregular enforcement, and a weak business environment were some of the factors involved in the cause of the fragile banking system (Sanusi, 2010). Disclosure and transparency are critical components of CSR (Jenkins, 2005) that are necessary in the Nigerian banking sector.

Present Day Nigerian Banking Sector

Investors view Nigeria as a safe investment in Africa (Adegbite & Nakajima, 2011). In 2006 Nigeria had 25 banks (Soludo, 2007). Twenty of the 25 banks are in the top 100 banks in Africa, and four of the banks are in the top 10 banks in Africa, best performing (Soludo, 2007). This is in sharp contrast to 2005 before consolidation, when 90% of Nigerian banks had bad reputations (Achua, 2008). Guaranty Trust Bank (GTB) was the first Nigerian bank listed on the London Stock Exchange, followed by Diamond Bank, another Nigerian bank (Adegbite & Nakajima, 2011). The consolidation of Nigerian banks and the CBN interventions should have forced the banking sector to build and sustain public trust through corporate governance and CSR (Nwakama et al., 2012), but the Nigerian banking sector operates in a country riddled with fraud, corruption, and unethical practices (Uche, 2004).

The leaders of most Nigerian banks are not transparent or accountable for their actions, submit false returns to the regulatory authorities, and conceal information from examiners to prevent their detection as an unsound bank (Olayiwola, 2010). Nwakama et al. (2012) asserted the quality of assets in Nigerian banking portfolios is second-rate, which is an indicator of poor CSR. Nigerian banks have a reputation of being unethical; banks have closed overnight without making the public aware (Erondu et al., 2004). Olayiwola (2010) contended that Nigerian banks "do not portray a high degree of professionalism, transparency, or accountability" (p.188), yet the banking sector is imperative for Nigeria's growth, contributes to the GDP, and is a significant source of labor (Gberevbie, 2012). Additionally, a country cannot function properly without a banking sector.

There is a need for greater ethics, accountability, and transparency in the banking sector, which are the objectives of CSR (Gberevbie, 2012). Unethical practices are rampant in Nigerian banks (Achua, 2008). For example, First Bank Nigeria PLC colluded with Investment International Limited of London in a deal for a loan worth more than $96 million to avoid the privatization of programs criteria (Achua, 2008). The banking sector cannot thrive and facilitate development if leadership is corrupt and ethical values are nonexistent (Gberevbie, 2012). Financial security is dependent upon "policy credibility, a reliable judicial system, transparency, and well-defined institutional responsibilities" (Ogujiuba & Obiechina, 2011, p. 9). Nigeria needs financial security to progress.

The banking sector faces the challenge of lackluster economic growth and government intervention (Ezeoha, 2007). Large loans that are uncollectable, poor management, insider abuse, fraud, and corruption remain problematic in the Nigerian banking sector (Ezeoha, 2007). Corruption and fraud have been deteriorating the Nigerian banking sector because of weak internal control and a lack of ethics (Olatunji, 2009; Uche, 2004). According to Adeyanju (2012), Nigerian banks employ attractive men and women to lure deposits that encourage fraud and prostitution. Achua (2008) also contended that Nigerian banks have low ethical standards and have a system of telling marketers to do anything necessary to meet their deposit targets in a practice known as "corporate prostitution" (p. 60). Staff members who fail to get deposits and do not meet targets are aware that their jobs will be in jeopardy and are therefore willing to resort to prostitution or stealing to meet their targets (Adeyanju, 2012). Nigerian bankers also use different bases to compute interest paid and interest received; for example, some banks use 360 days and some use 365 days, which could lead to a large amount when consolidated (Uche, 2004). It is unethical not to provide interest on funds for the agreed upon amount of time.

Another unethical practice within Nigerian banks is transferring customer accounts to dormancy if they become inactive for a short period of time (3 months to 1 year); this includes savings accounts, which generally remain inactive to allow interest to mature (Uche, 2004). Savings accounts moved to dormancy cannot earn interest.

According to Uche (2004), bankers defend account dormancy by noting that they move accounts to dormancy in an attempt to prevent fraud and that they add the interest after they move the accounts from dormancy. However, they do not always add the interest (Uche, 2004). Unethical practices are not healthy for banks or the nations in which they operate.

Olatunji (2009) examined the outcome of the internal fraud prevention control systems in Nigerian banks. Olatunji hypothesized that banks with internal controls were able to prevent fraud and that fraud plagues those without proper internal controls. Fraud refers to deception to obtain an unfair advantage (Olatunji, 2009). Bank fraud includes "theft, embezzlement, defalcations, forgeries, substitution, suppression, payment against unclear effects, unauthorized lending, lending to ghost borrowers, foreign exchange malpractice, fictitious accounts, duplication of check books, computer frauds, and fake payment" (Olatunji, 2009, p. 183). Olatunji expressed that internal banking controls include policies, procedures, and structures that will ensure the fulfillment of business objectives. Olatunji collected data from 50 branches of Wema Bank PLC in Nigeria via structured questionnaires, journals, interviews, and the Internet. The data collection method, including the number of banks sampled and other sources that Olatunji used, were strengths of the research study. Olatunji distributed 80 questionnaires and received 62 completed questionnaires in return (Olatunji, 2009). Olatunji illustrated calculations and significance values. Olatunji concluded that management must implement internal controls and have effective audit departments to prevent fraud in banks. A weakness of the research study was that Olatunji did not indicate the test or tests conducted to measure the significance, and the lack of information could make the study difficult to replicate.

Bank management is responsible for providing a sustainable environment to assist the bank with the effects of the external environment (Ebiringa, 2011). Cybercrimes are also harming the Nigerian banking sector (Achua, 2008). Nigeria has high incidences of Internet-based fraud, including bank fraud, money laundering, and insider abuse (Achua, 2008). Nigerian cybercrimes are problematic because many Nigerians do not trust electronic banking, which is a necessity for a modern banking system (Achua, 2008). The absence of proper ethical standards can be ruinous to the development of a nation (Gberevbie, 2012). Some Nigerian banking executives do not practice honesty, transparency, responsibility, accountability, or mutual respect because their main concern is with assisting themselves and their loyalists (Oghojafor et al., 2010). Ogujiuba and Obiechina (2011) contended that Nigerian bankers need to be responsible and accountable for attaining financial soundness because the current system is susceptible to financial misconduct. Transparency and public trust form the basis of a bank’s stability (Nwakama et al., 2012; Okezie, 2011). Formal ethical training should be a requirement of bank employees, especially management, to prevent unethical practices and corruption (Gberevbie, 2012). Ethical training could help with CSR practices.

The Western and African Models of Corporate Social Responsibility

The continent of Africa has a population of about 850 million individuals, with several ethnicities, 54 nations, and approximately 2,000 languages (Dobers & Halme, 2009). Africans have experienced fighting between cultures, corrupt governments, squandered international aid, malaria, HIV/AIDS, and other complex challenges (Dobers & Halme, 2009). Therefore, CSR is compulsory in Africa (Dobers & Halme, 2009), as it could aid Africa's problems with governance, public health, and development.

Colonization was the first means of exposing Africans to the Western model of CSR in the early 1800s (Dartey-Baah & Amponsah-Tawiah, 2011). Dobers and Halme (2009) asserted that Africa has received a great deal of international development aid from the United States, Europe, celebrities, and philanthropists, initiated by the Band Aid and Live Aid actions during the 1984 famine in Ethiopia. These initiatives have not affected African governance (Dobers & Halme, 2009). Most African countries are not socially or economically developed (Dobers & Halme, 2009). Africa needs to experience development without depending on foreign aid because foreign aid has not assisted with the alleviation of poverty (Dobers & Halme, 2009). Production, development, governance, and CSR should increase (Dobers & Halme, 2009), and although these changes are critical, they cannot take place overnight.

There are similarities and significant differences between CSR in the West and CSR in Africa because the West initiated the CSR agenda (Dartey-Baah & Amponsah-Tawiah, 2011; Idemudia, 2011). Corporate social responsibility concerns vary from country to country because they are need based (Idemudia, 2011). There are also national and cultural differences in the conception of CSR (Arli & Lasmono, 2010). Political, financial, educational, labor, and cultural practices comprised the historical basis of institutional CSR (Matten & Moon, 2008). Cultural factors have a strong bearing on the way in which policy makers and businesspersons address CSR in developing nations.

According to Idemudia (2011), Africa's values and ethics differ from those of the West. Some individuals view CSR as another means of Western hegemony (Dobers & Halme, 2009). Despite that, CSR has helped grow economies.

Corporate social responsibility is a Western concept that has grown and developed nations since the 1960s and recently spread beyond the West through MNCs and globalization, and that is a modern-day response to globalization (Amaeshi et al., 2006; Blowfield & Frynas, 2005). In Europe, the bases of many of the economic and environmental contributions of CSR by organizations are a legal framework and government pressure of expected compliance (Dartey-Baah & Amponsah-Tawiah, 2011; Phillips, 2006). Europe also has public training for CSR (Matten & Moon, 2008). Government leaders in the United Kingdom claim to be a leading subscriber of CSR that began in 2002 as a framework for organizations to be socially and environmentally responsible for poverty reduction, addressing inequalities, organizational regulation, transparency, and setting labor standards for work done oversees in emerging markets (UK Department of Trade & Industry, 2004). The United Kingdom also offers tax relief for organizations to promote CSR (UK Department of Trade & Industry, 2004). In the United States, leaders of successful companies and organizations voluntarily practice CSR because responsibilities are of a higher priority in the United States than Europe (Dartey-Baah & Amponsah-Tawiah, 2011). Matten and Moon (2008) added that U.S. society has a strong ethic of stewardship; philanthropy is strong in American tradition. Government must be proactive in ensuring that company leaders practice CSR and address legitimate concerns of their stakeholders (Bird et al., 2007). Governments need to set the CSR standards based on moral guidelines for society, for instance the abolition of the slave trade and health and safety regulations (Doane, 2005). Government-set CSR standards would provide a guideline for businesses.

