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ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILTY ON ORGANIZATIONAL PERFORMANCE (EVIDENCE OF BANKS LISTED ON GHANA STOCK EXCHANGE)

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ABSTRACT

This article indicates the gaps in previous study by examining corporate social responsibility using the categories notably; economical, legal, ethical, and philanthropic social responsibility in the banking sector. The aim of this study was to examine the effect of corporate social responsibility on the performance of selected banks listed on the Ghana Stock Exchange. The descriptive research approach was employed involving the use of online questionnaires to solicit primary information from the selected banks. A sample of 56 employees were selected from 8 listed banks using the purposive sampling method. Results of the data was achieved quantitatively by using SPSS v 29. Multiple linear regression analysis and descriptive statistics was used to analyze the outcome of the data. Based on the outcome it was revealed that economic CSR significantly impacts bank performance. The study also proved that ethical CSR and philanthropic CSR have a significant positive impact on bank performance. However, the study confirmed that the legal CSR has a less significant direct impact on bank performance. It was recommended that banks can enhance their employee engagement and satisfaction through active CSR programs and also adopting CSR metrics to track and report CSR engagement systematically to ensure accountability and transparency.

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INTRODUCTION

Corporate social responsibility has become one of the key factors in determining a company's performance in both the domestic and international markets (Cader *et al*, 2022; Gulema & Roba, 2021; Kabir & Thai, 2021). In contemporary business settings, an organization's ability to stay at the forefront of innovation has depended not only on its ability to provide high-quality goods and services but also on its ability to prioritize the needs of the community at large (Rami, 2017). Ghanaian banks have therefore used a variety of tactics to ensure the highest possible return to shareholders or risk insolvency. Companies cannot ignore the necessity of corporate social responsibility when attempting to conduct their operations successfully, since the country's banking sector has grown more tightly scrutinized, competitive, and capital-intensive (Afsheen, 2015; Gasti *et al.,* 2019). According to Platonova *et al*. (2018), banks now have commitments that go beyond maintaining the financial and economic stability of the economy to include supplying basic consumer services and lowering financing restrictions. According to Musau (2015), banks have a significant responsibility to support sustainable development by conducting their business in a way that would increase economic growth and competitiveness while simultaneously protecting the environment and upholding social responsibility. Therefore, in addition to profit maximization, ethical behavior and a focus on the market are also necessary for a firm to be sustainable (Sethi *et al*., 2017). In recent times, the concept of corporate social responsibility has been categorized into four distinct areas: legal, ethical, philanthropic, and economical According to Hafez (2015), the first three pillars of CSR namely economic, legal, and ethicalare all required and anticipated of businesses in their codes of conduct and operations. Conversely, philanthropic responsibility ought to be an optional duty that an organization would choose to carry out, rather than a requirement for a business (Lee *et al*., 2012). Meng and Imram (2024) contend that banks may maintain a positive public image through their Corporate Social Responsibility (CSR) initiatives, which demonstrate their dedication to addressing social and environmental issues. The aim of this study is to examine the effect of corporate social responsibility on the performance of selected banks listed on the Ghana Stock Exchange. The study sought to examine and evaluate the components of economic corporate social responsibility, legal corporate social responsibility, ethical corporate social responsibility and philanthropic social responsibility and its relationship on performance of the selected banks. The early crises and collapse of giant corporations like Tyco, Enron, Adelphi, WorldCom, and Global Crossing seem to have had a significant negative impact on confidence among customers in companies, which puts businesses at risk of reputational damage and limits their ability to compete and survive (Dinsmore, 2014). Companies have attempted to participate in major corporate social responsibility projects and other methods aimed to recover the reputation and confidence of stakeholders as well as maximize their wealth in dealing with the challenging business environment generated by these concerns (Servaes& Tamayo, 2013). The modern banking industry has faced many changes and difficulties, the most important of which is the problem of corporate social responsibility (Agudo-Valiente *et al*., 2015). Considering this, several scholars have carried out a thorough investigation into how corporate social responsibility affects banks' operations. Shafique and Ahmad (2022), Platonova *et al*. (2018), Singh and Misra (2021) and Hou (2019) claim that earlier research on CSR and its impact on performance by researchers and authors has yielded contradictory, incoherent, and inconsistent findings. The discrepancy in results creates a vacuum in our knowledge of the potential positive impacts of CSR on business performance. Apart from the inconsistencies in earlier studies, it is evident that the developed world has received the majority of research and literature on corporate social responsibility (CSR), with single institutions in this region being successful and efficient. Developing nations, such as Sub-Saharan Africa, have received less attention from researchers in this area (Arli & Lasmono, 2010). As a result of the uncertainties in earlier studies and the paucity of research in Ghana. Ofori *et al*. (2014) contend that a critical CSR research strategy focused on developing countries is crucial specifically for companies listed on the stock markets.

