CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN LISTED DEPOSIT MONEY BANKS IN NIGERIA

Abstract

The increasing emphasis on Corporate Social Responsibility and its potential impact on stakeholder's satisfaction and financial performance have driven the need for this research. This study examined the relationship between corporate governance and corporate social responsibility (csr) practices among listed deposit money banks in Nigeria. *Ex-post facto* research design was employed.The population of the study comprised of the 15 deposit money banks in Nigeria listed on the Nigerian Exchange Group (NGX) as at 31st December,2022, which formed the sample size using census sampling method. Data were obtained from the annual audited financial reports of the banks from the period 2011 to 2022. Data were analysed using the Panel Corrected Standard Errors (PCSE) regression method. The findings revealed that there is a significant positive relationship between transparency measured by the transparency index and CSR practices, a significant positive relationship between environmental sustainability measured by the Dow jones sustainability indices and CSR, and stakeholders' engagement measured by stakeholder's feedback score has a positive but insignificant relationship with CSR practices. The study concluded that adherence to corporate governance codes, especially in areas of environmental sustainability and transparency, enhances csr practices. It recommended that Deposit money banks should pay keen attention to corporate governance practices, especially in environmental sustainability. Regulators are also advised to entrench stakeholders' engagement committees in corporate governance codes to foster better stakeholder engagement.

Keywords: Corporate Governance, Corporate Social Responsibility (CSR), Environmental Sustainability, Transparency, Stakeholders' Engagement

JEL Classification: G34, M14

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1.Introduction

Companies worldwide have become increasingly aware of the negative impacts of their business operations on the environment and society. The need to address corporate social responsibility (CSR) issues has gained momentum as stakeholder's demand greater accountability and responsible behaviour from companies (Béji et al., 2021). Issues such as climate change, environmental degradation, social inequality, and labour rights violations have placed CSR in the forefront of global discussions. In Nigeria,CSR represents a significant concern and challenge in the business landscape. The negative impacts of business operations on the environment and society have become increasingly apparent. Nigerian communities often bear the brunt of environmental pollution, land degradation, and social inequalities caused by corporate activities (Okoye, 2019). Additionally, issues such as inadequate infrastructure, lack of access to education and healthcare, and unemployment

further highlight the need for businesses to contribute to sustainable development and social well-being in Nigeria.

Poor CSR practices have led to reputational damage, loss of customers, legal and regulatory issues (Owoyemi&Kajola, 2018). It also negatively affects employee morale and motivation, leading to lower productivity and higher turnover rates (Izrael & Mujtaba, 2018). On a societal level, poor CSR practices have contributed to environmental degradation, social inequality, and community displacement (Izrael & Mujtaba, 2018). The absence of clear governance policies and procedures has also led to conflicts of interest and a lack of stakeholder engagement, which has hindered effective implementation of corporate social responsibility (CSR) practices (Luo & Bhattacharya, 2018; Gugler, 2020). When governance mechanisms are weak or inadequate, companies may prioritize short-term financial gains over long-term sustainable practices, neglecting their social and environmental responsibilities (Owusu, 2019). Poor governance practices can lead to a lack of strategic vision and long-term planning, making it difficult for companies to prioritize CSR initiatives and integrate them into their business models (Omar et al., 2019).

Recent literature has extensively examined the relationship between corporate governance, corporate social responsibility (CSR), financial performance, and sustainability. Studies suggest that there is a positive relationship between CSR and financial performance (Kolk et al., 2020; Li and Song, 2019). Companies that prioritize CSR practices are more likely to experience enhanced financial performance, which can be attributed to factors such as increased customer loyalty and positive brand reputation (Brammer et al., 2019). Additionally, corporate governance has been found to have a significant impact on CSR practices, as companies with strong corporate governance structures are more likely to prioritize CSR practices (Fernández-Gago et al., 2019). Studies also suggest that firms that engage in sustainable practices tend to have better financial performance (Li and Song, 2019).

Several studies have also explored the relationship between corporate governance, corporate social responsibility, financial performance, and sustainability. Some studies found a positive association between strong corporate governance structures and enhanced CSR. Bae et al. (2018) conducted a study on Korean firms and revealed that firms with better governance mechanisms tend to exhibit higher levels of CSR engagement. Some other studies have highlighted the role of specific governance mechanisms like, the presence of independent directors on boards has been associated with increased CSR performance and disclosure (Xu & Wang, 2018; Liu et al., 2019). Contextual factors such as institutional frameworks, cultural norms, and regulatory environments vary across countries, which can influence the level of CSR engagement (Jamali et al., 2017). Companies facing financial constraints or competitive pressures may prioritize short-term financial performance over long-term CSR initiatives (Sharma et al., 2020).

This study aims to address the persistent problem of inadequate CSR practices in the banking sector by examining the role of corporate governance. The study recognizes the significance of transparency and disclosure, stakeholder engagement, and environmental sustainability as key variables in promoting responsible business practices. Transparency and disclosure practices play a crucial role in ensuring accountability and ethical behaviour within organizations. By enhancing transparency in financial reporting, internal control systems, and

corporate decision-making processes, banks can build trust with stakeholders and demonstrate their commitment to responsible business practices (Adeyemi, 2020). This study will investigate the extent to which transparency and disclosure mechanisms are implemented and their impact on CSR practices in Nigerian deposit money banks.

Stakeholder engagement is another essential aspect of effective CSR practices. Engaging stakeholders such as employees, customers, communities, and regulatory authorities allows banks to understand their concerns, expectations, and social needs, and incorporate them into their strategic decision-making processes (Adediran et al., 2021). This study will explore the level of stakeholder engagement in Nigerian deposit money banks and assess its influence on CSR activities. Environmental sustainability is an increasingly critical consideration for businesses worldwide. Given the environmental challenges faced by Nigeria, including climate change and ecological degradation, it is imperative for deposit money banks to adopt sustainable practices. These can include reducing carbon emissions, promoting renewable energy sources, and implementing responsible lending policies that consider environmental impacts (Kayanula&Quartey, 2019). This study will examine the extent to which Nigerian banks incorporate environmental sustainability practices into their CSR initiatives and evaluate their effectiveness.

This study will provide anunderstanding of the impact of corporate governance mechanisms on CSR activities as such the government can develop frameworks that encourage responsible business practices and promote sustainable development goals which can contribute to economic growth, social welfare, and overall national development. Management can enhance their decision-making processes and align their strategies with societal expectations leading to improved reputation, enhanced stakeholder trust, and long-term sustainability. This study will also contribute to positive social outcomes, such as improved corporate accountability, increased social welfare, and environmental preservation. It will also foster a sense of trust and confidence in the banking sector among the general public, as banks actively address societal concerns and contribute to the well-being of communities. This study will concentrateon listed deposit money banks in Nigeria. The period to be studied will be from 2011-2022; the base year was when the Securities and Exchange Commission (SEC) introduced a new code of governance for public companies in Nigeria known as the SEC code of corporate governance for public companies in Nigeria.

The broad objective of this study is to examine the relationship between Corporate governance and CSR practices in listed deposit money banks in Nigeria. The specific objectives are; to evaluate the extent of environmental sustainability practices in listed deposit money banks in Nigeria, to assess the level of transparency and disclosure practices in listed deposit money banks in Nigeria, to examine the extent of stakeholder engagement practices in listed deposit money banks in Nigeria and to assess the effect of corporate governance on CSR practices. Corporate governance will be represented as CG, Environmental sustainability as ES, Transparency as TP, Stakeholder engagement as SE and Corporate social responsibility practices as CP.