In Western organizations, the customer pushes CSR and organizational leaders respond due to the competitive nature of business (Dartey-Baah & Amponsah-Tawiah, 2011). Consumers in the developed world do not compromise on CSR based on quality or price (Arli & Lasmono, 2010). In the developing world, consumers place more importance on price than on CSR because they need to purchase the most affordable goods. Many individuals struggle to purchase necessities in the developing world (Arli & Lasmono, 2010). Poverty causes individuals to choose goods and services based on the lowest price as opposed to brand reputation.

Corporations are generally socially responsible based on the social and cultural institutions in which they operate and incentives offered for their behavior (Campbell, 2007). For instance, the U.S. government offers tax deductions for charitable contributions that could affect philanthropy (Campbell, 2007). Enforcement and compliance with CSR in developing countries are poor, and government leaders need to strengthen the capacity of CSR and collaborations with organizations and communities (Idemudia, 2011). Company leaders should be willing to invest in CSR to increase their business.

Amaeshi et al. (2006) contended that the West shaped the CSR agenda and that Anglo-American values form the basis of CSR. However, CSR is beneficial for developed and developing nations to protect human rights and progress economic growth, and CSR has become common in Africa (Blowfield & Frynas, 2005; Dartey-Baah & Amponsah-Tawiah, 2011). Nevertheless, Dartey-Baah and Amponsah-Tawiah (2011) asserted that there are limits to the Western practice of CSR in Africa. Additionally, Idenudia (2011) suggested Africa should base the CSR design on local customs and ethics. Corporate social responsibility in Africa is not as institutionalized as it is in the West because Africans did not base it on management codes or standards (Dartey-Baah & Amponsah-Tawiah, 2011). Anglo-Saxon countries have a firmer division between social and economic matters and stress individualistic values as opposed to communal values (Blowfield & Frynas, 2005). In Africa, leaders of large MNCs or leaders of companies that hope to be MNCs in the future practice Western CSR the most (Dartey-Baah & Amponsah-Tawiah, 2011). Nevertheless, philanthropy is not a new occurrence among African firms.

Philanthropy is the main characteristic of CSR in Africa carried out through education, health (malaria and HIV/AIDS), development, the environment, and sports (Dartey-Baah & Amponsah-Tawiah, 2011). Education is the key to sustainable growth and development (Amadi & Abdullah, 2012). Public health initiatives that focus on preventable diseases such as HIV/AIDS, malaria, and malnutrition are the most common types in Africa (Scherer & Palazzo, 2009). The absence of a healthy society increases poverty because many ill individuals are unable to work to earn a living (Amadi & Abdullah, 2012).

African businesses view financial contributions as paramount in Africa for organizations to assist society, and Africans address social issues of CSR more than environmental, stakeholder, and ethical issues (Dartey-Baah & Amponsah-Tawiah, 2011). Nonetheless, corruption and lack of accountability should receive more focus in Africa (Idemudia, 2011). Additionally, African governance does not facilitate the practice of CSR (Idemudia, 2011). Arli and Lasmono (2010) contended that CSR in developing nations focuses on financial contributions because the legal systems are not able to tackle such problems as corruption and ethical abuses. However, African CSR needs to go beyond financial contributions and include transparency, fairness, equity, human rights, and environmental protection (Adegbite & Nakajima, 2011). African CSR needs practicing on a broader scale.

There has been mounting evidence that CSR is increasing in Africa due to pressure from nongovernmental organizations' and MNCs' home countries (Matten & Moon, 2008). However, developing nations need their own CSR policies and practices with a focus on sustainable growth and development and poverty alleviation (Idemudia, 2011). Corporate social responsibility in developing nations generally includes activities that develop the infrastructure or the economy, and CSR in Africa is a means of political reform but socioeconomic climate is the prime determinant (Dartey-Baah & Amponsah-Tawiah, 2011). Organizational leaders need to be aware of cultural values for organizations to function properly within society (Blowfield & Frynas, 2005). It is imperative for African businesses to develop a socioeconomic climate that is conducive to business growth and market access (Dartey-Baah & Amponsah-Tawiah, 2011). Therefore, bank leaders in developed nations are implementing CSR into their banking philosophy, which would also be ideal for Nigerian banks (Achua, 2008). Nevertheless, Idemudia (2011) lamented that organizational leaders alone will only be capable of making slight contributions to development in Africa, but Dartey-Baah and Amponsah-Tawiah (2011) noted stronger governance in Africa would improve all elements of CSR, including legal responsibilities, economic development, ethics, and philanthropy. Corporate social responsibility in Africa should address the lack of governance because social services are inadequate (Dartey-Baah & Amponsah-Tawiah, 2011). Corporate social responsibility could assist the Nigerian populace in receiving fair treatment.

Nigerian Practice of Corporate Social Responsibility

Scholars contended that CSR varies from country to country and that leaders of corporations should practice CSR based on the moral and political system in which they operate (Campbell, 2007; Scherer & Palazzo, 2009). Corporate social responsibility in developing nations refers to the formal and informal way organizational leaders attempt to improve “governance, social, ethical, labor, and environmental conditions of the developing country in which they operate, while respecting the local religion, culture, and history” (Dartey-Baah & Amponsah-Tawiah, 2011, p. 127). Historically, the Nigerian government has not pressured companies to implement and practice CSR (Adeyanju, 2012). However, Nigeria is currently party to 10 UN human rights treaties, which is a development of CSR (United Nations, 2012).

In 2004, the Nigerian National Planning Commission implemented a NEED strategy in which the private sector would provide more jobs, increase productivity, and be more socially responsible (Babalola, 2012). At the 12th Annual Nigerian Economic Summit, held in Nigeria’s capital city of Abuja in 2006, a number of Nigerian businesses signed the UN Global Compact network (Babalola, 2012). The Global Compact includes businesses, governments, and nongovernmental organizations, and is the largest voluntary, global CSR approach based on the UN Universal Declaration of Human Rights, the International Labour Organization, and the Rio Declaration on Environment and Development (UN Global Compact, 2011).

Transparency, public accountability, and disclosure are also important elements of the Global Compact because no one enforces behaviors (UN Global Compact, 2011). Signing the document indicated that the business leaders that are party to the network would commit to CSR in Nigeria because the government's work is insufficient and they want to secure their brand (Babalola, 2012). Nevertheless, companies do not always follow through with their promises and objectives (Babalola, 2012). Additionally, the Global Compact does not give an explicit framework for CSR activities (Jenkins, 2005). The Global Compact is an attempt by the UN to encourage leaders in governments, nongovernmental organizations, and businesses to be accountable for their actions.

Responsible business leaders should be resourceful in finding ways to practice CSR and develop Nigeria and other developing countries (Idemudia, 2011). Nigerians could also borrow elements of CSR from other nations to address the challenges specific to Nigeria, including its "historical, social, economic, political, and cultural environments" (Adegbite & Nakajima, 2011, p. 269). Businesses should view CSR as a legal obligation that will hamper profitability if not practiced; therefore, there is a demand for responsible businesses (Branco & Rodrigues, 2007; Scherer & Palazzo, 2009). However, Mordi et al. (2010) asserted that organizational morality will differ from one organization to another, and law cannot enforce it. Additionally, Dartey-Baah and Amponsah-Tawiah (2011) contended that business leaders should assume CSR voluntarily, as opposed to it being law, because it is best for the long-term interest of the business. There are no laws requiring CSR in Nigeria (Mordi et al., 2012). Nevertheless, there are debates as to whether CSR should be a law or remain voluntary based on morality (Mordi et al., 2012). The debates are important because ethical responsibilities of businesses are ill defined (Dartey-Baah & Amponsah-Tawiah, 2011). The debates about Nigeria are pointless if there is not a positive outcome.

Leaders in organizations should practice CSR because it is ethically and morally correct and based on religion and philosophy (Branco & Rodrigues, 2007). According to Mordi et al. (2012), the Nigerian government concerns itself with getting paid from organizations when the organizations fail to meet social and legal responsibilities of CSR. Additionally, the Nigerian government could do more to persuade leaders of companies to practice CSR, for instance by collaborating with them to ensure they carry out CSR and providing tax relief and soft loans to organizations that are good corporate citizens (Mordi et al., 2012). However, tax avoidance and evasion are issues in Nigeria and other parts of the developing world (Idemudia, 2011). An estimated US $11.5 trillion from the developing world are in tax shelters around the world; leaders of companies carry out 60% of tax evasion (Dobers & Halme, 2009). A vital aspect of being a good corporate citizen is paying taxes in an attempt to increase government revenue (Jenkins, 2005). Government leaders should use government revenue to increase development in Nigeria.

According to Amaeshi et al. (2006), the practice of CSR in Nigeria began with MNCs, for instance Western oil and gas companies such as Shell, in an attempt to have sustainable development and community investment. Western companies have mandates from their home countries to focus on CSR practices (Amaeshi et al., 2006). The practice of CSR by MNCs in Nigeria includes a focus on socioeconomic needs, which is deeply entrenched in the culture because of its history of dependency on foreign aid (Adeyanju, 2012). In this regard, CSR serves as a means to provide governance to address the problems from economic globalization (Blowfield & Frynas, 2005). Leaders of MNCs should be willing to assist nations in which they work and make a profit.

Idemudia (2011) maintained that international pressure and violence have prompted the CSR practiced by leaders of MNCs in Nigeria. However, as addressed earlier, CSR in Nigeria has historically been more akin to philanthropy and has addressed poverty alleviation, health care, and education (Amaeshi et al., 2006). Nonetheless, philanthropy is critical in the developing world because of widespread poverty and high unemployment rates (Dartey-Baah & Amponsah-Tawiah, 2011). Leaders of successful companies and individuals generally carry out philanthropy due to indigenous traditions in most developing nations (Dartey-Baah & Amponsah-Tawiah, 2011). Nigeria's indigenous tradition is having an extended kinship society whereby individuals feel responsible for extended family members. Therefore, the owner of a business is responsible for providing for the family and operating the business (Amaeshi et al., 2006). The village or kinship mentality is an example of being socially responsible that existed prior to Western CSR (Phillips, 2006). However, kinship mentality and familial responsibilities are not equivalent to CSR.