LITERATURE REVIEW

Theoretical Review: Most empirical research analyzing the relationship between corporate social responsibility (CSR) and organizational performance has mostly depended on baseline theories such as stakeholder theory, agency theory, social contract theory, and corporate social responsibility theory. Accordingly, the main areas of interest for the theoretical study were corporate social responsibility and legitimacy theory.

Legitimacy Theory: The legitimacy theory, which was developed by Dowling and Pfeffer (1975), aims to ensure that all businesses and their operations are conducted in accordance with laws and community standards. The theory states that a business must satisfy certain conditions in order for its economic systems to be deemed legitimate, and these conditions include those in which the community in which it operates is connected. The theory also states that businesses must ensure that they meet society norms in order for them to be successful and competitive in the long run. The idea further states that a company's CSR initiatives figure out whether or not a company's CSR initiatives can be rejected and compliance measures by different stakeholders. Given that operations and initiatives are essential to every firm, the four CSR obligations have been utilized throughout this study to evaluate the listed bank's CSR performance. According to Solikhah (2016), this also offers a strong sense of accountability that enables the establishment of a productive workplace and peaceful coexistence. According to Dube and Maroun (2017), this theory argues that firms engage in CSR and sustainability activities and programs to maintain legal compliance and adhere to the moral and ethical standards set by society. Legitimacy is a tool to ensure that a business can follow the rules put in place. It does this through creating a team of leadership who monitor the business's environmental impact, collaborating and networking with members of the community, putting up crisis management systems, and ensuring that the business is in conformity with its representation (Fahmi *et al*, 2022). A consistent set of standards raises the business's reputation, which boosts sales, income, and profits as the public freely absorbs the goods and services it offers. There must be conflicts between an organization's beliefs and those of society for it to be seen as legitimate. Thus, the listed bank can improve performance by aligning its values with society and taking part in projects, initiatives, and programs that provide it a competitive edge. The theory's foundation is the concept of the social contract, which illustrates how cultural norms and laws impact the longevity and profitability of a business. Thus, in order to improve their performance and continue operating, the banks listed on the Ghana Stock Exchange may want to consider looking at societal norms.

Corporate Social Responsibility Theory: The CSR theory was initially proposed in 2005. According to McWilliams and Siegel (2011), a company's duties are centered on how well it performs, regardless of whether it is a moral or legal entity. Most corporations have to embrace moral commitments that are on par with those of the communities in which they operate. CSR is an all-encompassing idea that explains how companies engage with their regional and international business environments. It falls into four categories: altruistic, ethical, legal, and economic (Kitzmueller & Shimshack, 2012; Idowu & Louche, 2011). A company's unconstrained involvement in deciding how to spend resources freely in the direction of its objective is known as the corporate philanthropic component of CSR.A company that aspires to success ought to behave in a socially responsible way by putting the necessary processes in place and taking into account its main stakeholders when determining its objectives and business plans. Stakeholders include a company's suppliers, creditors, customers, shareholders, and the community at large. Decisions must be developed and implemented with stakeholders in mind. All corporations only have three obligations: to pay its employees fairly, to fulfill its social responsibility, and to maintain moral standards in all of its business activities. Timely payment of bills by suppliers, provision of a good and supportive work environment for employees, and well-maintained and cared-for workspace are all factors. Businesses that uphold social responsibility benefit from a favorable public perception. This is achieved when committed consumers, motivated employees, and acknowledgement and participation from stakeholders result in increased sales, repeat business, and most importantly, great company performance.As per this notion, the primary aim of every business is to endure and carry on its operations in the years to come within this swiftly changing business landscape. Participating in corporate social responsibility requires doing this. In the absence of it, firms are unlikely to be able to carry out the practice of corporate social responsibility. Corporate social responsibility is the primary means of conducting business and achieving favorable outcomes in the modern world.

Models of CSR: CSR models aim to draw attention to the advantages that corporate social responsibility (CSR) offers to both the community and the public at large. Brin and Nehme (2019) cite stakeholder theory, the triple bottom line theory, and the Carrol CSR Pyramid as examples of CSR models. The components of CSR were explained in the article using the Carroll CSR Pyramid.