The other parts of this study has been formatted as follows: Section two contains a summary of literature, review of theories and empirical literature on the relationship between Corporate governance and CSR practices; Section three contains the methodology employed,

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the population and sample size utilized; Section four presents the data analysis and Section five discusses the findings, conclusion and recommendations.

2. Literature Review

2.1 Conceptual Review

This section will give definitions to the concepts of this study and thereby showing the link between corporate governance and corporate social responsibility.

2.1.1 Corporate Social Responsibility Practices

Corporate social responsibility (CSR) is a multifaceted concept that has garnered significant attention many scholars. According to Carroll (2018), CSR refers to a company's voluntary actions that go beyond legal requirements and encompass its commitment to addressing societal and environmental concerns. He emphasized that CSR entails fulfilling economic, legal, ethical, and philanthropic responsibilities, forming a four-dimensional framework known as the CSR pyramid.Building on this perspective, Gond et al. (2019) argued that CSR should be seen as a strategic response to societal challenges. They propose an integrative framework that emphasizes the alignment of a company's social and environmental actions with its core business strategies, aiming for long-term value creation. This strategic approach underscores the importance of embedding CSR into the overall business strategy, rather than treating it as a separate entity.

Doh and Guay (2020) adopted a stakeholder perspective in their analysis of CSR. They highlight the importance of considering the needs and expectations of various stakeholders, including employees, customers, suppliers, communities, and the environment. The authors argue that a company's success is closely linked to its ability to effectively engage and manage relationships with its stakeholders, ultimately driving positive social and environmental outcomes. Rodriguez et al. (2021) emphasized the role of sustainability in CSR. They argue that sustainable development should be a core objective for companies, and that CSR practices should align with the United Nations Sustainable Development Goals (SDGs). The authors highlight the need for companies to integrate sustainability into their business models, operations, and decision-making processes to address pressing global challenges.

Bhattacharya et al. (2022) advocate for a purpose-driven approach to CSR. They argue that companies should adopt a broader perspective that transcends short-term financial goals and actively pursue social and environmental objectives alongside economic objectives. This purpose-driven approach aligns a company's mission with societal needs, leading to enhanced stakeholder trust, reputation, and long-term sustainability.

Some studies focus on measuring CSR through corporate philanthropic activities and charitable donations made by organizations. These measures assess the extent of financial contributions and support provided to social causes and community development (Makni et al., 2021). Scholars often conduct surveys and interviews to gather stakeholders' perspectives on a company's CSR practices. These qualitative measures allow for a deeper understanding of the perceived social and environmental impact of organizations (Khan et al., 2020). For this study, the measurement of CSR will be based on the Environmental, Social, and Governance (ESG) framework. The ESG framework offers a comprehensive evaluation of

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companies' performance on specific environmental, social, and governance criteria. By utilizing the ESG framework, this study aims to assess the extent to which listed deposit money banks in Nigeria adhere to ESG principles and demonstrate responsible business practices. This approach enables a robust and standardized assessment of CSR performance, providing valuable insights into the banks' environmental and social impact, governance practices, and overall commitment to sustainable development.

2.1.2 Corporate Governance

Corporate governance is a crucial aspect of organizational management that focuses on the structures, processes, and practices through which companies are directed and controlled. According to Tricker (2019), corporate governance is the system by which companies are directed and controlled in the best interest of shareholders and other stakeholders. It encompasses the relationships among various stakeholders, including the board of directors, management, shareholders, and other interested parties. Adams et al. (2018) defined corporate governance as the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of various stakeholders, including shareholders, management, customers, suppliers, financiers, government, and the community.

One key area of focus in recent research on corporate governance is the presence of diverse board members, including women and individuals from different backgrounds, which has also gained attention as a means to improve governance effectiveness and mitigate groupthink (Meyer et al., 2021). In recent years, the influence of corporate governance on environmental and social aspects has also received increased attention. Scholars have explored the integration of environmental, social, and governance (ESG) factors in governance frameworks (Sikka et al., 2022). They have emphasized the role of responsible governance practices in addressing sustainability challenges, such as climate change, social inequality, and stakeholder concerns (Sridharan & Hasan, 2023). This emerging research area highlights the importance of aligning corporate governance with sustainable development goals and the broader societal impact of corporations.

This study aims to assess the degree of transparency and disclosure, the level of stakeholder engagement, and the extent of environmental sustainability practices adopted by these banks in relation to their corporate social responsibility practices. The use of these proxies allows for a comprehensive evaluation of corporate governance practices, encompassing transparency, stakeholder inclusivity, and environmental responsibility. This approach aligns with the evolving expectations of stakeholders and the growing emphasis on ethical, responsible, and sustainable business practices.

2.1.2.1 Transparency and Corporate Social Responsibility Practices

Transparency and disclosure play a vital role in corporate governance and are essential elements of corporate social responsibility (CSR). Transparency refers to the extent to which a company provides clear and comprehensive information about its activities, strategies, performance, and governance practices to its stakeholders, including shareholders, investors, employees, customers, and the wider public. Disclosure, on the other hand, refers to the process of communicating this information in a timely and accurate manner. Transparency and disclosure practices are crucial as they enhance accountability, build trust,

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and enable stakeholders to make informed decisions about the company's social and environmental impacts. Scholars such as Rahman and Lai (2018) argue that robust transparency and disclosure mechanisms can lead to better CSR performance, as they facilitate the identification of potential risks, promote ethical behaviour, and encourage stakeholder engagement.

In this study, transparency and disclosure will be measured using the transparency disclosure index. A transparency disclosure index measures the extent to which companies provide transparent and comprehensive information about their operations, financial performance, governance practices, and social and environmental impacts. It typically consists of a set of disclosure items or criteria that are assessed to assign a numerical score or rating to companies based on their level of transparency.

2.1.2.2 Stakeholder Engagement and Corporate Social Responsibility Practices

Stakeholder engagement is a key aspect of corporate governance and CSR practices. It refers to the active involvement of various stakeholders, including employees, customers, suppliers, communities, and non-governmental organizations, in the decision-making processes of a company. Effective stakeholder engagement entails establishing channels of communication, seeking input and feedback, and incorporating stakeholder perspectives into the company's strategies and operations. Studies by Jamali et al. (2019) have shown that meaningful engagement with stakeholders can lead to improved CSR performance, enhanced reputation, and sustainable business practices. This study will measure stakeholder engagement using the number of Stakeholder Interactions. This proxy measures the frequency and intensity of interactions between the company and its stakeholders.

2.1.2.3 Environmental Sustainability and Corporate Social Responsibility Practices

Environmental sustainability refers to the responsible use of resources and the mitigation of negative environmental impacts by companies. It encompasses efforts to minimize resource consumption, reduce pollution and waste, conserve biodiversity, and promote sustainable practices throughout the value chain. Scholars such as Lozano et al. (2020) emphasize the importance of environmental sustainability as a core element of CSR, considering the growing concerns about climate change, natural resource depletion, and environmental degradation. In this study, environmental sustainability will be measured using the environmental disclosure index.A diagrammatical presentation will show the link between corporate governance and corporate social responsibility.