The kinship responsibilities stem from the religious aspect of the culture; however, these spiritual philosophies do not prevent corruption and bribery in Nigerian businesses (Amaeshi et al., 2006). According to Idemudia (2011), strong connections do not exist between business and religion, as in Brazil where the Catholic tradition has influenced the growth of CSR, in addition to a liberal market. These responsibilities do not necessarily reflect the Western expectation of CSR (Amaeshi et al., 2006). Additionally, indigenous Nigerian firms generally do not feel the pressure to protect their brand and investments because they are not global like Western organizations and there are cultural differences (Amaeshi et al., 2006).

According to Campbell (2007), the state is not the only body that can be responsible for regulating CSR. Industry leaders can establish their own standards and regulatory bodies (Campbell, 2007). Leaders in the Nigerian government have attempted to make strides toward implementing CSR in Nigerian businesses. Senate Bill 27, sponsored by Senator Uche Chukwumerde of Abia state, went before the Nigerian National Assembly on January 16, 2008, to provide for the establishment of a CSR commission (S. 27, 2008). The objective of the proposed bill was to implement CSR in organizations that are consistent with international standards to provide satisfactory relief for communities that have suffered from commercial ventures (S. 27, 2008).

Senate Bill 27 proposed that organizations respect World Trade Organization rules regarding trade barriers, release annual reports on social and environmental impacts, and ensure CSR is at least 3.5% of an organization’s gross annual profit for that year (S. 27, 2008). The bill also proposed that company leaders must publish annual reports on the business’s social and environmental impacts and be accountable to employees, trade unions, investors, host communities, and the environment or face fines of no less than 2% of the organization’s annual gross profit for violations (S. 27, 2008). Nevertheless, Nigerian lawmakers rejected the bill because CSR is voluntary. Mordi et al. (2012) contended that the bill had several deficiencies, including not informing the Nigerian public of the benefits of CSR, harming investments in Nigeria because of the high local and federal taxes already in place, and not indicating how Nigerian government leaders would practice CSR. Later in 2008, the Nigerian government attempted to promote CSR again.

The Nigerian Federal Executive Council (2008) defined CSR as “the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the community at large” (FEC, 2008, para.1). According to the Minister of the Federal Executive Council (FEC), Daggash, CSR should also include “corporate governance, ethics, health, safety, human rights, human resource management, anti-bribery, and anti-corruption measures” (FEC, 2008, para.1). In May 2008, members of the FEC approved the development of a CSR policy for Nigeria in an attempt to promote ethics in Nigerian businesses and therefore society (FEC, 2008). The FECs development of a CSR policy for Nigeria is an example of implicit CSR. Implicit CSR are formal and informal institutions that share responsibility for the community with organizations and consists of rules and values for corporations (Adeyanju, 2012; Matten & Moon, 2008). Governments need policies that keep corporations strong because their activities affect societies (Porter & Kramer, 2006). Additionally, self-regulation is insufficient if companies are not accountable for their actions; therefore, state regulation is compulsory (Campbell, 2007; Doane, 2005). However, not all nations regulate CSR.

Mordi et al. (2012) asserted that overall CSR in Nigeria is inadequate and ineffective because laws are necessary to enforce the practice of CSR. The leaders of some firms operating in Nigeria have had to comply with CSR practices in local communities due to national and international pressure (Mordi et al., 2012). Doane (2005) noted that if business leaders seriously focused on CSR, then governments would not need to regulate or intervene. However, many Nigerian firms are corrupt, are insensitive, and need to make improvements and become more socially responsible (Mordi et al., 2012). Nevertheless, not all Nigerian companies are corrupt, and some acknowledge the benefit of CSR. Some Nigerian company leaders are also practicing structured CSR (Adeyanju, 2012; Phillips, 2006). Leaders of Nigerian firms attempt to model business practices after the West in an attempt to gain more respect and have a larger profit margin (Amaeshi et al., 2006). Emerging markets have a greater need for CSR due to governance and redistribution concerns because of the need for regulation (Foo, 2007; Kolk & van Tudler, 2010). The prevalence of poverty in emerging markets indicates the need for CSR.

Corporate Social Responsibility Research Studies in Nigeria

Amaeshi and Amao (2009) conducted a qualitative research study on CSR in transnational space, exploring influences of varieties of capitalism on expressions of corporate codes of conduct in Nigeria. Amaeshi and Amao wanted to examine the extent of MNCs' expression of corporate codes of conduct when operating in developing nations with differing institutions than those of developed nations. The corporate codes of conduct in the study included ethics, morality, and business principles (Amaeshi & Amao, 2009). The study was relevant because researchers had contended that MNCs weaken their CSR when operating in developing nations such as in Nigeria (Amaeshi & Amao, 2009). A major strength of the study was the detailed summary of findings that informed the reader about how the researchers came to their conclusions. I did not observe any weaknesses in the research study. Amaeshi and Amao drew their conclusions from several capitalism theoretical frameworks and previous studies on CSR in MNCs in Nigeria, based on recognized stakeholders, the extent of CSR, treatment of labor standards, reference to international standards, environmental issues, and the enforcement and implementation of CSR. Amaeshi and Amao claimed that despite weak institutions in developing economies, MNC leaders adapt their organizations to the environment in which they operate. Multinational corporations are profit driven and have the ability to adapt to various environments.

Phillips Consulting Group, Nigeria, conducted an extensive survey study with 5,000 participants to determine stakeholder values for individuals who need support from organizations (Phillips, 2006). The number of individuals surveyed and the graphs and charts used to display the information gathered was a strength of this survey study. Nevertheless, Phillips (2006) did not describe the methodology, which prevents a replication of the research study. Phillips concluded that stakeholder expectations were in areas of health, education, poverty alleviation, and economic empowerment, which differs from CSR in developed countries. Phillips found that many Nigerian companies believed that marketing alone was CSR. According to Phillips, many Nigerian business leaders give charitable donations but there is no formal CSR framework for selecting CSR activities. The problem with many Nigerian organizations is that the CSR focus is too broad and needs to be more specific to allow for better implementation (Phillips, 2006). However, Phillips surmised that plenty of indigenous Nigerian firms that are not MNCs are practicing CSR.

Adeyanju (2012) researched CSR in three major Nigerian companies, a leading telecommunications company in Nigeria known as MTN Nigeria Communications, Zenith Bank, and GTB, and surmised that Nigerian banking and telecommunications industries have contributed tremendously to the development of the Nigerian economy and society. According to Adeyanju, CSR includes respecting customers, shareholders, employees, the government, and the public, attracting investors, defending public image, obtaining permission to operate, and lobbying against regulations. The methodology used for Adeyanju's research study was a case study using primary and secondary data, both descriptive and analytical, with a greater emphasis on collecting descriptive data of the population of the study, a structured questionnaire, and sampling to analyze the data.

Adeyanju's (2012) methodology, which included observations, personal interviews, Internet records, and information from banking systems, books, journals, and publications from relevant authors, was a strength of the study. However, the fact that the author misspelled the name of a bank in his article, which could cause confusion, was a weakness of the research report. Another weakness of the research study was that Adeyanju did not discuss historical background information on Zenith Bank as with MTN and GTB. Adeyanju only reported that Zenith Bank leaders believe in CSR and that the bank has a department that handles philanthropic activities. Nevertheless, the research study included an examination of the impact of CSR in the banking and telecommunications industry (Adeyanju, 2012). The leaders of the Nigerian limited liability companies studied reported their CSR annually in four areas: the environment, the company support for national or state activities, disaster response, and economic development (Adeyanju, 2012). The first company discussed in the research study was MTN Nigeria.

MTN Nigeria leaders developed the CSR policy alongside a consulting firm and received credit as being a good corporate citizen according to the Nigerian government, tax authorities, stakeholders, and those who have benefitted from its projects (Adeyanju, 2012). MTN leaders developed the MTN Foundation to assist with poverty alleviation, wealth creation, educational empowerment, and health initiatives that include fighting HIV/AIDS, sickle cell, and malaria (Adeyanju, 2012). Some of the MTN projects entail providing technology in universities, distributing telephones in rural areas, developing agriculture, empowering women through education and job training, and supplying educational materials and sports equipment to schools (Adeyanju, 2012). MTN has contributed a great deal to Nigerian and African development.

Guaranty Trust Bank began banking operations in February 1991 and became a publicly quoted company in 1996 (Adeyanju, 2012). In 1996, GTB won the NSE Presidential Merit Award and again in 2000, 2003, 2005, 2006, 2007, and 2008 (Adeyanju, 2012). The bank was the first Nigerian company to undertake a $350 million regulation Eurobond issue and a $750 million Global Depository Receipts offer (Adeyanju, 2012). Guaranty Trust Bank was also the first bank listed on the London Stock Exchange (Adeyanju, 2012). The bank's community activities included assisting the African community, building a children's hospital, working to promote autism awareness, fighting hunger, sponsoring orphaned children, and supporting the arts (Adeyanju, 2012). Guaranty Trust Bank's CSR activities led to awards and profit increase.

Adeyanju (2012) conducted a regression analysis, analysis of variance (ANOVA), and Pearson correlation coefficient and found that there was a strong relationship with MTN, GTB, and Zenith regarding societal progress and contributing to improving life in Nigerian and other African communities. Adeyanju concluded that the Nigerian banking industry has contributed to the development of Nigerian society and outranks other businesses in terms of being a good corporate citizen and socially responsible, based on banking documents, but has the potential to do more.