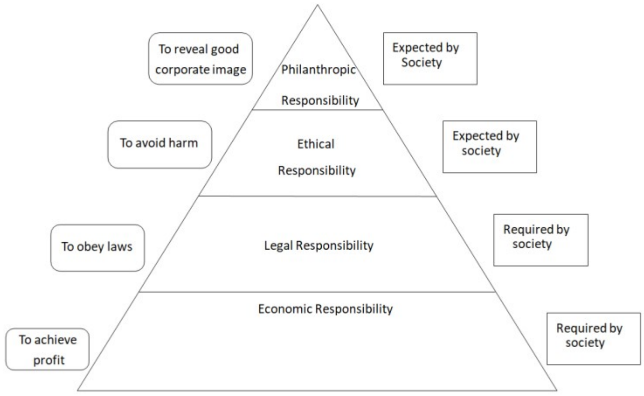
Carroll's CSR Pyramid: The Carroll CSR pyramid is one tool that companies can use to engage with the community they serve. Figure 1 (Brin & Nehme, 2019) illustrates the relationship between the four duties that form the foundation of a company's responsibilities. The responsibilities that have been included are as follows:

Economic Responsibilities: It is every company's obligation to generate revenue and raise money. Any company or organization, whether for-profit or nonprofit, including philanthropic ones, is subject to this obligation since assets are essential to their long-term survival and financial performance (Brin & Nehme, 2019).

Legal Responsibilities: There are laws and rules, like those concerning taxes, health and safety, employee protection, and other labor laws, that must be respected and complied with. The company is required by law to follow the rules and specifications of a fair marketplace competition. Brin and Nehme (2019) assert that any business that respects moral business practices and advances the economy in particular as well as society at large must abide by the law.

Ethical Responsibility: On the other hand, a business needs to act like a respectable and genuine part of the community in order to be a model citizen. Ethical responsibility, which ranks third on Carroll's CSR pyramid, allows businesses to engage in positive endeavors even when they are not as quantifiable as those of law-abiding establishments. Carroll stated that all businesses have an obligation to respond to the law as soon as possible. Until these controls are formalized into norms and legislation, civil groups and agencies play a crucial role in developing the ethical controls of businesses (Brin & Nehme, 2019).

Philanthropic Responsibility: This stage deconstructs the optional activities motivated by the organization's desire to participate in social gatherings which are neither legally required nor generally seen as ethically correct in business environments (Safarzad, 2017). Businesses that like to show off their charitable contributions engage in a variety of giving and charitable endeavors, like sponsoring sporting events, giving to hospitals, and providing funds for the education of bright but impoverished kids. The goal of charitable responsibility is to present a business as a decent citizen while simultaneously improving its standing and image in the marketplace (Brin & Nehme, 2019).



Source: (Adapted from the study of Brin & Nehme, 2019).