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Conceptual Framework

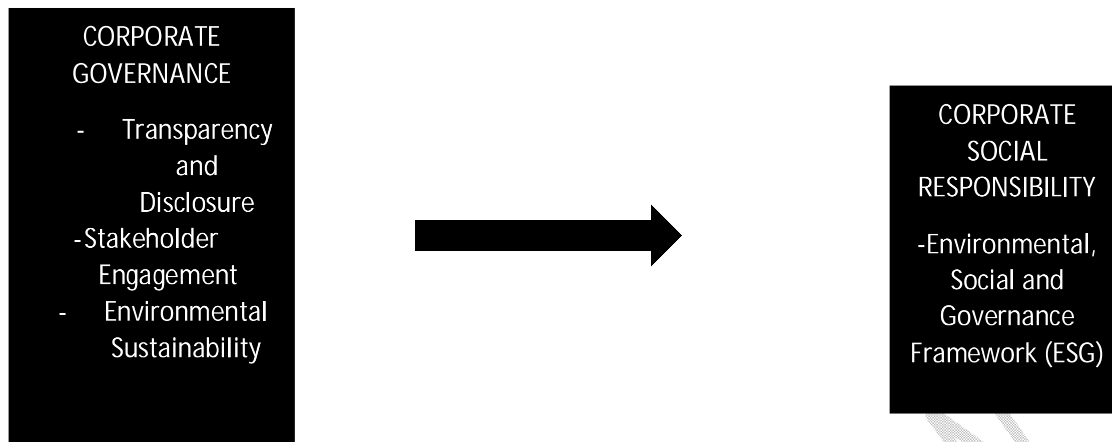

Figure .1 Conceptual framework showing the relationship between Corporate governance and corporate social responsibility

2.2 Theoretical Review

2.2.1 Stakeholder Theory

Stakeholder theory propounded by Freeman in 1984, is a widely used theory in the field of corporate social responsibility. This theory suggests that corporations should not only prioritize the interests of their shareholders, but also consider the needs and interests of other stakeholders such as customers, employees, suppliers, and the local community (Freeman, 1984). This theory assumes that corporations operate within a broader social context and that their actions can have a significant impact on society as a whole. Therefore, corporations should strive to balance the interests of all stakeholders, not just shareholders, to achieve long-term sustainable success.

Stakeholder theory has been widely applied in previous studies on corporate social responsibility practices. For example, studies by (Adeyeye & Adeyeye, 2019) and (Uwuigbe et al., 2018) have shown that stakeholder theory provides a useful framework for analysing the impact of corporate social responsibility practices on stakeholder satisfaction and loyalty, studies by Ali and Nair (2018) and Barako et al. (2019) found a positive relationship between stakeholder engagement, corporate social responsibility, and financial performance in Nigerian firms.

Stakeholder theory is relevant to this study as it emphasizes the importance of stakeholder engagement in promoting corporate social responsibility practices in listed deposit money banks in Nigeria. Stakeholder theory can help to identify the various stakeholders of deposit money banks in Nigeria and their interests, and how corporate social responsibility practices can contribute to meeting those interests.

Critics of stakeholder theory argue that it may be challenging to balance the interests of all stakeholders, as some interests may conflict with each other. Additionally, they argue that the theory does not provide clear guidelines on how to prioritize the interests of stakeholders, leading to confusion and conflicting decisions. Stakeholder theory has also been criticized for being too broad and not providing clear guidance on how to prioritize stakeholder interests (Phillips & Freeman, 2010).

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2.2.2 Legitimacy Theory

Legitimacy theory, on the other hand, was propounded by Dowling and Pfeffer in 1975 and suggests that corporations need to maintain their social license to operate by meeting the expectations and norms of society. This theory proposes that companies engage in social and environmental activities to maintain their legitimacy and avoid negative consequences such as reputation damage or legal sanctions.

Legitimacy theory has also been applied in previous studies on corporate social responsibility in the banking sector. For example, a study by Daramola and Olabisi (2019) found that legitimacy theory provides a useful framework for understanding the factors that influence the adoption of corporate social responsibility practices by Nigerian banks. Studies by Adegbite et al. (2018) and Kusuma and Dharmmesta (2019) also found that legitimacy theory explains the relationship between corporate social responsibility practices and corporate financial performance in developing economies such as Nigeria.

Legitimacy theory can help to understand the reasons behind the adoption of corporate social responsibility practices by deposit money banks in Nigeria and how these practices can contribute to maintaining the social license to operate.

Critics of legitimacy theory argue that it focuses on the external perception of corporations, rather than their internal motivations for engaging in corporate social responsibility practices. They also argue that corporations may engage in corporate social responsibility practices solely for symbolic reasons, rather than genuine concern for their stakeholders. Legitimacy theory has also been criticized for being too focused on compliance and not addressing the underlying social and environmental issues that corporations should be addressing (Bansal, 2005). Despite these criticisms, stakeholder theory and legitimacy theory remain relevant and useful frameworks for understanding the relationship between corporate governance, corporate social responsibility practices, and the sustainability of deposit money banks in Nigeria.

2.3 Empirical Review

Solanke et al (2022) studied the effects of corporate social responsibility on the financial performance of listed oil and gas sectors in Nigeria. The type of data employed for this research was secondary data. The study used an ex-post facto research design to obtain the secondary data in determining the relationship between corporate social responsibilities and financial performance of oil and gas sector in Nigeria. The population covered twelve (12) with the sample size of five (5) quoted oil and gas sector in Nigerian exchange group from 2011 to 2020 with the application of judgmental sampling technique. The methodology employed for this study was an ex-post facto research design. However, the results discovered that economic, donation and legal responsibilities had a non-significant influence on the return on assets (ROA) and return on equity (ROE) of the oil and gas firms in Nigeria, a strong negative relationship between the corporate social responsibility and profit after tax, a strong negative relationship between the corporate social responsibility and Return on Capital Employed, a strong negative relationship between the corporate social responsibility and Return on Asset.The study was limited to the oil and gas sector as such we could not draw inference for other industries.

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Gholami et al. (2022) investigated the relationship between corporate environmental, social, and governance (ESG) performance disclosure and profitability, with a focus on highlighting the significant differences between the financial and non-financial sectors. The study used an extensive Australian sample during the 2007-2017 period from Bloomberg's database. The data wasanalysed using a panel regression model to evaluate the association between corporate ESG performance disclosure and profitability to conduct an industry analysis. The empirical findings of the study suggest that there is a positive relationship between corporate ESG performance disclosure and profitability in both financial and non-financial industries. However, the study also found that the relationship between ESG disclosure and profitability differs between financial and non-financial industries over time. The study focused solely on the differences between ESG performance disclosure and profitability in financial and non-financial sectors.

Shah et al. (2020) investigated the impact of CSR activities on various domains of society such as sustainability, philanthropy/charity, worker's rights, education for women, and gender equality. The study employed both primary and secondary data sources for data collection. The primary data was collected using a survey method, which included scaling questions based on the Likert scale to judge customer perception about CSR and firms carrying out CSR activities. The secondary data sources used in this study include academic journals, books, and online databases. The research design used both advanced and descriptive statistical analysis to analyse the collected data. The study found that there is a positive correlation between CSR activities and sales as well as net profit. However, there is no significant impact on Return on Assets (ROA) with respect to the increase in CSR. The study also found that the consumer products sector doesn't spend a significant percentage in CSR, and hence it can be concluded that it has a trade-off with CSR spend amounts. Additionally, the study found that firms engaging in CSR activities have a positive impact on society, including sustainability, philanthropy/charity, worker's rights, education for women, and gender equality.