Leaders of Nigerian banks have spent millions of naira in an effort to contribute toward improving infrastructure and protecting the environment and through donations because CSR helps the community and adds to the goodwill of a company, while increasing the company's image and profit margin (Adeyanju, 2012). However, most of the public is unaware of the banks' goodwill efforts (Adeyanju, 2012). According to Adeyanju (2012), a company cannot progress in a society that is not advancing, and governments should regulate CSR because it improves development and infrastructure in a country.

Adeyanju (2012) contended that CSR is not new to the banking or telecommunications industries because profit has been a major concern and they are responsible toward the community because social involvement increases goodwill and a company brand. Nevertheless, leaders of Nigerian banks could do more in terms of CSR because they are not completely participating (Adeyanju, 2012). The telecommunications and banking sectors should also increase CSR around the world (Adeyanju, 2012). According to Adeyanju, leaders of banks and telecommunications companies should address infrastructure development such as road construction because it affects Nigeria. Adeyanju did not address ways in which leaders of GTB, MTN, and Zenith practice CSR in a society with endemic corruption.

Babalola (2012) conducted a research study on the impact of CSR and the success of businesses in Nigeria using secondary data on 10 randomly selected successful businesses on the NSE, Nestle PLC, PZ PLC, UAC Foods PLC, Flour Mills, Cadbury Nigeria, Unilever PLC, Baker PLC, Nigerian Bottling Company, Northern Nigerian Flour Mill PLC, and Pepsi, over a 10-year period. Babalola studied the relationship between

CSR and firms' profitability in Nigeria using secondary data collected from 10 randomly selected firms' annual reports and financial summaries between 1999 and 2008.

The theoretical frameworks used for the research study were the utilitarian theory, managerial theory, and relational theory (Babalola, 2012). The study included correlation, regression, and ANOVA tests, and data analysis included a standard error test, *t* test, R^2 coefficient of determination, *F* test, Durbin Watson, and regression coefficient (Babalola, 2012). According to Babalola (2012), Nigerian firms are inconsistent with CSR practice, it varies from one firm to another, and all the firms sampled invested less than 10% of their profit in CSR. The bigger the profit of Nigerian firms, the smaller the amount spent on CSR (Babalola, 2012). Babalola (2012) noted that Nigerian organizations have cultural challenges regarding the execution of CSR. Wealthy Nigerian organizations do not practice CSR properly, which jeopardizes their business in the long term (Babalola, 2012). Babalola concluded that the challenges related to CSR in Nigeria are political, organizational, and embedded in the culture, which is threatening the existence of Nigeria. Babalola recommended the business leaders place more importance on CSR policy framework. Babalola's research study had a strong introduction and theoretical review, the methodology and data analysis used should be easy to replicate, and the data presentation was clear. However, the majority of the firms studied were MNCs as opposed to indigenous companies; it would have been good to see a comparison between CSR in MNCs and in indigenous firms.

Corporate Social Responsibility and the Nigerian Banking Sector

The implementation of CSR in Nigerian banks is explicit CSR because the policies are voluntary and not required by law (Adeyanju, 2012). However, there is a demand for CSR in the banking sector because Nigerian banks operate in a society plagued with corruption, and banks are the cornerstones of development for nations (Achua, 2008). Researchers have indicated that leaders of firms in Nigeria who practice CSR and corporate governance are more ethical and less likely to practice bribery and corruption (Amaeshi et al., 2006; Gberevbie, 2012). Research has shown that leaders in the Nigerian banking sector are better able to reach their organizational goals and thus assist the country with development when they incorporate CSR into operations (Akindele, 2011).

Erondu et al. (2004) conducted a research study to test ethics, efficiency, social responsibility, and law and professional codes in the Nigerian banking sector. The basis of the theoretical framework of the study was two constructs, which argued that a number of different types of ethical climates could exist in organizations (Erondu et al., 2004). Victor and Cullen also posited the existence of three ethical criteria associated with various ethical climates: egoism, benevolence, and principled (Erondu et al., 2004). Egoism implies that a consideration of what is in the individual's best interest will influence the ethical reasoning process (Erondu et al., 2004). The basis of benevolence is the utilitarian principles of moral philosophy whereby individuals make ethical decisions after considering positive and negative outcomes (Erondu et al., 2004). The basis of principled is deontological principles of moral philosophy whereby individuals make ethical decisions after considering what is right and wrong (Erondu et al., 2004).

Questionnaires were hand delivered to a sample of 200 randomly sampled bank employees at randomly selected banks (Erondu et al., 2004). A strength of this research study was that Erondu et al. (2004) administered the instrument on two separate occasions using different sets of respondents for validity. Erondu et al. (2004) found that employees who received encouragement to act ethically and follow company rules perceived the company to be legal. If the environment did not promote ethics, the employees perceived the company to be illegal. However, employees did not believe that they should follow company rules (Erondu et al., 2004).

Erondu et al. (2004) concluded that Nigerian banking employees are unethical, are immoral, and corruption is an institutional concept. According to Erondu et al., corruption in the Nigerian banking sector is similar to that of other Nigerian business environments and it is institutional. Nigerians should enact a comprehensive legal framework to address the institution of corruption in Nigerian banks and other businesses (Erondu et al., 2004). Erondu et al. did not address CSR directly; however, the research took place on ethics in Nigerian banking, which is a major aspect of CSR. Nevertheless, Erondu et al. did not cover other components of CSR in the research study.

Amaeshi et al. (2006) conducted a research study on CSR in the telecommunications, oil and gas, finance, and manufacturing sectors of Nigeria to explore if there is a Nigerian form of CSR. Amaeshi et al. asserted that the topic of CSR in Nigeria is interesting because Nigeria is the most populous Black country, is influential to the global economy, has rampant poverty, has environmental negligence, and has political corruption. The basis of Amaeshi et al.'s research study was literature reviews and 41 interviews with the informed public, chief executive officers, and senior personnel. Amaeshi et al. collected data from bankers of 11 Nigerian banks through open-ended, structured, face-to-face, telephone, and email interviews. The findings revealed several strengths, including the detailed background information on Nigerian culture and development issues. Amaeshi et al. clearly presented and discussed the interview questions and responses.

Amaeshi et al. (2006) reported that respondents mainly viewed CSR as philanthropy, which has a connection to the kinship tradition in Nigeria, and that CSR is necessary in Nigerian business. The authors contended that Nigerian firms make large profits and need to give back to the community more. Amaeshi et al. concluded that the bases of CSR practices are the particular society and the way in which organizational personnel interact with that society because firms are socially constructed. According to Amaeshi et al., firms that operate in Nigeria and other countries, for instance Zenith Bank, GTB, and Diamond Bank, practice a more Western style of CSR. Amaeshi et al. contended that it is vital for Nigerian banks to adopt a Western style of CSR to gain more foreign (expatriate) customers who are residing in Nigeria. The Western-style CSR should include ethics, because researchers have illustrated that ethical practices contribute to the growth of organizations (Amaeshi et al., 2006). The research study was thorough and provided comprehensive information on CSR in Nigeria. Nevertheless, Amaeshi et al. could have noted the time frame in which the interviews took place to give the reader an idea of the political and business climate in Nigeria at that time.

Akanbi and Ofoegbu (2012) carried out a research study on CSR and bank performance at the United Bank of Africa. According to Akanbi and Ofoegbu, the dimensions of CSR include economic, legal, ethical, and philanthropic CSR and organizational performance. The authors took a stakeholder approach to CSR for the research study. The models of social responsibility discussed included austere model, household model, vendor model, investment model, civil model, civil strategy, defensive strategy, accommodative strategy, and proactive strategy (Akanbi & Ofoegbu, 2012).

Akanbi and Ofoegbu (2012) noted that the barriers to companies practicing CSR are a lack of education, failure to include the cost of CSR in the budget, and high cost of production. Organizational performance in this research study included employee job satisfaction, employee commitment, public image, revenues, service or product quality, and financial strengths (Akanbi & Ofoegbu, 2012). Akanbi and Ofoegbu found that there was a remarkable difference between economic CSR and organizational performance and noted that CSR is a predictor of organizational performance. This study was a survey research design in which 250 bank employees in Lagos, Nigeria, were randomly (stratified) sampled at the corporate headquarters using questionnaires as the research instrument to examine if a difference existed between the dimensions of CSR (Akanbi & Ofoegbu, 2012). Two variables were measured: the independent variable was CSR, measured by the four subvariables ethical, legal, economic, and philanthropic, or discretionary CSR (Akanbi & Ofoegbu, 2012). The dependent variable was organizational performance (Akanbi & Ofoegbu, 2012). A Likert-type scale was suitable for scoring and a *t* test, regression, Pearson correlation, and ANOVA tested the hypotheses (Akanbi & Ofoegbu, 2012). Akanbi and Ofoegbu did not address questions addressed in this research study, which seeks to fill gaps from Akanbi and Ofoegbu's research study.

Akanbi and Ofoegbu (2012) concluded that high taxation hindered CSR in Nigeria and that there was a difference between economic CSR and organizational performance. Economic CSR and legal CSR were predictors of organizational performance (Akanbi & Ofoegbu, 2012). There was no main interaction effect of ethical CSR and legal corporate CSR on organizational performance (Akanbi & Ofoegbu, 2012). Additionally, the four dimensions of CSR were predictors of organizational performance (Akanbi & Ofoegbu, 2012). Akanbi and Ofoegbu gave several recommendations for the Nigerian banking sector that included holding seminars to inform and assist leaders of organizations with their CSR implementation to enable them to increase their profits and be socially responsible, giving awards to businesses whose leaders practice CSR, implementing laws that guide the enforcement of CSR, and allowing better working conditions for employees and providing retirement. The government should also give tax concessions to organizations that are more socially responsible (Akanbi & Ofoegbu, 2012).