Figure 2.1. Carroll's CSR Pyramid

Related Studies : The impact of corporate social responsibility (CSR) on performance is still unresolved despite its increasing importance in the domains of governance, business, and academics (Coelho *et al*., 2023). This is given that studies like those by Khan *et al*. (2023) and Ikram *et al*. (2019) show a direct correlation between corporate social responsibility (CSR) and organizational performance; on the other hand, studies by Madugba and Okafor (2016) show a significant inverse relationship; and studies by Okwemba *et al*. (2014) show some degree of uncertainty because it is realized that some variables have a positive impact on performance while the other variables do not.A study on the impact of CSR on organizational performance was conducted by Okwemba *et al*. (2014) with an emphasis on the banking sector in Kenya, Kakamega County. Selected commercial banks were the only ones included in this study. A random sample of fifty participants, comprising bank staff, management, and customers, was used in the study. These subjects were selected at random for the study. The study's conclusions were erratic and challenging to generalize. This is due to the fact that four distinct metrics are used in the study to measure the dependent variable (CSR), and the results of those metrics are compared to organizational performance. The findings show a significant and positive correlation between the bank's performance and CSR characteristics and conduct, such as philanthropic and ethical responsibilities. Shahwan and Habib's (2023) study aimed to ascertain whether corporate social responsibility (CSR) policies had an effect on the relative efficiency of Egyptian conventional and Islamic banks. A panel data set spanning the years 2012–2018 was used for this study. A methodical methodology consisting of three phases was selected. First, data envelopment analysis (DEA) was used to assess the relative efficiency of Egyptian banks. Second, a CSR index was developed in order to assess the level of overall and sub-dimension CSR activity in Egyptian banks. Third, a Tobit regression model is used to examine the impact of CSR on these institutions' technical efficiency. The findings demonstrated that throughout the previous 20 years, the majority of scholars and policymakers have placed a high priority on the idea of corporate social responsibility (CSR) and how it affects organizational performancemore especially, how it affects financial status. it was realized that there are few studies on the relationship between CSR and banks' technical efficiency as a proxy for their business performance in Egypt. The overall findings of the Tobit regression model show that there is a favorable relationship between banks' technical efficacy and their overall CSR activities. Again, a study by Khan *et al*. (2023) assessed the relationship between business performance and corporate social responsibility. This study sought to determine the effect of silent charitable donations on firm performance, size, and CEO compensation by focusing on stakeholder management and legitimacy theory. The research sample comprised Chinese non-state-owned enterprises (non-SOEs) that contributed to charitable organizations between 2009 and 2015 but failed to disclose the details in their corporate social responsibility (CSR) reports. The information was gathered from a number of sources, including the CSMAR database and the annual and CSR reports of the selected businesses. Using the regression model, the main effect was investigated. The results suggest that firms are potentially able to employ charity practices to get favors from important stakeholders, defend their actions, and eventually improve their performance based on the concepts of legitimacy and stakeholders. Additionally, a positive relationship has been shown between the company's performance and silent philanthropic gifts, which is impacted by the CEO's compensation as well as the size of the business. Ikram *et al*. (2019) concur with Khan *et al*. (2023) that corporate social responsibility (CSR) efforts impact a company's success in the modern business climate. Muloli (2022) conducted studies on the effect of corporate social responsibility (CSR) on the financial performance of banks in Tanzania with a similar perspective. The primary objective of the study was to investigate the effect of CSR on the performance of Tanzanian registered banks. The study employed Probit and Fixed Effects econometric techniques to collect empirical data on the effect of corporate social responsibility (CSR) in the banking sector on businesses' financial performance in order to draw this result. Unbalanced panel data spanning 20 registered banks by BOT from 2008 to 2019 was used for the analysis. The study's conclusions show that the banking industry's CSR education has little effect on business performance.This shows that, from an economic standpoint, banks' educational CSR has a major and detrimental impact on business success. Regarding CSR given to the healthcare and education sectors, the findings from both analytical approaches were in agreement. It went on to say that CSR has a positive impact on the firm's profitability, which was in line with the findings of Ahamed *et al*. (2014), who demonstrated that any company can increase its profitability if it implements a strong CSR program in addition to its business strategy and that financial performance is enhanced when an organization is classified as a higher performer via CSR indexes relative to other firms.Ibrahim (2019) studied the impact of corporate social responsibility (CSR) on the financial performance of twenty-one banks that are listed on the Nigerian stock exchange. The variables in the study were obtained by means of primary and secondary data collection methods. Studies show that corporate social responsibility has a positive and considerable impact on financial performance.

The study by Gasti *et al*. (2019) looked into the short- and long-term effects of corporate social responsibility (CSR) on Ghanaian banks that are listed. The study's conclusions are as follows. They employed secondary data from 65 years of bank observations, from 2004 to 2016, together with an expanded balanced panel design. The Pooled Mean Group (PMG/Panel ARDL) used the cointegration approach to assess the short- and long-term effects of CSR on bank performance while taking bank size, interest income growth, and bank variability into account. The findings indicated that bank profitability (market-to-book value) is positively but only slightly impacted by corporate social responsibility (CSR) in the short term. However, it has been argued that CSR will eventually have a major detrimental impact on bank performance. This study supported the findings of Tasnia *et al*. (2021), who concluded that in order to increase bank performance, CSR should be well planned and carried out rather than being an afterthought.Using a correlation study approach, Jibril*et al*. (2016) investigated the degree of association between CSR and financial performance. Over a six-year period between 2008 and 2013, the study was carried out in Nigeria using Quoted Deposit Money Banks. Twelve banks were chosen by examining their financial annual reports for the pertinent years. The findings demonstrated a strong positive correlation between CSR and performance among listed deposit money institutions in Nigeria. According to a scholarly review conducted by Ofori *et al.* (2014), the majority of firms who engage in CSR efforts do so primarily as a means of improving profitability and long-term sustainability, which is why Ghanaian banks perceive CSR as a strategic tool.Tia and Chuang (2014) explored the relationship between CSR and a company's overall performance and found none. With a major focus on a firm-based point, Browne and Nuttal (2013) also obtained a finding that demonstrated neutrality about the relationship between CSR and monetary performance in general. This perspective is bolstered by Sur *et al.* (2013) and Bocquet (2013), who conducted an additional study that yielded no definitive proof of an association between CSR and firm performance. This is stipulated that the firm's performance was assessed through the application of a stakeholder model, which takes into account a variety of factors, including the firm's reputation and strategic plan. This study implies that, despite the lack of a relationship between CSR initiatives and corporate performance, a business must develop an outstanding reputation using a variety of marketing methods and techniques.

performance of listed banks on Stock Exchange was assessed based on the following objectives:

- Examining the effect of economic corporate social responsibility on the performance of banks
- Ascertaining the relationship between legal corporate social responsibility and the performance of banks.
- Evaluating the effect of ethical corporate social responsibility on the performance of banks
- Assessing the effect of philanthropic social responsibility on the performance of banks.