Azeez et al. (2020) studied the influence of corporate social responsibility activities on organizational performance and highlighted the following objectives; To examine the influence of philanthropic activities on organizational performance among manufacturing firms in Oyo State, To evaluate the impact of ethical activities on organizational performance among manufacturing firms in Oyo State, To ascertain the contribution of economic activities on organizational performance among manufacturing firms in Oyo State, To assess the influence of legal activities on organizational performance among manufacturing firms in Oyo State. The main instrument of data collection was questionnaires. Descriptive statistics analysis was used for demographic data of the respondents while inferential statistics through the use of multiple regression were used to test the hypotheses. The findings of the study revealed that corporate social responsibility significantly influences organizational performance. The study limited its data sources to primary sources which might not be best measurement for organizational performance.

Itoya et al. (2022) studied the effect of corporate social responsibility on firms' financial performance in Nigeria, using selected banks as the study area. The study evaluated the effect of expenditure on corporate social responsibility on earning per share of banks in Nigeria. The authors employed correlation and simple regression analysis for the analysis.

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The study found that there is no statistically significant relationship between CSR expenditure and return on assets.

Amadi et al. (2020) studied the relationship between corporate social responsibility (CSR) and financial performance in the food and beverage industry in China. For this study, panel data was employed. The study used panel data of 577 samples from 64 food and beverage companies for the period of 2010 to 2019. The methodology employed in this study is a multivariate regression approach. The findings of this study suggest that there is a positive and significant relationship between the various dimensions of CSR and financial performance in the food and beverage industry in China.

Sameer (2021) studied the relationship between CSR initiatives and the financial performance of public companies in the Maldives. Data was collected from the annual reports of the listed companies in the Maldives Stock Exchange (MSE) from 2014 to 2018. The study used a mixed-method research approach and analysed the data using panel data regression in STATA 15 software. The sampling technique used was judgmental sampling. The study found a significant negative relationship between CSR and Return on Assets (ROA) when the size of the firm is controlled.

Bande (2022) studied the effects of financial performance measured by ROA, ROE, ROD, and PAT on CSR expenditure of Deposit Money Banks (DMBs) in Nigeria and to examine the effects of CSR expenditure on financial performance measured by ROA, ROE, ROD and PAT of DMBs in Nigeria. The study employed secondary data, which was obtained from the annual reports and financial statements of thirteen Deposit Money Banks (DMBs) in Nigeria for a period of ten years after recapitalization (2005-2014). The data was analysed using regression analyses of STATA version 13. The methodology adopted for this study is a causal-comparative research design. The study attempts to determine the cause-and-effect relationship between two variables, namely, CSR expenditure and financial performance. The study employed secondary data collected from Annual Financial Reports and Annual Statements of Accounts. It shows that all the financial performance measures have significant positive effect on CSR expenditure, which means that previous CSR expenditure causes increase in firm's performance in the long-run, inform of ROA, ROE, ROD and PAT.

Wafa andNoha(2022) studied the relationship between corporate social responsibility (CSR) and firm performance in GCC countries, to examine the impact of CSR on different dimensions of firm performance, and to explore the moderating effect of institutional quality on the relationship between CSR and firm performance. The study employed panel data from GCC companies. Data was collected from the annual reports of the companies for the period 2010-2017. The sample consisted of 102 firms from six GCC countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. The study employed a panel smooth transition regression (PSTR) model to investigate the potential nonlinearity of the relationship between CSR and financial performance in the context of GCC companies. The study found that the average CSR disclosure score of GCC enterprises is quite low, which might be due to a lack of legislative push in certain countries to implement CSR policies. The findings suggest that CSR expenditures improve an organization's corporate image, promote a better understanding of its goods and services, and develop its ties with a wide range of stakeholders. The study also found that the environmental, social, and governance dimensions

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of CSR have distinct effects on corporate performance. Finally, the study found that institutional quality moderates the relationship between CSR and firm performance.

Ibrahim and Umeano (2019) studied the impact of corporate social responsibility (CSR) on the financial performance of banks in Nigeria. The study aimed to determine whether CSR activities have a significant effect on the financial performance of banks and whether such activities are justified from a financial perspective. The research examined the effect of the CSR on the CFP for a five-year-period, 2012–2016. The research design used is the ex-post facto research design. It applied the data collected from all the thirteen quoted commercial banks in Nigeria and adopts a quantitative approach based on a philosophical world view of post positivism. Regression analysis was conducted to examine the data gathered on the CSR, which proxy is the CSR expenditure, and the two proxies of the CFP – the ROA and the ROE. As a test control, the regression analysis was also conducted on a third proxy of the CFP – the EPS. Data on the ROA, the ROE, and the EPS of the thirteen banks were collected from their audited annual reports over the five years – from 2012 to 2016. The CSR expenditure amounts were also obtained from the banks' annual reports. The findings of the study indicate that the expenses on CSR do not have a significant impact on the three CFP indicators (ROA, ROE, and EPS) of banks quoted in Nigeria.

Sharif et al. (2023) examined the relationship between corporate social responsibility (CSR) and firm performance in the MENA region before and after COVID-19, and to understand how earnings management moderates that relationship. The study used both financial data and ESG (Environmental, Social, and Governance) scores. The financial data was obtained from the Thomson Reuters database over the fifteen years (2007-2021) for firms in the MENA region. The ESG scores were also obtained from the Thomson Reuters database and were used as a measure of CSR. The study employed a quantitative research methodology. They used regression analysis to test the relationship between CSR and firm performance, as well as the moderating effect of earnings management on that relationship. The study found that there is a positive relationship between CSR and firm performance in the MENA region, both before and after COVID-19. They also found that earnings management moderates this relationship, meaning that companies that engage in more earnings management practices may experience weaker links between CSR and firm performance.

Costa and Fonseca (2022) study was multifold, firstly, it aimed to address the importance of CSR practices in firm performance; secondly, it combines CSR with innovative practices to better understand if the combined strategy will leverage positive results for the firm's financing. Thirdly, it appraises the financial performance through alternative measures to better clarify the outcome of this strategy from different perspectives and time spans. Lastly, it compares the achievements in 2015 to those of 2019 to grasp insights about the time trends and perspectives for the future. The methodology employed in this study was conceptualization, methodology, software, validation, formal analysis, investigation, resources, data curation, writing and review and editing. The data for this study were collected from the Thomson Reuters EikonDatastream database. The findings of this paper suggest that the combination of CSR and innovative strategies can have a positive impact on a firm's financial performance. The study found that firms that adopt both CSR and innovative strategies tend to have higher financial performance than those that do not. Additionally, the study found that alternative measures of financial performance, such as

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Tobin's Q and Return on Assets, can provide different insights into the relationship between CSR, innovation, and financial performance. Lastly, the study found that the positive effects of CSR and innovation on financial performance were consistent across different time periods.