Summary

Corporate social responsibility in the Nigerian banking sector needed examining because of Nigeria's culture of corruption and lack of ethical standards in Nigerian businesses and in the banking sector (Achua, 2008). The focus of Nigeria's practice of CSR has mainly been philanthropy (Dartey-Baah & Amponsah-Tawiah, 2011). Research studies have shown that leaders of some Nigerian banks practice philanthropy in the form of health initiatives, school programs, and poverty alleviation (Adeyanju, 2012; Amaeshi et al., 2006; Phillips, 2006). However, there are gaps in the literature pertaining to the relationship between the Nigerian banking sector and CSR, mainly its ethical practices, based on the stakeholder theory. Philanthropy is advantageous in any society, especially an impoverished one; however, philanthropy alone will not affect the way business leaders treat their employees, shareholders, and customers or conduct their business practices (Amaeshi et al., 2006).

Corporate social responsibility is a responsibility that goes beyond philanthropy to include a year-round responsibility that companies accept the environment around them, set forth the best working practices, engage with the local community, and contribute to poverty reduction (Brown, 2004). These actions in turn have improved businesses, profit margin, and brand reputation (Babalola, 2012). The Nigerian banking sector could benefit from CSR that goes beyond philanthropy because it has a history of mismanagement and corruption. A healthy banking sector is critical for Nigeria to develop. Therefore, my research study involved examining the practice of CSR in Nigerian banks based on the attitudes of the Nigerian bankers. The following chapter contains a detailed description of the methodology, sampling, instrument, and analysis used for my research study.

Chapter 3: Research Methods

Introduction

This study examined the relationship between CSR and the Nigerian banking sector based on Nigerian bankers' attitudes using a Likert scale. More specifically, the objective of this study was to explore what aspects of CSR leaders practice in the Nigerian banking sector based on the stakeholder theory framework. Corporate social responsibility is a persistent commitment by business leaders behaving ethically and contributing to economic development while increasing the quality of life of employees and their families as well as the local community and society (WBCSD, n.d.). The independent variable was the Nigerian bankers' satisfaction with the Nigerian banking sector, and CSR was a composite variable measured by dependent subvariables that included ethics, human rights, and employee rights. This chapter contains a detailed description of the research design, methodology, sampling of Nigerian bankers, recruitment procedures for data collection, threats to validity and reliability, and the measures taken to maintain the anonymity of the respondents.

Research Design

I used a survey design to explore Nigerian bankers' attitudes about CSR in the Nigerian banking sector, therefore, allowing for the examination of the practice of CSR in the banking sector. This type of data collection was preferable because it identified attributes of the Nigerian banking sector, which is a large population, from a small group of individuals. The independent variable was the Nigerian bankers' satisfaction with the Nigerian banking sector, and CSR was a composite variable measured by dependent subvariables, including ethics, human rights, and employee rights. I used the variables to employ a survey design to generalize from a sample of the banking population about the practices and behaviors of CSR within the Nigerian banking sector. Furthermore, I collected data at one point in time via email so that participants did not feel coerced to answer questions a certain way. There were no time constraints with the chosen research design. There were no resource restraints with this research study.

Rationale of the Research Study Design

The survey design was choosen based on extensive review of quantative research studies on corporate social responsibility. Researchers at the WBCSD (n.d.) recommended using survey methodology and content analysis of documents to measure the socially responsive values of companies. Additionally, Ginnarakis and Theotokas (2011) contended that the CSR framework is a performance tool to measure and identify weaknesses and strengths in companies and to allow for improvements. Therefore, I measured the main themes of CSR, based on my literature review, using a Likert-type scale questionnaire to measure CSR in the Nigerian banking sector.

Methodology

The methodology includes a detailed description of the target population, Nigerian bankers, and the sampling of the Nigerian bankers. The procedure in which the Nigerian bankers were sampled is described in addition to the procedures used for recruitment of the participants, who are discussed in detail. The data collection method and instrumentation used for this research study are also specified in this section.

Population and Sampling

The target population of the study consisted of approximately 77,000 employees of the Nigerian banking sector (CBN, 2010). I used a single-stage sampling procedure to collect data. There was no sampling frame for the Nigerian bankers available, as it generally is according to Frankfort-Nachmias and Nachmias (2008), so I used a convenience sample. Additionally, I used a convenience sample in an effort to increase the response rate by using respondents who agreed to participate in my study because random individuals were unlikely to respond. In addition, I chose individuals based on their job title to ensure diversification of knowledge and job duties.

Sampling Procedure

The study did not attempt to stratify the study population because a list of all employees in the Nigerian banking sector does not exist. A probability sample was also not possible because I did not have access to a list of all Nigerian bankers. I did not use a systematic sample, which would have involved choosing every *K*th person, as opposed to individuals who volunteered. With this study, I did not use cluster sampling because, according to Frankfort-Nachmias and Nachmias (2008), the sampling error is higher than other sampling designs. Additionally, I did not have access to compiled lists of names of all Nigerian bankers or any such information for which it would be necessary to conduct a cluster sample. Cluster sampling entails selecting a larger group, or cluster, and then selecting sampling units from the cluster (Frankfort-Nachmias & Nachmias, 2008).

The study included a G*Power analysis to determine the sample size needed.[1] G* Power is a statistical power analyses used for many statistical tests. It is a program that computes power and sample size analyses (Buchner, Faul, & Erdfelder, n.d.). I used G*Power analysis to calculate the minimum sample size required for this research study based on a moderate effect size. It also includes effect size calculators and graphic options (Buchner, Faul, & Erdfelder, n.d.). The graphic option is an X-Y plot for the values based on the α, 1 – β, effect size, or sample size (Faul, Erdfelder, Long, & Buchner, 2007). According to Frankfort-Nachmias and Nachmias (2008), a certain percentage of the population does not determine sample size. Additionally, an increase in sample size will not increase the accuracy of the results (Frankfort-Nachmias & Nachmias, 2008).

Based on G* Power analysis the adequate power for my research study was 95%, which meant that there was a 5% chance of accepting the Type II error, and if the study took place 100 times, the null hypothesis would be correctly rejected 95 times if there were an actual effect. The alpha level was .05, which is typical. I used the sample results to make an inference about the characteristics of the banking population. The basis of the procedures for selecting the sampling units was on the acceptable standard error. The power was (1- β err prob) 0.95 because .80 is an accepted value for power but .95 gives greater reliability. The alpha level used was .05, which is typical. The moderate effect

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[1] Type of power analysis: A priori. The sample size is computed as a function for the required significance level α, the desired statistical power β, and the to-be-computed population effect size.
Input parameters: Tail: one, effect size d: 0.5, α err prob = .05, power (1 - β err prob) .95.
Output parameters: Noncentrality parameter δ 3.3541020, critical *t* 1.61802300, *df* 44, total sample size 45, actual power 0.9512400.

size of .50 was used. The effect size is a means of measuring the strength of the outcomes (Buchner, Faul, & Erdfelder, n.d.). The population number was approximately 77,500 (CBN, 2010). The sample size was estimated based on specified alpha and beta levels, and from a moderate effect size. Using a *t*-test family and means (difference from constant) statistical test, the sample size should have been 45 according to the G*Power calculator developed by Buchner et al. (n.d.); I added an additional five research subjects to strengthen the results of the research study.

Procedures for Recruitment

The participants for my research study were all Nigerian bankers who I selected based on their position or job title. I selected individuals who were accessible to me, were of an age to provide informed consent, and had the educational background necessary for reading comprehension skills to complete the questionnaires. Additionally, the bank (hiring process) excluded minors, facility residents, emotionally and mentally disabled individuals, and those who were economically disadvantaged.

The sample included 10 branch managers, 10 zonal managers, 10 tellers, 10 marketers, and 10 investors in order to obtain a diverse balance of opinions from different types of bank employees. I sampled bankers from First City Monument Bank PLC, Unity Bank PLC, First Bank of Nigeria, Zenith Bank PLC, and Heritage Bank PLC. I sampled two branch managers, two zonal managers, two investment bankers, two tellers, and two marketers from each bank. The banks listed were suitable because they represented a cross section of banks. I emailed the surveys to the participants.

Participation

I provided participants with informed consent forms, because according to Frankfort-Nachmias and Nachmias (2008), social scientists have agreed that researchers should inform participants of the details of a research study and risks that participation may involve. Frankfort-Nachmias and Nachmias also stated that participants must give informed consent when participating in a study will expose them to "physical or emotional injury, invasion of privacy, or physical or psychological stress, or when they are asked to surrender their autonomy temporarily" (p. 73) to allow the participants to be informed of their rights.

Researchers distribute informed consent forms for cultural and legal reasons as well (Frankfort-Nachmias & Nachmias, 2008). Individuals determined if they wanted to participate in my research study and promote their well-being. Informed consent includes competence of mature and responsible participants, voluntarism of participants, full information disclosed to participants, the background of the study, procedures, risks and benefits involved, contact information regarding how to address questions, a right to privacy for participants, and a statement of consent.

Participants' information in this research study was anonymous. The participants received information in writing that they would remain anonymous, and I would gather the data for statistical evidence. It is unnecessary to document the names or email addresses of participants. I collected data via questionnaires emailed to the Nigerian bankers from SurveyMonkey. SurveyMonkey is the leading web-based survey solution (SurveyMonkey, 2009). The surveys remained anonymous and SurveyMonkey held the data and email addresses in strict confidence (SurveyMonkey, 2009). The participants completed the surveys on the SurveyMonkey website and exited the study after completing the surveys. However, they were able to contact a Walden University representative or myself at any time if they had questions or concerns about the research study. I did not use follow-up procedures in the research study, as they were unnecessary. A copy of the informed consent form appears in Appendix A.

Data Collection

I collected data to test my hypotheses and provided empirical support for the explanations and generalizations on CSR in the Nigerian banking sector. I focused on the research questions using a nonexperimental survey research design. This study used SurveyMonkey questionnaires, which enabled participants to reply to the surveys in privacy and so they would not feel as if they needed to answer the questions according to what they felt I wanted. SurveyMonkey allowed the surveys to be anonymous. The respondents, a sample of Nigerian bankers, emailed me if they needed to ask questions pertaining to the questionnaire or research. Individuals were eligible to be respondents if they were Nigerian bankers at a commercial Nigerian bank.