Data and Collection: In order to conduct this research, due to lack of time and resources, a sample from the target population, from the banks listed on the Ghanaian stock exchange was considered. There are eight banks that are listed on the Ghana Stock Exchange namely, Access Bank Ghana PLC, CalBank PLC, Ghana Commercial Bank Limited, Republic Bank (Ghana) PLC. Standard Chartered Bank Ghana PLC, Societe Generale Ghana Limited, Ecobank Ghana PLC and Agricultural Development Bank was used for the study as seen in the table below. A sample size of 56 respondents was randomly selected from the employees of the banks including both junior staff and senior staffs.

Table 1. Depicts banks in Ghana Listed on the Stock Exchange

Company	Date Listed	Stated Capital	Authorized Shares
Access Bank Ghana Plc	21/12/2022	GHS400milliion	173,947,596 ordinary shares
Agricultural Development Bank	12/12/2016		
CalBank PLC	05/11/2004	GH	1,000,000,000
Ecobank Ghana PLC	13/07/2022	GHS226.64MILLION	500 MILLION
Ghana Commercial Bank Limited	17/05/1996	GHC 72,000,000	1,500,000,000
Republic Bank (Ghana) PLC.	17/03/1995	GHC 1,000,000	1.000.000.000
Standard Chartered Bank Ghana Ltd.		GH	250 million- Ordinary
Standard Chartered Bank Ghana PLC		GH	250 million- Ordinary
Societe Generale Ghana Limited	13/10/1995	GHC 62,393,557.80	500 million

(Source: GSE Report, 2023)

In a similar vein, Martinez-Conesa *et al.* (2017) investigated this topic and could not discover any proof linking CSR to business performance. A significant study gap in the relationship between innovation and corporate social responsibility was also discovered by the analysis. Using structural equation modeling, a single integrative model was used to a data set of 552 Spanish enterprises in order to assess the correlation between CSR, organizational innovation, and business performance. Galbreath (2012) divided corporate social responsibility (CSR) into four groups: charitable, legal, ethical, and economic. The survey claims that CSR is primarily concerned with how businesses engage with their stakeholders and the interaction between business and society.In addition, the effect of a bank's community duties on financial performance was examined by Ciciretti *et al.* (2014) following an assessment of bank size and variability to make sure that variations regarding performance did not occur due to variations in risk assessments, sense of urgency, or relevance of relationships with stakeholders, the paper discovered strong evidence that banks benefited from fulfilling their statutory social responsibilities. There is a gap that has to be addressed in the particular case of banking firms in Ghana, given the examined research's conflicting and contradicting findings on the relationship between corporate social responsibility (CSR) and organizations' performance. Consequently, it is critical to come to an agreement about the experiences of the banking sector, especially in Ghana, where the sector strongly promotes corporate social responsibility and thereby helps the growth of many sectors.

METHODS

The study adopted a quantitative methodology to analyze the relationship between CSR and the performance of banks listed on the stock exchange market in Ghana. In analyzing the results of this data, a causal relationship between corporate social responsibility and the

The study employed both primary and secondary data sources using an online questionnaire survey was utilized to gather data from the sampled banks. According to Tang and Zhang (2013), the benefits of employing questionnaires involve retaining anonymity, minimizing workload, lowering interviewer bias, gaining a larger sample size, and being easy for researchers to analyze. This study used an online questionnaire survey, and all of the questions were designed to be closed-ended by the researcher. A total of 25 measure scales of questionnaires was used to assess the independent and dependent variables. The scale used to measure philanthropy was taken from Montazeri *et al.* (2017). To further measure legal, economical, philanthropic and ethical responsibilities, the assessment scales developed by Montazari *et al.* (2017) was employed. The measuring instruments for the dependent variable were also adapted from the study of Quezada (2019) and Hegazy *et al.* (2022), which were created for evaluating organizational performance. In order to develop a framework of theory and concept and to gain an extensive comprehension of the topic, secondary data sources were derived from sources such as books, scholarly journals, articles, other studies, and websites.

Analysis and Variables: In analyzing the results of this data, a causal relationship between corporate social responsibility and the performance of listed banks on Stock Exchange will be assessed. Multiple linear regression analysis and descriptive statistics will be used to analyze the data. The purpose of using the Multiple linear regression model is to assess the causal link between the independent variable (corporate social responsibility) and the dependent variable (bank performance). Descriptive statistics including frequency, percentages, mean, and standard deviation was used to interpret participant responses on issues pertaining to the impact of CSR on bank performance. A multiple linear regression is used to analyze the effect of corporate social responsibility on the performance of the listed selected banks in Ghana.