Torkkeli and Durst (2022) investigated the relationship between learning orientation and corporate social responsibility (CSR) in small and medium-sized enterprises (SMEs), and how this relationship affects their performance outcomes. The study aims to contribute to the understanding of how SMEs can develop CSR practices through a learning-oriented approach, and how this can lead to improved international performance. The study employed a quantitative research methodology, using survey data collected from 200 Finnish SMEs. The data was analyzed using structural equation modeling (SEM) to test the hypothesized relationships between learning orientation, CSR, and performance outcomes. The survey instrument used in the study was based on previously validated scales from existing literature. The findings of the study indicate that CSR specifically impacts the international performance of SMEs, rather than their general performance or profitability increases. The study also found that the learning orientation of SMEs determines the extent of their CSR. Therefore, SMEs stand to gain the most from their internationalization efforts, rather than necessarily accruing general performance increases as such.

Yusuf et al. (2020) evaluated the relationship between financial performance and corporate social responsibility (CSR) in listed non-financial firms in Nigeria from 2009 to 2018. The research work is quantitative with a post-positivism paradigm. The data used in this study covers ten years (2009 to 2018) and was obtained from the financial statements of the selected non-financial firms. Panel multiple regression was adopted to examine the model of the study. Longitudinal panel data was used to account for individual heterogeneity of the sample firms. Therefore, ordinary least square regression using multiple regression technique is employed for the purpose of this research. The findings of this study suggest that there is a significant positive relationship between financial performance and corporate social responsibility (CSR) in listed non-financial firms in Nigeria. The study found that return on investment (ROI) and net profit margin (NPM) have a significant effect on CSR. This implies that firms with higher ROI and NPM are more likely to engage in CSR activities.

Nicole et al. (2022) studied determine if there is a relationship between corporate social responsibility and strategic management practice in organizations. The study employed a thorough literature review and bibliometric analysis. The systematic literature review was performed to analyse the selected article’s characteristics in order to uncover patterns within the research. On the other hand, bibliometric analysis was used to explore and analyse the large amounts of bibliographic data retrieved from the Scopus database. The study also used a quantitative approach to analyse the data obtained from the bibliometric analysis. The study identified trends or patterns between corporate social responsibility and strategic management practice by empirically documenting the intellectual structure in terms of publication years, the most cited journals and authors, and the most well-known key terms in the examined topics. The study found that there is a positive relationship between corporate social responsibility and strategic management practice. The study utilised a literature review methodology as such no data was analysed to thoroughly understand the relationship between CSR and strategic management practices.

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Olurankinse and Oyewole (2021), examined the effect of corporate social responsibility on tax aggressiveness in Nigeria quoted companies. The study adopted Ex-Post-facto method with extensive reliance on secondary data sourced from the annual reports of thirty-five (35) manufacturing firms quoted on the floor of Nigerian Stock Exchange for the period of 2011-2019. The study showed that corporate social responsibility has a positive and significant relationship with tax aggressiveness proxied by effective tax rate in Nigerian manufacturing firms. It was also discovered that community development has a negative effect on tax aggressiveness proxied by effective tax rate in Nigeria manufacturing firms. Also, Social and political engagement has negative effect on effective tax rate in Nigerian sampled manufacturing firms.

2.4 Gap in Literature

This study will fill some gaps as regards the relationship between corporate governance and corporate social responsibility. There has been limited research on the specific context of listed banks in Nigeria concerning the relationship between corporate governance, corporate social responsibility (CSR) practices, and the three variables of environmental sustainability, transparency and disclosure, and stakeholder engagement. While there is existing literature on corporate governance and CSR in general, there is a need for more studies that focus specifically on the Nigerian banking sector, considering its unique characteristics and challenges. Several studies are underpinned by the stakeholder theory; however, this study will be underpinned by the Legitimacy theory. By applying legitimacy theory in the Nigerian banking sector, this study aims to explore how environmental sustainability, transparency and disclosure, and stakeholder engagement practices are influenced by and contribute to the legitimacy of listed banks in Nigeria. This gap in the literature provides an opportunity to gain a deeper understanding of the role of legitimacy theory in shaping CSR practices in the Nigerian banking sector and its implications for sustainable development. Based on these, the null hypotheses will be stated as follows;

H_0: There is no significant effect of corporate governance on corporate social responsibility practices.

3. Methodolgy

The study is a quantitative research;*Ex-post facto* research design will be used for this study. It is applicable to this studies because it involves random assignment of participants to different conditions to establish cause and effect relationships. The population of the study is all listeddeposit money banks on the floor of the Nigerian exchange group. As at 31st December 2022 total population of listed deposit money banks on the Nigerian Exchange Group is 15 banks. The sample size was 15 DMB's determined using census sampling technique. The study will source data from annual reports and sustainability reports for the period 2011-2022, the base year was when the Securities and Exchange Commission (SEC) introduced a new code of governance for public companies in Nigeria known as the SEC code of corporate governance for public companies in Nigeria.

The variables that will be measured are transparency, stakeholder engagement and environmental sustainability which will be extracted for the audited annual reports and sustainability reports. Data obtained will be analysed using descriptive statistics and regression analysis with fixed effects.

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3.1 Model Specification

The model used in Wu and Jin (2022)will be adapted for this research work. The study exploredCorporate Social Responsibility and Sustainability: From a Corporate Governance Perspectiveon Chinese listed companies from 2015 to 2019. The model of the studies is stated thus:

$$SGR = \beta 0 + \beta 1CSR + \beta 2SIZE + \beta 3LEV + \beta 4GROWTH + \beta 5MH + \beta 6IDR + \beta 7TOP1 + \sum YEAR + \sum Ind + \varepsilon$$

Where,

Corporate sustainability - SGR

Corporate social responsibility - CSR

Internal control - IC

Management capability - MA

Quality of accounting information - DA

Enterprise size - SIZE

Asset–liability ratio - LEV

Firm growth - GROWTH

Executive shareholding ratio - MH

Independent director ratio - IDR

Ownership concentration - Top1

Year - Year

Industries – Ind

ε - Error term

β_0, β_1, β_2, β_3 - Model coefficients

The following is the model formulated for this studies;

CSR = fcg ……………………………………...…..(i)

CSR = f(TR, SE, ES) …………………………....(ii)

$$CSR= \beta_0+\beta_1 TR_{it}+\beta_2 SE_{it} +\beta_3 ES_{it}+ \varepsilon_{it} \text{ ………..(iii)}$$

Where;

TR- Transparency
SE- Stakeholder engagement
ES- Environmental sustainability
ε - Error term

$\beta 0$, $\beta 1$, $\beta 2$, $\beta 3$ - Model coefficients

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From the foregoing, it is expected that earnings management and audit committee will significantly have effect on firm value. In summary, the *A priori* expectation is stated as follows;

$B_1>0$, $\beta_2>0$, $\beta_3>0$

Table 1: Measurement of Variables

S/N	Variables	Description	Measurement	Sources
	Independent Variable			
1.	Transparency	A tool used to measure the level of transparency and disclosure practices of organizations.	Transparency and disclosure index. Scores or ranking are assigned to companies based on their compliance with the disclosure criteria.	(Hassouna et al. 2017)
2.	Stakeholder Engagement	The Stakeholder Feedback Score is a measure of how satisfied various stakeholders are with a company or organization.	Stakeholder Feedback Score. Each feedback is scored on a scale of 1 to 10, then the average score is calculated.	(Misra & Priyadarshini 2018).
3.	Environmental Sustainability	The DJSI are calculated by S&P Dow Jones Indices and are based on an analysis of corporate economic, environmental, and social performance.	Dow Jones Sustainability Indices (DJSI).Scores or ranking are assigned to companies based on their compliance.Each company is scored from 0 to 100.	(López et al 2007)
4.	Corporate Social Responsibility(Dependent variable)	It is used to assess the sustainability and ethical performance of companies.	Environmental, Social, and Governance (ESG). ESG ratings and Indices	(Aydogmus et al. 2022)

The table above shows the description of each variables, measurement and its sources.