Researchers should either hold data collected from participants confidentially or allow the participants to remain anonymous (Frankfort -Nachmias & Nachmias, 2008). Frankfort-Nachmias and Nachmias (2008) contended that there could be a lack of anonymity with self-administered questionnaires; however, all the information I collected from respondents remained anonymous, and I gave informed consent forms to all respondents prior to administering the questionnaire. I was the only individual who had access to the participants' data. Debriefing procedures were unnecessary because participants only needed to complete questionnaires.

Instrumentation

The survey instrument I used to collect data was a Likert-type scale. The Likert-type scale is an intact scale created by Likert, an American educator and organizational psychologist, in 1932 (Johns, 2010). Researchers use Likert-type scales to compile items on a 5-point scale that expresses a large range of attitudes including *strongly agree, agree, uncertain*, *disagree,* and *strongly disagree* (Johns, 2010). According to Johns (2010), the Likert-type scale successfully measures attitudes to convey the underlying dimension of the attitudes of survey respondents. I emailed the Likert-type scale questionnaires via SurveyMonkey to a number of respondents to examine their attitudes toward the Nigerian banking sector. SurveyMonkey was an economical method, as compared to other data collection methods. The Likert-type scale survey questionnaire is in Appendix B. It was unnecessary to gain permission to use the Likert-type scale for academic research. Additionally, I did not need permission for the questionnaire because I devised the questions for this research study based on the literature review and stakeholder theory. Respondents who are educated, including the Nigerian bankers surveyed, are more likely to complete surveys (Frankfort-Nachmias & Nachmias, 2008). However, professionals are and a long survey could have lowered the response rate due to time availability. Therefore, I chose 10 questions for the survey because I did not want it to be too long or time consuming.

Validity

Research studies have threats to validity that can affect their outcome (Creswell, 2009). However, this research study was not an experiment, and neither threats to internal nor external validity were a concern. History was not a potential threat to validity because history becomes a threat as time passes during an experiment, and I collected data at one time. Maturation was also not a threat because the participants in the experiment did not mature or change during data collection because I collected data at one point in time. Regression was not a concern because I did not select participants based on extreme scores. Selection cannot be a threat to internal validity participants because researchers will not select them based on characteristics that predispose them to have certain outcomes.

I accounted for mortality, whereby participants drop out, by selecting a larger number of participants than was necessary for my research study. Diffusion of treatment, whereby participants in control and experimental groups communicate with each other, was not a concern because there was only one group. Compensation or resentful demoralization cannot be a threat to internal validity because there is only one group, as opposed to a control and experimental groups. Additionally, compensatory rivalry was not a concern because all participants received equal treatment. Participants were not able to become familiar with the outcome measure and remember responses for later testing because participants were surveyed at one time. Instrumentation was consistent, and I used it only one time; therefore, it was not a threat to internal validity.

Interaction of selection and treatment, choosing similar characteristics, was not a concern because I did not generalize the results of this research study to individuals who did not have similar characteristics to the participants. The instrumentation helped to generalize about banking systems in the developing world, in particular Africa. Interaction of setting and treatment, which were similar characteristics of individuals, were not a concern because the setting was the bank and the banking sector was the basis of the study. Interaction of history and treatment could have been a potential threat to external validity. The results of an experiment are time-bound, and researchers cannot generalize the results to past or future circumstances (Creswell, 2009). However, the objective of this research study was to allow for a generalization about CSR in a banking system in a location with endemic corruption. Therefore, I predicated the results on socioeconomic conditions rather than time.

Threats to statistical validity can arise when researchers draw inaccurate conclusions from the data due to inadequate statistical power (Creswell, 2009). Using the accurate power for the statistical data addressed this threat. The adequate power for my research study was 95%, which meant that there was a 5% chance of accepting the Type II error. Additionally, if this study took place 100 times, the null hypothesis would be correctly rejected 95 times if there were an actual effect.

I ensured my instrument displayed construct validity by relating it to the stakeholder theory, which was the foundation for my questionnaire. The basis of the questions on the questionnaire was the stakeholder theory's application to CSR. I took several additional measures to establish content validity of my data collection instrument.

I analyzed my questionnaire’s face validity and determined that the questions addressed the research problem and research questions by using the stakeholder theory and the CSR framework to measure the relationship between the variables. Additionally, to ensure face validity further, I compared my questions to Oghojafor et al. (2010), who conducted an extensive qualitative research study on CSR in the Nigerian banking sector. I established sampling validity; the individuals I chose with the convenience sample had the same required qualifications as the other bankers with the same job titles who I could have chosen with a random sample and therefore represented the population in the same manner as a random sample.

I also conducted a pilot study, prior to the research study, to gauge the content validity of the questionnaire and improve the questions and the itemization of the questions. I did not want to omit any questions from the questionnaire that were necessary to address the research problem and questions. Additionally, I wanted to ensure the wording for all questions was correct. I selected a sample of 10 bankers, via convenience sampling, with the same criteria as the research study, to test the questionnaire and provide feedback about the measuring instrument. I planned to use their comments to improve the questionnaire. However, the instrument was not altered based on the results of the pilot study due to the positive feedback from the participants. I established empirical validity by measuring the data and comparing them to the results obtained by the researchers discussed in the literature review.

Reliability

Reliability is the degree to which a measuring instrument has variable errors that are inconsistent from various observations by the same measurement (Frankfort-Nachmias & Nachmias, 2008). Therefore, it is the “ratio of the true-score variance to the total variance in the scores as measured” (Frankfort-Nachmias & Nachmias, 2008, p. 154). To test my research study data for reliability, I initially wanted to test for the discriminative power by gathering the total score from the respondents of the research study. However, I was unable to conduct a discriminative analysis test because there was only group of Nigerian bankers being tested.

To test for reliability, I used the split-half method of Cronbach’s alpha, whereby I divided the survey questions into two sets. I used odd numbered questions for one set and even numbered questions for another set. The Cronbach’s alpha results table appears in Appendix C. I treated the two sets as separate questionnaires and scored them correspondingly; I also correlated the two sets, which gave the instrument a higher reliability. The correlation results table appears in Appendix D. Additionally, my research committee reviewed my statistical data for accuracy prior to the acceptance of my research study.

Ethical Concerns

There is a code of ethics, legal and ethical regulations, for social science research. I am a certified recipient of the National Institutes of Health Office of Extramural Research, as I successfully completed the National Institutes of Health Web-based training course, Protecting Human Research Participants, on June 24, 2010 (Certification

No. 469108). Therefore, I have conducted extensive research on how to conduct ethical research studies. I conducted my research in a manner that maintained the integrity of the research enterprise. The use of human participants helped answer important intellectual questions. There were no permanent negative effects for the participants. There was no psychological stress greater than that experienced in everyday life. The conduct of this research did not damage the participants. I conducted this research in a competent fashion.

The research study did not have any ethical concerns related to recruitment, materials, or processes. Participants of the study were not at risk and were not from vulnerable sectors of the population. There were no ethical concerns related to data collection or intervention activities for the home or host community. I stored the data, which were anonymous, on a password-protected external hard drive that I will destroy after 5 years, which is the minimum time required to keep data. Additionally, the Institutional Review Board at Walden University, which seeks to protect participants' ethical and legal rights, approved this research study (Approval No.10-14-13-0163099, which expires on October 23, 2014).

Summary

This survey research study on the relationship of CSR in the Nigerian banking sector is critical for economic development in Nigeria and other developing countries. The methodological approach of the single-stage convenience sample of 100 Nigerian bankers, out of a population of 77,519 (CBN, 2010), afforded me the opportunity to explore this topic in depth. I conducted this study with careful consideration of the protection of the participants' well-being. Nevertheless, several ethical procedures helped to protect all individuals involved with the study. Chapter 4 includes a description of the data collection process, the statistical analysis of data, and the results of the statistical tests.

Chapter 4: Results

Introduction

The purpose of my research study was to examine the relationship between corporate social responsibility and the Nigerian banking sector based on the Nigerian bankers' attitudes based on stakeholder theory framework. This study involved testing two research questions and two hypotheses using a variety of statistical techniques. This chapter contains an explanation of the pilot study and its results, and a description of the participants sampled in this research study. This chapter also discusses the results and statistical analyses of the final research study.

Pilot Study

I selected a sample of 10 bankers, consisting of two branch managers, two zonal managers, two investment bankers, two tellers, and two marketers, from each bank. Bankers were selected via convenience sampling with the same criteria as the final research study to test the questionnaire and obtain feedback about the measuring instrument. I planned to use their comments to improve the questionnaire. However, I received only positive feedback about the questions and the design of the survey. As a result, I did not make any changes to my survey based on the pilot study and used the same questions for the pilot study and the main research study.

Data Collection

Over a two-month period in the fall of 2013, I emailed 230 informed consents and surveys to Nigerian bankers via SurveyMonkey. I initially planned to distribute 50 surveys because I thought the recipients would complete and return all 50 surveys. The effect size used was .50 because it was a moderate effect. The population size was approximately 77,000 CBN, 2010). Using a *t*-test family and means (difference from constant) statistical test, the sample size should have been 45 according to the G*Power calculator developed by Buchner et al. (n.d.). I also planned to add an additional five participants to adjust for nonresponse rate. My initial plan was for the sample to include 10 branch managers, 10 zonal managers, 10 tellers, 10 marketers, and 10 investors in an attempt to represent the banking sector well. I initially surveyed two branch managers, two zonal managers, two investment bankers, two tellers, and two marketers from First City Monument Bank PLC, Unity Bank PLC, First Bank of Nigeria, Zenith Bank PLC, and Heritage Bank PLC.