Model Specification

Below is the regression model adopted for the study;

$$\mathbf{BP} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where
β_1, β_2, β_3 *and* β_4 is regression co-efficient
BP-Bank performance (listed on the stock Exchange)
β_0 - Intercepts of equation
X_1 - Economic Corporate Social Responsibility
X_2 - Legal Corporate Social Responsibility
X_3 - Ethical Corporate Social Responsibility
X_4 - Philanthropic Corporate Social Responsibility
ε= Error term

RESULTS

Demographics

Table 1. Gender of Respondents

Demographic	Categories	Frequency	Percentages
Gender	Female	20	35.7%
	Male	36	64.3%
	20 – 30years	11	19.6%
Age	31– 40years	22	39.3%
	41 – 50years	17	30.4%
	51years and above	6	10.7%
	Bachelor Degree	28	50.0%
Qualification	Diploma/HND	1	1.8%
	Master's Degree	26	46.4%
	Others	1	1.8%
	Junior Officer	20	35.7%
Job Position	Senior Management	11	19.6%
	Senior Officer	23	41.1%
	Others	2	3.6%
	1–5 years	15	26.8%
Work Experience	11-15 years	13	23.2%
	6-10 years	18	32.1%
	Above 15 years	10	17.9%
	Total	56	100.0%

Source: Field Data (2024)

Descriptive Analysis

The descriptive analysis of the study variables provides valuable insights into how respondents perceive the impact of CSR initiatives on the performance of banks listed on the Ghana Stock Exchange. The result focuses on four key CSR dimensions: economic, philanthropic, legal, and ethical, alongside the banks' performance. Using the mean and standard deviation, the study has revealed patterns in the perception of the banks' CSR activities and their subsequent effects on performance. In terms of economic CSR, respondents strongly agree that banks provide quality services at reasonable prices, as reflected by a high mean score of 4.45 and a relatively low standard deviation of 0.601, indicating consistent views. The perception of the bank's policies favouring local communities also scores high with a mean of 4.36, though the slightly higher standard deviation of 0.773 suggests a bit more variability in responses.

Table 3. Descriptive Results of Study Variables

Variables	Statements	Mean	Std dev
Economic CSR	The bank provides quality services for customers with reasonable price	4.45	.601
	The bank has good policies that favour the local communities in which it operates	4.36	.773
	The bank uses ecologically sound products and services and also uses low-polluting technologies	4.20	1.017
Philanthropic CSR	The bank is actively involved in a project(s) with the local community.	4.32	.876
	Act as a good citizen in all matters beyond law and ethical spending rules by way of returning a portion of revenues to the community.	4.29	.868
	Lives of the local community improve with the introduction of a discretionary projects.	4.20	.980
Legal CSR	The bank operates under the laws and regulations when providing its product/services.	4.46	.808
	The bank ensures adequate steps are taken against all forms of discrimination.	4.23	1.027
	The bank ensures that the contractual obligations are adhered to at all levels.	4.34	.837
Ethical CSR	The bank ensures quality assurance criteria that are adhered to in the banking industry.	4.50	.603
	The bank provides full and accurate product use information, to enhance user safety beyond legal spending requirements.	4.34	.959
	The bank follows fundamental ethical spending principles.	4.43	.759
Banks Performance	The bank's profitability has increase over the years.	4.30	1.025
	The bank has experienced increase in the number of customers.	4.34	.920
	The bank adapting to new technology and help in the reduction of operational costs.	4.48	.713

Source: Field Data (2024)

Additionally, while the bank's efforts to use ecologically sound products and low-polluting technologies receive a slightly lower mean of 4.20, the larger standard deviation of 1.017 indicates more mixed opinions, suggesting that environmental initiatives may be seen as less consistently applied. Philanthropic CSR, which evaluates the bank's involvement in community projects, follows a similar trend. The mean score of 4.32 for the bank's participation in local projects shows strong agreement, though the standard deviation of 0.876 indicates some diversity in views. Likewise, the perception of the bank acting as a good corporate citizen, by returning a portion of its revenue to the community, is also positively received with a mean of 4.29, although the standard deviation of 0.868 points to a moderate variation in responses. Interestingly, respondents' views on whether the bank's discretionary projects have improved the lives of local communities are more variable, with a mean of 4.20 and a standard deviation of 0.980, suggesting that while many agree, there is less consensus on the actual impact of these projects. Furthermore, the data on legal CSR reveals that respondents believe banks are largely compliant with laws and regulations, as evidenced by a high mean of 4.46 and a standard deviation of 0.808, showing both strong agreement and relative consistency in responses. However, when it comes to ensuring non-discriminatory practices, the mean is slightly lower at 4.23, and the standard deviation increases to 1.027, highlighting that opinions are more varied, possibly indicating areas for improvement. The perception of the bank's adherence to contractual obligations is more positively viewed, with a mean of 4.34 and a standard deviation of 0.837, indicating general agreement and a fair degree of consistency.