Source: Author's Computation, 2023

4. Data Analysis and Discussion of Findings

4.1 Descriptive Statistics

The descriptive statistics is reported in table 2 and it shows that transparency (TRSP) for the deposit money banks in Nigeria over the years have the average has the value of .83928 with standard deviation of .36836 implying moderate variation across the years and the coefficient variation of .43890 which means that the variation is 43.89 percent over the period under study. The standard error of mean is .0284 implying variation in the sample mean and

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population mean with minimum value of 0 and maximum value of 1. Data for the variable is negatively skewed having the statistics of -1.8476 and kurtosis value of 4.413712. Furthermore, on the table, it is shown that stakeholders engagement (TKG) have average value of .56349 with standard deviation of .2390 and this imply that stakeholder's engagement level for the companies over the years moderately varies considering its distance to mean. The total variation is 42 percent showing .42426 and the total standard error of mean shows .01844 with the minimum value of 0 and maximum value 1. The data for the variable is negatively skewed having the value of -.248246 and kurtosis value of 2.9184 and this imply that the data has normal distribution.

Furthermore, from table 1, environmental sustainability (EVRS) has an average value of .7559 with standard deviation of .22626 and this imply a moderate variation with 29.9 percent of coefficient of variation. The standard error of mean of environmental sustainability is .0174 with minimum value of .33333 and maximum value of 1. The variable is negatively skewed having the value of -.3852 and kurtosis value of 2.1707 which imply that the data is normally distributed. Lastly from table 1, corporate social responsibility (CSRI) on the average over the period for listed deposit money banks is .6113 with standard deviation of .2393 and this imply a moderate variation in corporate social responsibility for the banks over the years showing coefficient of variation of over 39.15 percent showing .391564 and the standard error mean is .01846 with minimum value of 0 and maximum value of 1. Data for the variable is negatively skewed having the value of -.40721 and the kurtosis value indicating 2.4680 and this imply that the data is normally distributed.

Table 2: Descriptive Statistics

Variables	TRSP	STKG	EVRS	CSRI
Observations	168	168	168	168
Mean	.8392857	.5634921	.7559524	.6113095
SD	.3683652	.2390722	.2262636	.2393668
CV	.4389032	.424269	.2993094	.391564
SE(mean)	.02842	.0184448	.0174566	.0184676
Min	0	0	.3333333	0
Max	1	1	1	1
Skewness	-1.847623	-.2482461	-.385226	-.4072107
Kurtosis	4.413712	2.918455	2.170795	2.468024

The table above shows the descriptive statistics of the data

Researcher's Computation (2023)

4.2 Test of Variables

The linear association or relationship between the dependent and explanatory variables was tested using the pairwise correlation coefficient. The correlation analysis equally helped in detecting the likelihood of multicollinearity among the study variables, the presence of which could have a devastating effect on the standard error of the variables. Table 3 shows that the overall relationship between corporate governance and CSR practices is significant. The relationship between CSR practices and transparency is positive and significant and this evidenced by a coefficient value of 0.2788 and probability value of 0.0003 and this indicate

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that one-time increase in transparency, CSR practice will increase by 27.88 percent. Stakeholders' engagement (STKG) has positive but insignificant relationship with CSR practices and one-time increase in stakeholders' engagement, it will cause an increase in CSR practices by 9.03 percent having coefficient value of 0.0903 and probability value of 0.2445. The relationship between environmental sustainability (EVRS) and tax CSR is positive and significant having coefficient value of 0.4419 and probability value of 0.0000 which imply that one-time improvement in environmental sustainability, CSR will increase by 44.19 percent. Likewise, from table 2, it is observed that the relationship between the explanatory variables does not show the existence of multicollinearity as it is not above the expected threshold of 0.7. The implication of the relationship is that corporate governance practices embedded with transparency and environmental sustainability will spur a good corporate social responsibility.

Table 3:Correlation Analysis

	CSRI	TRSP	STKG	EVRS
OBS	168	168	168	168
CSR	1.0000			
TRSP	0.2788*	1.0000		
	0.0003			
STKG	0.0903	0.2412*	1.0000	
	0.2445	0.0016		
EVRS	0.4419*	0.2929*	0.1098*	1.0000
	0.0000	0.0001	0.1565	

The table above shows the relationship between the variables

Source: Researchers' Computation (2023)

Evaluation of Extent of Environmental Sustainability Practices among Listed Deposit Money Banks in Nigeria

In order to achieve this objective, trend test and Pearson chi-square test is employed. It is found appropriate because trend test will show the evidence of the practices and on the other hand, Pearson chi-squared test is used to determine whether there is statistically significant difference between the expected frequencies and the observed frequencies in one or more categories. Since the first specific objective of the study is to find out if there is association between observed environmental sustainability practices and samples of the DMBs are significant. The results of the trend test are presented in table 4 and it shows the performance of the banks regarding environmental sustainability and it is observed that banks with international authorization take the lead in the environmental sustainability practice and these could be as a result of the exposure of the management and the board to different rules and corporate practices in more developed countries that took environmental sustainability a compulsory obligation. And observing the trend of the practice over the years covered by the study, it is observed that the practices are on the increase over the last 5 years as they recorded the highest practice of environmental sustainability and the trend over the period is significant showing z statistics of 2.52 which is significant at 5 percent.

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Table 4: Trends of environmental sustainability among the Listed Deposit Money Banks in Nigeria

S/N	Companies	Sum of Ranks	Years	Sum of Ranks
1	ZENITH BANK	1401.5	2022	1401.5
2	ACCESS BANK	1379	2019	1379
3	ECO BANK	1351	2020	1351
4	STANBIC IBTC	1255.5	2021	1255.5
5	WEMA BANK	1255.5	2018	1255.5
6	UBA BANK	1182.5	2013	1182.5
7	FIRST BANK	1154.5	2015	1154.5
8	FCMB BANK	1132	2016	1132
9	GTB BANK	1132	2012	1132
10	STERLING BANK	1059	2014	1059
12	FIDELITY BANK	1031	2017	1031
13	UNION BANK	862.5	2011	862.5
14	UNITY BANK	1401.5		
15	ABBEY MORTGAGE BANK	1379		
	Z-Statistics	**= 1.10**	**Z-Statistics**	**= 2.52**
	Prob > |z|	**= 0.270**	**Prob > |z|**	**= 0.012**

The table above shows the trends of environmental sustainability among the Listed Deposit Money banks in Nigeria

Source: Authors' Computation (2023)

Assessment of Stakeholders' Engagement Practices among Listed Deposit Money Banks in Nigeria

In order to achieve the second specific objective, trend test and Pearson chi-square test is employed. It is found appropriate because trend test will show the evidence of the practices and on the other hand, Pearson chi-squared test is used to determine whether there is statistically significant difference between the expected frequencies and the observed frequencies in one or more categories. Since the first specific objective of the study is to find out if there is association between observed stakeholders' engagement practices and samples of the DMBs are significant.