I was unable to follow through with the initial plan of emailing and collecting 50 surveys because some bankers who had agreed to participate failed to return the surveys for various reasons, including the fact that the banks in Nigeria were having Internet problems and home Internet is not widespread. Therefore, I was unable to collect 50 surveys until I distributed an additional amount of surveys. In total, I distributed 230 informed consents and surveys, and I closed the survey at the completion of 100. The increase in the number of participants provided a better representation of the banking sector. I did not collect demographic information about the participants because the participants were anonymous; this information might have made it possible to identify the study participants, and it would not have strengthened this study. However, I knew some demographic data (minimum age and minimum educational level) based on the banking sector employment requirements and the data collection, as indicated in the pie chart in Figure 1.

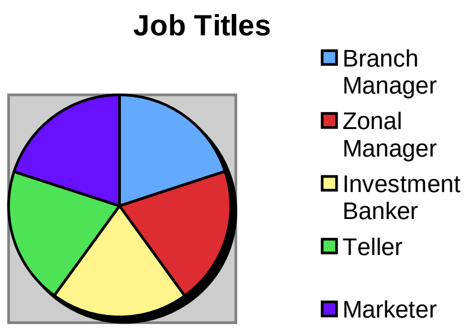

Figure 1. Job titles.

Results

The survey prompts were as follows:

1. I believe that my employee rights are respected at my bank.
2. I believe that my human rights are respected at my bank.
3. Nigerian banking employees are provided a decent wage.
4. My bank is a good corporate citizen.
5. Ethical responsibilities are well defined in the Nigerian banking sector.
6. The Nigerian banking sector is ethical.
7. Several steps are taken to protect customers from internal and external fraud.
8. There is no insider abuse in the Nigerian banking sector.
9. Shareholders are respected and given full disclosure.
10. The Nigerian banking sector is transparent.

Table 1 contains the mean, median, mode, standard deviation, and range for Questions 1 through 10. The mean gives the average banker's attitudes about CSR in the Nigerian banking sector. The mode denotes the most frequent attitudes about CSR from the Nigerian bankers' standpoint. Standard deviation represents the dispersion from the mean and the expected outcome. The range shows the difference between the views felt by the Nigerian bankers about CSR. The median illustrates the middle value given by the Nigerian bankers.

Table 1

Descriptive Statistics

Statistics	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
Valid	99	98	97	98	95	99	98	99	99	99
Missing	1	2	3	5	1	1	2	1	1	1
M	2.55	2.43	2.32	1.89	2.33	2.51	1.62	2.32	2.48	2.74
Mdn	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Mode	2.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00
SD	1.18	1.14	.86	.76	.95	1.02	.71	1.04	.96	.91
Range	4.00	4.00	4.00	4.00	3.00	4.00	3.00	4.00	4.00	4.00

Hypothesis 1

The first research question was as follows: What is the relationship between socially responsible banks and ethical practices in the Nigerian banking sector? The first hypothesis predicted that a significant relationship existed between socially responsible banks and ethical practices in the Nigerian banking sector. To test this hypothesis and answer the research question, a Pearson's r correlation test and Cronbach's alpha were appropriate to examine the correlation between socially responsible banks and ethical practices in the Nigerian banking sector. Corporate social responsibility is a composite variable that I broke down into specific dependent subvariables that included ethics, human rights, and employee rights for measurement and analysis. The independent variable was the Nigerian bankers' satisfaction with the Nigerian banking sector. A Pearson's r correlation test (see table 2) indicated that there is significant relationship between corporate social responsibility and Nigerian banker at *p* < .05. The Cronbach's alpha reliability test indicated that the test was reliable because the overall α was .739.

Table 2

Pearson's r Correlation test

Question		Question 5	Question 6	Question 8	Question 9	Question 10
Question 1	Pearson Correlation	.358	.369	-.299	.399	.488
	Sig. (2-tailed)	.000	.000	.023	.000	.000
Question 2	Pearson Correlation	.472	.479	-.330	.414	.536
	Sig. (2-tailed)	.000	.000	.001	.000	.000
Question 3	Pearson Correlation	.417	.257	-.326	.353	.344
	Sig. (2-tailed)	.000	.011	.001	.000	.001
Question 4	Pearson Correlation	.399	.357	-.167	.467	.466
	Sig. (2-tailed)	.000	.000	.101	.000	.000
Question 5	Pearson Correlation	.358	.649	-.335	.483	.561
	Sig. (2-tailed)	.000	.000	.001	.000	.000

Hypothesis 2

The second research question was as follows: Do Nigerian bankers practice CSR? Hypothesis 2 predicted that the majority of Nigerian bankers do not act ethically. Performing a Pearson's r correlation test and Cronbach's alpha test served to test this hypothesis and answer the second research question. The Pearson's r correlation test indicated that there is a strong positive correlation between Nigerian bankers who act ethically and those who practice CSR at $p < .05$

The following chapter contains a summary of the research study and detailed conclusions about the findings. Chapter 5 also shows the positive social change implications, the findings and the limitations of this study. Additionally, recommendations for future research on CSR in the Nigerian banking sector will be explored.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

The purpose of this research study was to examine the relationship between corporate social responsibility and the Nigerian banking sector based on Nigerian bankers' attitudes toward corporate social responsibility. The study was designed to assess what aspects of corporate social responsibility bankers practice in the Nigerian banking sector, based on the stakeholder theory framework. Corporate social responsibility refers to human rights, employee rights, environmental protection, community involvement, supplier relations, and monitoring (WBCSD, n.d.). The was the Nigerian bankers' satisfaction with the Nigerian banking sector, and CSR was a composite variable measured by dependent subvariables that included ethics, human rights, and employee rights.

This research study included a survey design to generalize from a sample of the banking population about the practices and behaviors of CSR within the Nigerian banking sector. The survey design allowed me the opportunity to explore the bankers' attitudes about CSR in the Nigerian banking sector, therefore allowing for an examination of the practice of CSR in the banking sector. The basis of the design was the independent variable, the Nigerian bankers' satisfaction with the Nigerian banking sector, and the dependent subvariables, ethics, human rights, and employee rights. This type of data collection was preferable because it identified representative characteristics of the Nigerian banking sector, which is a large population, using a small group of individuals. The data collection using SurveyMonkey allowed for anonymity. Data analysis included examinations of the mean, mode, standard deviation, range, median, Pearson's r correlation, and Cronbach's alpha for each response.

The mean gave the average bankers' attitudes about CSR in the Nigerian banking sector. The mode denoted the most frequent attitudes about CSR from the Nigerian bankers' standpoint. Standard deviation represented the dispersion from the mean and the expected outcome. The range showed the difference between the views felt by the Nigerian bankers about CSR. The median illustrated the middle value given by the Nigerian bankers. A Pearson's r correlation test provided the measure of the linear correlation between the two variables; the independent variable was the Nigerian bankers' satisfaction with the Nigerian banking sector, and CSR was a composite variable measured by dependent subvariables that included ethics, human rights, and employee rights. The Cronbach's alpha test served to increase the reliability of the results of this research study. I used SPSS Version 21.0 for statistical analysis to conduct statistical tests.

Interpretation of the Findings

The study findings showed a generally strong sense of corporate social responsibility and banker satisfaction amongst the bankers who were polled. Most Nigerian bankers believed that Nigerian banks respected their employee rights (17.7% strongly agreed and 43.43% agreed). Most Nigerian bankers believed that Nigerian banks respected their human rights (19.39% strongly agreed and 44.90% agreed). Most Nigerian bankers believed that Nigerian banking employees received a living wage (11.34% strongly agreed and 58.76% agreed). The majority of Nigerian bankers believed that their bank was a good corporate citizen (29.59% strongly agreed and 11.22% agreed). Most Nigerian bankers expressed that ethical responsibilities were well defined in the Nigerian banking sector (18.95% strongly agreed and 42.21% agreed). The majority of Nigerian bankers felt that the Nigerian banking sector is ethical (14.14% strongly agreed and 42.42% agreed). Most Nigerian bankers thought that Nigerian banks have taken several steps to protect Nigerian banking customers from internal and external fraud (47.96% strongly agreed and 44.90% agreed). Most Nigerian bankers expressed that Nigerian banks respect shareholders and give full disclosure (15.15% strongly agreed and 37.37 agreed). Although eight of the ten of the responses about the Nigerian banking sector were positive, two responses were alarming.

Most Nigerian bankers either agreed (34.34%) that the Nigerian banking sector was transparent or were uncertain (34.34%) about the transparency in the Nigerian banking sector. Additionally, the majority of Nigerian bankers indicated that they thought there is insider abuse in the Nigerian banking sector (24.24% strongly agreed and 35.35% agreed). Insider abuse and transparency in the Nigerian banking sector need to be addressed.

This research study added to the corpus of literature by posing questions that reflect current social standards and expectations. No recent literature existed examining this general population; updating this was necessary to ensure that it reflected changes and evolutioning in mores of corporate social responsibility. The first research question asked was as follows: What is the relationship between socially responsible banks and ethical practices in the Nigerian banking sector? The findings of this research study indicated that the majority of the Nigerian bankers think that the Nigerian banking sector is socially responsible, except for the prevalence of insider abuse and lack of transparency. Adeyanju (2012) lamented that the Nigerian banking industry contributed to the development of Nigerian society and outranked other businesses in terms of being a good corporate citizen and socially responsible, but noted it had the potential to improve. According to Nwakama et al. (2012), a lack of transparency exists in the Nigerian banking sector. Olayiwola (2010) contended that most Nigerian banks are not transparent or accountable for their actions. Research Question 2 was as follows: Do Nigerian bankers practice CSR? This research study found that most Nigerian bankers expressed that they were confident that bankers practice CSR well in the Nigerian banking sector. However, Babalola (2012) expressed that Nigerian firms are inconsistent with CSR practice but that it varies from one firm to another.