Ethical CSR presents even stronger results, particularly in terms of adherence to quality assurance criteria, which has the highest mean score across all variables at 4.50, with a low standard deviation of 0.603. This suggests widespread and near-unanimous agreement among respondents that banks are committed to maintaining quality standards. The provision of full and accurate product use information also receives positive feedback, with a mean of 4.34, though the standard deviation of 0.959 reflects some variation in opinions. The bank's commitment to ethical spending principles is similarly viewed positively, with a mean of 4.43 and a standard deviation of 0.759, indicating general agreement with limited variability. Finally, in terms of bank performance, the mean score of 4.30 for profitability shows that respondents generally perceive the bank to be improving financially, though the standard deviation of 1.025 reveals a wide range of opinions on this. A similar trend is observed in customer growth, with a mean of 4.34 and a standard deviation of 0.920, indicating agreement but with some variation. Technological adaptation, however, stands out as a key driver of bank performance, with a high mean score of 4.48 and a relatively low standard deviation of 0.713, suggesting that respondents consistently view technological advances as beneficial to reducing operational costs and enhancing performance. The correlation matrix shows that all CSR variables have a significant positive relationship with bank performance. Economic CSR has a strong correlation with bank performance ($r = .907$, $p < .000$), while philanthropic CSR also correlates significantly ($r = .812$, $p < .000$). Legal CSR shows a similar positive correlation with bank performance ($r = .810$, $p < .000$), and ethical CSR has the strongest correlation ($r = .860$, $p < .000$).

Inferential Results

Table 4. Correlation Matrix

		Economic CSR	Philanthropic CSR	Legal CSR	Ethical CSR	Bank Performance
Economic CSR	Pearson Correlation	1				
	Sig. (2-tailed)					
Philanthropic CSR	Pearson Correlation	.921**	1			
	Sig. (2-tailed)	.000				
Legal CSR	Pearson Correlation	.875**	.799**	1		
	Sig. (2-tailed)	.000	.000			
Ethical CSR	Pearson Correlation	.844**	.802**	.856**	1	
	Sig. (2-tailed)	.000	.000	.000		
Bank Performance	Pearson Correlation	.907**	.812**	.810**	.860**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	56	56	56	56	56

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.4. Model's Goodness of Fit statistics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884[a]	.781	.764	.48612334

Source: Field Data (2024)

a. Predictors: (Constant), Ethical CSR, Philanthropic CSR, Legal CSR, Economic CSR.

Table 4.5. Analysis of Variance (ANOVA)

Model	Sum of squares	df	Mean Square	F	Sig.
1 Regression	42.948	4	10.737	45.435	.000[b]
Residual	12.052	51	.236		
Total	55.000	55			

Source: Field Data (2024)

a. Dependent: Banks Performance

b. Predictors: (Constant), Ethical CSR, Philanthropic CSR, Legal CSR, Economic CSR.

Table 4.14. Regression Coefficients

MODEL		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
	Constant	-6.747	.528		-12.790	.000
	Economic CSR	.598	.217	.359	2.753	.008
1	Philanthropic CSR	.240	.105	.210	2.295	.026
	Legal CSR	.065	.135	.053	.485	.630
	Ethical CSR	.613	.188	.370	3.254	.002

Source: Field Data (2024)

Dependent Variable: Banks Performance

The following regression results were obtained from the table.

Banks Performance = -6.747+ 0.598Economic CSR+ 0.240Philanthropic CSR+0.065 Legal CSR+ 0.613 Ethical CSR.

All correlations are significant at the 0.000 level, indicating a strong link between CSR activities and bank performance.

Regression Analysis: The R-square presents a strong relationship linking the dependent and independent variables with a value of 0.764. This depict that the model account for 76.4% of the total observations while 23.6% remain unexplained by the regression model. The ANOVA Statistics presented above was used to present the regression model significance. An F-significance value of p=0.000 was establish showing that there is a probability of less than 0.1% of the regression model presenting false information.