The results of the trend test is presented in table 5 and it shows the performance of the banks regarding stakeholder's engagement and it is observed that Zenith bank took the lead, followed by Unity bank, UBA bank, Sterling bank and WEMA bank. The least DMBs on the table are GTB bank, Stanbic IBTC bank and Abbey Mortgage bank Plc. It is further observed that the stakeholders' engagement practices by the firms is significant at 5 percent evidenced by Z-statistics of 3.08 and P-value of 0.002. Furthermore, on the table 4, examining the

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practice based on the performance of the sector over the years covered by the study it is observed there was a very insignificant performance and the highest practice of stakeholders' engagement is in year 2022 and 2021 and year 2012 and year 2016 experience the least stakeholders' engagement practices.

Table 5: Trends of Stakeholders' Engagement among the Listed Deposit Money Banks in Nigeria

S/N	Companies	Sum of Ranks	Years	Sum of Ranks
1	ZENITH BANK	1242	2022	1406.5
2	UNITY BANK	1242	2021	1406.5
3	UBA BANK	1224	2014	1348
4	STERLING BANK	1152.5	2020	1281.5
5	WEMA BANK	1117	2018	1228
6	FCMB BANK	1099	2017	1210
7	ECO BANK	1027.5	2011	1192
8	FIRST BANK	992	2013	1187
9	UNION BANK	974	2015	1156.5
10	FIDELITY BANK	961.5	2019	1031.5
12	ACCESS BANK	943.5	2012	972.5
13	GTB BANK	849	2016	776
14	STANBIC IBTC BANK	849		
15	ABBEY MORTGAGE BANK	523		
	Z-Statistics	**= 3.08**	**Z-Statistics**	**= 1.52**
	Prob > |z|	**= 0.002**	**Prob > |z|**	**= 0.127**

The table above shows the trends of Stakeholders' Engagement among the Listed Deposit Money banks in Nigeria

Source: Authors' Computation (2023)

Assessment of Corporate Social Responsibility Practices among Listed Deposit Money Banks in Nigeria

In order to achieve the third specific objective, trend test and pearson chi-square test is employed. It is found appropriate because trend test will show the evidence of the practices and on the other hand, Pearson chi-squared test is used to determine whether there is statistically significant difference between the expected frequencies and the observed frequencies in one or more categories. Since the third specific objective of the study is to find out if there is association between observed corporate social responsibility practices and samples of the DMBs are significant.

The results of the trend test is presented in table 6 and it shows the performance of the banks regarding transparency and it is observed that Access bank took the lead, followed by Zenith bank, GTB bank, FCMB bank and First bank. The DMBs with the least transparency and disclosure levels are sterling bank and abbey mortgage bank. It is further observed that the transparency and disclosure by the firms is significant at 5 percent evidenced by Z-statistics

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of 4.44 and P-value of 0.000. Furthermore, on the table 4, examining the transparency practice based on the performance of the sector over the years covered by the study it is observed there was a very significant performance and the highest level of transparency is in year 2022 backward to 6 years as of 2017 and year 2011 experience the least level of transparency and this implied that transparency keeps getting better each tear in the DMBs sector. And these could be as a result of more pressures on the financial firms from regulators and international bodies which took transparency serious and they have to comply because many of the banks have international authorization which enforces international global best practice of governance.

Table 6: Trends of Transparency practices (TRSP) among the Listed Deposit Money Banks in Nigeria

S/N	Companies	Sum of Ranks	Years	Sum of Ranks
1	ACCESS BANK	1176	2022	1288
2	ZENITH BANK	1176	2021	1288
3	GTB BANK	1176	2020	1288
4	FCMB BANK	1176	2019	1288
5	FIRST BANK	1176	2018	1288
6	UBA BANK	1176	2017	1288
7	FIDELITY BANK	1176	2016	1204
8	UNION BANK	1176	2015	1120
9	UNITY BANK	1176	2014	1036
10	WEMA BANK	1176	2013	1036
12	ECO BANK	840	2012	1036
13	STERLING BANK	756	2011	1036
14	STANBIC IBTC BANK	672		
15	ABBEY MORTGAGE	168		
	Z-Statistics	**= 4.44**	**Z-Statistics**	**= 3.12**
	Prob > $\lvert z \rvert$	**= 0.000**	**Prob > $\lvert z \rvert$**	**= 0.002**

This table shows the trends of Transparency practices among the Listed Deposit Money Banks in Nigeria

Source: Authors' Computation (2023)

Panel Unit Root Test of the Variables

Panel variables have the tendency of been non stationary at level which may likely affect the parameter stability and consistency of the model. However, in order to identify the stationary conditions of the variables, the study uses Levin, Lin & Chu t* and Harris-Tzavalis unit-root test. The null hypothesis assumption of the unit root test is that all panels contain unit roots while the alternate hypothesis implies that some panels are stationary. The results of unit root tests were displayed in table 6. It shows that all the variables are integrated of order zero that is 1(0) which is significant at 5 percent level of significance. Therefore, we reject the null hypothesis and conclude that the series is stationary. Therefore, it is not necessary to conduct the co-integration test in order to determine the long run relationship among the variables. The panel least square is capable of estimating an efficient model and that is less spurious.

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Table 7: Panel Unit Root Test

Variable	Levin, Lin & Chu t*		Harris-Tzavalis unit-root test	
	Test-statistics	P-value	Z-Statistics	P-value
Corporate Social Responsibility	-4.2450	0.0000	-12.2366	0.0000
Stakeholders' engagement	-3.5488	0.0002	-10.8968	0.0004
Environmental Sustainability	-4.6476	0.0000	-11.0667	0.0000
Transparency	**-5.4829**	0.0000	-3.5571	0.0002

The table above shows the tendency of variables been non- stationary

Source: Author's Computations (2023)

The normality of data distribution is an assumption of running a linear model and the assumption merely requires that the residuals be identically and independently distributed. The normality of residuals was conducted using the Shapiro-Wilks test of normality and the resultindicate that residuals of the variables have p-values that are above 0.05 as indicated on the table at 5% level of significance which imply the data is normally distributed. Multicollinearity test is part of post estimation test to confirm the validity of the assumption of the regression model if two or more explanatory variable are highly correlated, meaning that one can linearly predict the other variable with a certain degree of accuracy to show if there is problem of multicollinearity. The Variance Inflation Factor (VIF) value was used to investigate the relationship between the variables themselves to determine their independence. Based on the evidence, it can be concluded that there is no multi-collinearity problem. This is because the VIF values for all the variables are less than 10 and the tolerance values for all the variables are greater than 0.10 (rule of thumb). Therefore, the study can rely on regression co-efficient to predict the level of impact of independent variables on dependent variables and the outcome of the findings can be considered valid.

The heteroscedasticity test was conducted to check the validity of homoscedasticity assumption that variance in the residuals are constant as the absence of homoscedasticity violate the assumption and may lead to wrong inference. Heteroscedasticity test was conducted using Breusch-Pagan/Cook-Weisberg test and data for the study revealed the absence of heteroscedasticity given the probability value of 0.5525 which is lesser than 0.05. Data for the study was also tested for auto-correlation using Wooldridge test for autocorrelation in panel data. The results shows the probability of 0.6928 which is insignificant indicating that there is no problem of Auto-correlation hence the null hypothesis that there is no first-order correlation is accepted. The study employed the parametric testing procedure proposed by Pesaran (2004). The Pasaran (cross-sectional dependence) test is utilized to ascertain whether the residuals are associated across entities.The result indicates that null hypothesis that there is no cross-sectional dependence is rejected as the probability value indicated 0.0379and the average absolute correlation of the residuals as obtained by using the abs parameter shows 0.226 which is considered a very high number. Hence, there is sufficient evidence to conclude that corporate governance and corporate social responsibility under fixed effect condition exhibits cross-sectional dependence. And this statistical problem will be solved using panel corrected standard error regression.