Stakeholder Theory Application

The stakeholder theory served as the theoretical framework for my research study. The purpose of the stakeholder theory is to explain and guide a corporation's structure and purpose (Donaldson & Preston, 1995). Stakeholder theory does not have an exploratory goal, but serves to assist organizations in providing better care to their constituents (Freeman et al., 2012). Firm leaders and stakeholders should discuss the best ways to implement CSR in an attempt to protect their constituents (Riordan & Fairbrass, 2008). According to Branco and Rodrigues (2007), the stakeholder theory is a key element in defining CSR. Stakeholder theory offers that company leaders consider CSR and the way it affects all persons of interest (Bird et al., 2007). Leaders in the Nigerian banking sector should consider how the prevalence of insider abuse and a lack of transparency affect all persons involved with the banking sector and its ability to implement CSR.

Limitations of the Study

I assumed that the participants would answer the questionnaires honestly, because the participants and their questionnaire responses were anonymous. There was no incentive to lie, while being truthful could help better the Nigerian banking sector and therefore Nigeria. A limitation to this research study was that I was unable to randomly select my participants, as no general list of the population was available. The population I studied was Nigerian bankers, which totaled approximately 77,000 employees (CBN, 2010).

Recommendations

The first recommendation is to conduct future studies using mixed methods and the qualitative method with similar questions to obtain explanations of the attitudes of the Nigerian bankers that contain more detail. Additionally, research studies with a focus on Nigerian bank customers' attitudes would be beneficial to the banking sector because the customers' attitudes and the bankers' attitudes might not agree. Future researchers should compare the results of studies on Nigerian bank customers to this study and studies of a similar nature to determine if the bankers are in fact in touch with what bank customers think about the their personal banks and the banking sector. Leaders in the Nigerian banking sector need to be aware of how individuals who bank with them, and bankers, perceive them if they want longevity and financial success. This awareness would allow them to know what measures to take to increase business.

Implications

My research study on CSR in the Nigerian banking sector has the potential to affect social change in Nigeria and other developing nations positively because many developing nations have similarities. Leaders of Nigerian banks should review this research study to determine where improvements are necessary. Researchers can also conduct additional research studies to build on this research to allow for even greater advances. Making improvements might help leaders in the banking sector increase investor confidence and therefore make a larger profit.

The stability of a banking sector is vital to any society. Other financial institutions, industrial sectors, and service sectors of the economy are of paramount importance for development as well. However, the aforementioned sectors need the banking sector to thrive, and therefore the banking sector is vital for societies to advance economically. If leaders of Nigerian banks practice CSR and take the initiative to assist society, the banks may gain a greater profit because more individuals will have funds to invest in the banking sector.

The methodological approach using the Likert-type scale questionnaires via SurveyMonkey for this research study was appropriate. The bankers expressed what aspects of CSR they felt the Nigerian banking sector practiced and the aspects of CSR that are lacking. Additionally, I protected the participants' anonymity, and the research was ethical. However, as noted earlier, I recommend that researchers conduct additional research studies to build on this research, using this methodological approach, as well as qualitative and mixed methods approaches.

In this research study I illustrated, by way of the literature review and the study results, that the stakeholder theory should be applied in the banking sector. Researchers should apply the stakeholder theory as a means to practice and improve CSR for the betterment of the Nigerian banking sector.

Conclusion

Bank leaders need to practice CSR to be strong, healthy, and profitable. Nigeria is a developing nation that has a lot of potential and is in the process of making advancements in power, infrastructure, health care, and education. These sectors rely on Nigerian banks to be stable. Nigerian bankers are satisfied and feel overall that CSR is strong. However, there are areas that need addressing, including transparency and insider abuse. These factors can be detrimental to the Nigerian banking sector if not properly addressed. Based on the literature review and the results of this study, I believe that leaders of Nigerian banks will address their shortfalls because the banking sector has made great strides.

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Appendix A: Informed Consent Form

Informed Consent Form

You are invited to take part in a research study of corporate social responsibility (CSR) in the Nigerian banking sector. The purpose of this survey study is to examine whether Nigerian bankers feel that CSR is practiced in the Nigerian banking sector. This study will look to determine the relationship between CSR and the Nigerian banking sector. The researcher is inviting Nigerian bankers to be in the study. This form is part of a process called "informed consent" to allow you to understand this study before deciding whether to take part. This research study is being conducted by Cecily J. Adeleke, a doctoral student at Walden University.

Background Information:

The purpose of this study is to examine whether Nigerian bankers feel that CSR is practiced in the Nigerian banking sector. This study will look to determine the relationship between CSR and the Nigerian banking sector.

Procedures:

If you agree to be in this study, you will be asked to complete a 10-minute survey on one occasion.

Voluntary Nature of the Study:

This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind during the study.

Risks and Benefits of Being in the Study:

Being in this type of study involves some risk of the minor discomforts that can be encountered in daily life, such as stress. Being in this study would not pose risk to your safety or wellbeing. This study has the potential to improve CSR within the Nigerian banking sector.

Payment:

There will not be any payment for participation in this research study.

Privacy:

Any information you provide will be kept confidential. The researcher will not use your personal information for any purposes outside of this research project. Also, I will not include your name or anything else that could identify you in the study reports. Data will be kept secure by coding of the data. Briefly describe security measures. Data will be kept for a period of at least 5 years, as required by the university.

Contacts and Questions:

You may ask any questions you have now. Or if you have questions later, you may contact the researcher via cecily.adeleke@waldenu.edu. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott, the Walden University representative who can discuss this with you. Walden University's approval number for this study is **10-14-13-0163099** and it expires on **October 23, 2014.**

Statement of Consent:

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. Completing the surveys indicates that you have chosen to participate.

Link to Survey:

http://www.surveymonkey.com/s/D3CSX28

Appendix B: Survey Questionnaire

Nigerian Banking Corporate Social Responsibility Survey Questionnaire

Please complete the survey questionnaire. This information is significant for determining the relationship between corporate social responsibility and the Nigerian banking sector. All questionnaires will remain anonymous. Published reports will not include any identifying information of the participants in this study.

Instructions:

Please check the appropriate response. Thank you.

Survey Questionnaire

1. I believe that my employee rights are respected at my bank.
   ☐Strongly Agree ☐Disagree
   ☐Agree ☐Strongly disagree
   ☐Uncertain

2. I believe that my human rights are respected at my bank.
   ☐Strongly Agree ☐Disagree
   ☐Agree ☐Strongly disagree
   ☐Uncertain

3. Nigerian banking employees are provided a decent living wage.
   ☐Strongly Agree ☐Disagree
   ☐Agree ☐Strongly disagree
   ☐Uncertain

4. My bank is a good corporate citizen.
   ☐Strongly Agree ☐Disagree
   ☐Agree ☐Strongly disagree
   ☐Uncertain

5. Ethical responsibilities are well defined in the Nigerian banking sector.
   ☐Strongly Agree ☐Disagree
   ☐Agree ☐Strongly disagree
   ☐Uncertain

6. The Nigerian banking sector is ethical.
   - ☐Strongly Agree
   - ☐Agree
   - ☐Uncertain
   - ☐Disagree
   - ☐Strongly disagree

7. Several steps are taken to protect customers from internal and external fraud.
   - ☐Strongly Agree
   - ☐Agree
   - ☐Uncertain
   - ☐Disagree
   - ☐Strongly disagree

8. There is no insider abuse in the Nigerian banking sector.
   - ☐Strongly Agree
   - ☐Agree
   - ☐Uncertain
   - ☐Disagree
   - ☐Strongly disagree

9. Shareholders are respected and given full disclosure.
   - ☐Strongly Agree
   - ☐Agree
   - ☐Uncertain
   - ☐Disagree
   - ☐Strongly disagree

10. The Nigerian banking sector is transparent.
   - ☐Strongly Agree
   - ☐Agree
   - ☐Uncertain
   - ☐Disagree
   - ☐Strongly disagree

Appendix C: Split-half Reliability Test (Cronbach's Alpha)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	n
.734	.739	5

Appendix D: Correlation Results

Inter-Item Correlation Matrix

Question	Question 1	Question 3	Question 5	Question 7	Question 9
Question 1	1.000	.377	.429	.199	.406
Question 3	.337	1.000	.394	.175	.340
Question 5	.429	.394	1.000	.331	.514
Question 7	.199	.175	.331	1.000	.488
Question 9	.406	.340	.514	.488	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Question 1	8.736	6.419	.481	.253	.707
Question 3	9.055	7.875	.433	.204	.711
Question 5	9.069	6.907	.598	.364	.649
Question 7	9.758	8.630	.398	.248	.724
Question 9	8.880	6.619	.613	.421	.640

Curriculum Vitae

Cecily J. Adeleke

Education

Ph.D. **Walden University,** Public Policy and Administration, 2014

M.A**.** **Clark Atlanta University,** International Affairs and Development, 2004

B.A. **University of South Carolina**, Political Science and Education, 2001

Experience

- CECNIC Developments Limited, 2009-Present
- Graduate Research Assistant, Clark Atlanta University, 2002-2004
- International Community School, Decatur, GA, 2005
- River Springs Elementary School, Irmo, SC, 2001
- Harbison West Elementary School, Columbia, SC, 2000
- Pontiac Elementary School, Columbia, SC, 1999

Research Experience

- Corporate social responsibility in the Nigerian banking sector
- Governance in Guyana
- Cultural conflicts
- Finance
- International economics
- Leadership
- Ethics

Affiliations/Memberships

- Golden Key International Honour Society, 2013
- Pi Alpha Alpha Honour Society, 2013

Honors

- Invitation to Institute of International Public Policy
- President Clark Atlanta University International Affairs and Development
- Scholarships from Department of International Affairs and Development
- University of South Carolina Dean's Honor List
- USAA All - American Scholar
- The National Dean's List

- USAA National Collegiate Business Merit Award
- Professional Society of International Studies, University of South Carolina