DISCUSSIONS

Corporate social responsibility (CSR) has become a critical component of business strategies, particularly in the banking sector, where social, economic, and ethical obligations intersect with financial performance. Banks are increasingly being evaluated not only on their financial success but also on their contributions to society through CSR activities, which include economic, legal, ethical, and philanthropic responsibilities. These efforts are believed to enhance reputation, foster customer loyalty, and ultimately improve business outcomes. From the findings, the study reveals that economic CSR significantly influences the performance of banks, with a regression coefficient of 0.598 and a p-value of 0.008. This suggests that banks engaging in economic CSR, such as providing quality services at reasonable prices, experience better financial performance. The high mean score of 4.45 (standard deviation 0.601) for the statement that banks provide quality services at reasonable prices indicates a strong agreement among respondents that economic CSR is being effectively implemented. The positive correlation between economic CSR and performance (r = 0.907, p = 0.000) supports this conclusion, showing that as banks enhance their economic CSR activities, their performance improves. These findings align with Senyigit and Shuaibu (2017), who found a positive relationship between CSR activities and financial performance. The results suggest that economic CSR practices not only fulfill social obligations but also provide competitive advantages for banks. Also, the regression results show that legal CSR does not significantly affect the performance of banks, with a coefficient of 0.065 and a p-value of 0.630. This indicates that legal CSR, though essential for compliance, does not directly influence financial performance. The descriptive results, however, reveal that respondents perceive banks as highly compliant with legal requirements, with a mean score of 4.46 (standard deviation 0.808) for the statement that banks operate under laws and regulations. Additionally, legal CSR practices such as anti-discrimination measures also received a high mean score of 4.23 (standard deviation 1.027), indicating their importance for stakeholder trust. Despite a strong correlation (r = 0.810, p = 0.000) between legal CSR and performance, the lack of a significant regression effect suggests that legal compliance alone may not drive performance improvements, a finding supported by Chih *et al*. (2010).

In addition, the study show that ethical CSR has a significant positive impact on bank performance, with a regression coefficient of 0.613 and a p-value of 0.002. Banks that prioritize ethical practices, such as adhering to quality assurance standards, experience better financial outcomes. The high mean score of 4.50 (standard deviation 0.603) for the statement that banks ensure quality assurance highlights the strong agreement among respondents that ethical standards are upheld. Furthermore, ethical spending principles were rated highly (mean score 4.43, standard deviation 0.759), suggesting that banks are perceived as ethically responsible. The correlation analysis confirms this, with a strong positive relationship between ethical CSR and bank performance (r = 0.860, p = 0.000). These findings align with Tuan Ibrahim *et al*. (2020), indicating that ethical behavior enhances customer trust and financial performance. Thus, ethical CSR contributes significantly to bank performance. Furthermore, philanthropic CSR has a positive and significant impact on bank performance, with a regression coefficient of 0.240 and a p-value of 0.026. The study shows that banks involved in community projects and charitable activities tend to perform better financially. The mean score of 4.32 (standard deviation 0.876) for the statement that banks actively engage in community projects reflects a strong perception of philanthropic efforts. Additionally, the high correlation between philanthropic CSR and bank performance (r = 0.812, p = 0.000) suggests that as banks increase their philanthropic activities, their financial performance improves. This finding aligns with Brammer and Millington (2008), who found that corporate philanthropy enhances a company's reputation and customer loyalty. These results highlight that philanthropic CSR not only benefits the community but also contributes to improved financial outcomes for banks.

CONCLUSIONS

In conclusion, the study demonstrates that corporate social responsibility (CSR) significantly influences the performance of banks, particularly in the areas of economic, ethical, and philanthropic activities. Banks that prioritize these areas tend to experience better financial outcomes and stronger stakeholder relationships. The findings suggest that while economic and philanthropic efforts directly enhance performance, legal CSR, although important for compliance, does not significantly impact financial performance. Ethical CSR plays a crucial role in fostering trust and long-term customer loyalty, further driving bank success. Overall, the results emphasize the importance of integrating economic, ethical, and philanthropic responsibilities as part of a comprehensive CSR strategy. Legal compliance alone is insufficient to drive performance improvements, but a balanced approach to CSR positively contributes to both the social and financial outcomes of banks. This highlights CSR's role as a valuable tool for enhancing bank performance and stakeholder engagement.

RECOMMENDATIONS

The study recommends that banks prioritize economic CSR initiatives, such as providing quality services at reasonable prices and supporting local communities, to enhance their financial performance and competitive advantage. Additionally, it recommends that banks invest in ethical CSR practices, ensuring adherence to quality standards and transparent communication to build customer trust and loyalty. Furthermore, the study suggests that banks actively engage in philanthropic activities, such as community projects, to strengthen stakeholder relationships and improve overall performance. Lastly, while legal CSR is crucial for compliance, the study recommends that banks integrate it with other CSR dimensions to achieve a more significant impact on performance, rather than focusing solely on legal adherence.

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