The test is being used in this situation to distinguish between models where the omitted heterogeneity is handled as fixed and correlated with the explanatory factors, and models

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where it is treated as random and independent of the explanatory variables.The result to know the model interpretation showed chi2 of 11.96 and p-value of 0.0075 that is significant at 5 percent implying that the variation across entities is assumed to be random and uncorrelated with the independent variables included in the models. This indicate that the best model for interpretation is fixed-effect model.

Table 8: Post Estimation Test Results

Shapiro -Wilk Test		
Null Hypothesis	**Statistics**	**Probability**
Distribution of the residuals is normal (P>0.05)	-1.753	0.96021
Tolerance and VIF Value		
Null Hypothesis	**VIF**	**1/VIF**
There is no multicollinearity among the variables (1/VIF >0.10)		1.10
Breusch-Pagan / Cook-Weisberg test for Heteroscedasticity		
Null Hypothesis	**Statistics**	**Probability**
Constant varianceacross the variables residuals(P>0.05)	0.35	0.5525
Wooldridge test for autocorrelation		
Null Hypothesis	**Statistics**	**Probability**
No first-order autocorrelation(P>0.05)	0.163	0.6928
Pesaran's test of Cross Sectional Independence		
Null Hypothesis	**Statistics**	**Probability**
No cross-sectional dependence (P>0.05)	2.076	0.0379
Hausman Test		
Null Hypothesis	**Statistics**	**Probability**
Difference in coefficients not systematic (P≤0.05)	11.96	0.0075

The table above shows the normality of data distribution

Researcher's Computation(2023)

Statistical Findings and Explanations of the Effect of Corporate Governance on CSR Practices among Listed Deposit Money Banks

The regressed result showing how measures of corporate governance in terms of environmental responsibility, stakeholders' engagement and transparency after meeting the basis for a Best Linear Un-bias Estimate (BLUE) is shown in table 9. The panels corrected standard errors regression was run to cater for identified statistical problems of cross-sectional dependence. The results of the regression analyzing the model specified to indicate the linear relationship of corporate governance as a tool for CSR practice shows that the linearity of the variables is different from zero indicating wald chi2 of 47.32and probability value of 0.0000 and this imply that the model is significant and fit. The percentage of variation in CSR practices that can be caused by corporate governance is 21.98 percent having R-squared value of 0.2198. The overall result shows that the measures of corporate governance have positive and significant influence on the CSR practices of the sampled deposit money bank in Nigeria. The individual results for the variables as shown in table 9 showed that environmental sustainability (EVRS) have a co-efficient value of .416517, Z-

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statistics of 5.52 which is statistically significant at 5 percent with p-value of 0.000. Likewise,stakeholders' engagement (STKG) have a co-efficient value of .0080819, Z-statistics of 0.11which is statistically insignificant at 5 percent with p-value of 0.909. This implies that stakeholders' engagement has no significant influence on CSR practices especially for the deposit money bank. Furthermore, it is observed that transparency have positive and significant influence on CSR practices of the sampled deposit money bank in Nigeria and this is evidenced by a co-efficient value of .1049563, Z-statistics of 2.21 which is statistically significant at 5 percent with p-value of 0.027.

The implication of the findings is that corporate governance is a practice that has a consequence on CSR practices of listed deposit money bank. It is obvious that it is expected of listed companies especially the deposit money banks to adhere to the code of corporate governance which is a strong advocate of transparency, stakeholders' engagement and sustainability. Since all of these practice is for the firms' stakeholders even beyond the shareholders, it is then expected that this will increase their social responsibility to the society and other stakeholders. The results revealed by the study indicated that corporate governance have significant effect on corporate social responsibilities of the listed deposit money banks. The results were therefore compared with existing empirical literature to establish if the findings form consensus to existing results and if there are differences, establish the possible reasons for the difference. The results of the study support the result of Gbolami et al (2022) which found out that the relationship between ESG disclosures improves the financial performance of financial firms. It also supports the findings of Sha et al (2020) which found out that firms engaging in CSR activities have a positive impact on the society including sustainability. With the results presented in table 9, the study therefore rejects the null hypotheses that environmental sustainability, stakeholders' engagement and transparency has no significant effect on CSR practices.

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Table 9: Panels Corrected Standard Errors Regression

		Het-corrected		
CSRI	Coef.	Std. Err.	z	P>|z|
EVRS	.4165175	.075471	5.52	0.000
STKG	.0080819	.0703723	0.11	0.909
TRSP	.1049563	.0474788	2.21	0.027
_cons	.2037997	.067363	3.03	0.002
Number of obs = 168				
R-squared = 0.2198				
Wald chi2 (3) = 47.32		Prob > chi2 = 0.0000		
Hausman test	chi2(3) = 11.96	Prob>chi2 = 0.0075		

The table shows the regression result of the panel test corrected

Researcher's Computation (2023)

Policy Implication of Findings

The implication of this findings should motivate investors in paying attention to the practice of corporate governance engaged in by companies especially the area of environmental sustainability and specially transparency by prescribing that more disclosure and further adherence to the code of governance by followed most especially among the deposit money banks. This is because the effect of corporate governancehas a good influence

on CSR practices as revealed by the study and this is in tandem with the assumption of legitimacy theory earlier discussed which presents the fact that companies that engage in social activities and other practices beneficial to the stakeholders' will avoid negative reputation but rather gain legitimacy for their activities.

Hence, it is implied that the transparency will increase engagement in employee welfare, donations, and societal responsibilities as captured by the CSR index. Also, regulators should have stakeholders' engagement committee entrenched in corporate governance code for companies should that help them improve on stakeholders' engagement to protect interest of other stakeholders' beyond the shareholders that may be affected by the company activities or the actions of the stakeholder's affects the company. The policies should be made in such a way that the code of corporate governance of the company will not be undermined but rather encompassing for more sustainability practices across board.

5. Conclusion and Recommendations

The study highlights the significant influence of corporate governance on CSR practices, especially among listed deposit money banks in Nigeria. The findings reveal that transparency and environmental sustainability, as aspects of corporate governance, have a profound positive impact on CSR practices. The research aligns with the legitimacy theory, suggesting that companies engaging in beneficial social activities and practices will gain legitimacy for their actions, avoid negative reputation, and foster better stakeholder engagement. Therefore, the study concludes that adherence to corporate governance codes, particularly in areas of environmental sustainability and transparency, enhances CSR practices among these banks.

The study therefore recommends that;

i. By focusing on corporate governance, investors can ensure that companies remain committed to CSR practices. This commitment can subsequently lead to enhanced stakeholder satisfaction and improved financial performance**.**

ii. Regulators incorporate stakeholders' engagement committees into corporate governance codes.

iii. The inclusion of stakeholders' engagement committees will foster better stakeholder engagement and ensure that the interests of all stakeholders, not just shareholders, are taken into account and protected.

iv. Adopting a comprehensive approach to corporate governance will pave the way for more sustainable practices benefiting not only the companies but also the broader communities they serve.

v. Investors pay keen attention to the corporate governance practices of companies especially environmental sustainability and transparency.

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