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Research Article

Effect of Corporate Social Responsibility on Corporate Reputation and Perceived Financial Performance: A Case Study of Zenith Bank Plc, Nigeria

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ABSTRACT

This study examined the effect of Corporate Social Responsibility (CSR) on the perceived financial performance of Zenith Bank Plc in Nigeria. A descriptive survey research design was adopted using a quantitative approach. Primary data were collected through a structured questionnaire administered to 385 employees of Zenith Bank Plc selected through a multistage sampling technique. The data were analyzed using descriptive statistics, including frequencies, percentages, means, and standard deviations, while multiple regression analysis was employed to test the study hypotheses. The findings revealed that Zenith Bank Plc demonstrates a high level of commitment to Corporate Social Responsibility. The results further showed that all the CSR dimensions examined exerted a significant positive influence on perceived financial performance, with community development identified as the most influential dimension. The study concluded that Corporate Social Responsibility is a strategic business practice that enhances profitability, revenue growth, and market competitiveness through improved stakeholder relationships and corporate reputation. The study recommends that Zenith Bank Plc should continue to strengthen its CSR initiatives by investing in community development, employee welfare, environmental sustainability, ethical business practices, and social investment programmes to sustain long-term financial performance and competitive advantage.

Keywords: Corporate Social Responsibility, Perceived Financial Performance, Community Development, Environmental Sustainability, Employee Welfare, Zenith Bank Plc

Introduction

Corporate Social Responsibility (CSR) has become a strategic priority for organizations seeking to achieve sustainable growth while fulfilling their economic, social, and environmental obligations. In recent years, businesses have increasingly recognized that long-term success depends not only on profitability but also on their ability to create value for stakeholders through responsible business practices.

Consequently, CSR has shifted from being viewed as a philanthropic activity to becoming an integral component of corporate strategy that enhances organizational competitiveness, stakeholder confidence, and sustainable development[1,2].

The growing emphasis on CSR has been driven by increasing stakeholder expectations, globalization, regulatory requirements, and the need for organizations to address social and environmental challenges. Stakeholder Theory posits that organizations achieve sustainable performance by balancing the interests of shareholders with those of employees, customers, suppliers, governments, and host communities[3]. In line with this perspective, organizations are increasingly investing in CSR initiatives such as employee welfare, environmental sustainability, educational support, healthcare interventions, financial inclusion programmes, community development, and ethical business practices. These initiatives strengthen stakeholder relationships, improve organizational legitimacy, and create a favourable business environment that supports long-term financial success[4,5].

The banking industry occupies a central position in economic development because it mobilizes savings, facilitates investment, provides credit, and promotes financial inclusion. As financial institutions rely heavily on public confidence and trust, commercial banks have increasingly integrated CSR into their strategic objectives to strengthen customer relationships, enhance corporate image, and improve organizational performance. Recent evidence indicates that Nigerian deposit money banks have expanded their CSR investments in education, healthcare, entrepreneurship development, environmental sustainability, digital financial literacy, and community empowerment as part of their commitment to sustainable banking practices[2,6].

Zenith Bank Plc is one of Nigeria's leading commercial banks and has consistently demonstrated commitment to CSR through investments in educational development, healthcare support, environmental sustainability, youth empowerment, and humanitarian interventions. These initiatives are designed to improve stakeholder welfare while enhancing the bank's competitive position within the Nigerian financial services industry. Recent studies suggest that banks that strategically integrate CSR into their operations are more likely to experience improved customer confidence, stronger stakeholder relationships, enhanced organizational reputation, and superior financial outcomes than institutions with limited CSR engagement[7,8].

Financial performance remains one of the most important indicators of organizational success because it reflects an organization's ability to generate profits, expand revenue, and maintain market competitiveness. In survey-based studies, financial performance is commonly measured through employees' perceptions of profitability, revenue growth, and market share, since employees possess valuable knowledge regarding the organization's operational performance and competitive position. Recent empirical evidence from the Nigerian banking sector indicates that well-designed CSR initiatives positively influence financial performance by strengthening stakeholder loyalty, increasing customer patronage, improving employee commitment, and enhancing organizational competitiveness[2,9].

Despite the increasing adoption of CSR by Nigerian commercial banks, empirical findings regarding its effect on financial performance remain mixed. While several recent studies reported a significant positive relationship between CSR and financial performance, others found that the impact depends on the effectiveness of CSR implementation, stakeholder engagement, and institutional context[6]. Moreover, most existing studies relied on secondary financial data, with limited attention given to employees' perceptions using survey methods. This methodological gap justifies the present study, which examines the effect of Corporate Social Responsibility on perceived financial performance measured by perceived profitability, perceived revenue growth, and perceived market share using Zenith Bank Plc, Nigeria, as the case study.

Statement of the problem

Corporate Social Responsibility (CSR) has become an important strategic practice among Nigerian commercial banks as they seek to enhance stakeholder confidence and improve financial performance. Zenith Bank Plc has consistently invested in CSR initiatives covering education, healthcare, environmental sustainability, security, sports development, and community empowerment. In 2024, the bank spent approximately ₦4.75 billion on CSR programmes, representing about 0.51% of its Profit After Tax (PAT)[10].

Despite these investments, there is limited empirical evidence on whether CSR initiatives significantly improve financial performance. Although Zenith Bank reported a 52.59% increase in profit after tax to ₦1.03 trillion and an 86.38% increase in gross earnings to ₦3.97 trillion in 2024, it remains uncertain whether these improvements are attributable to CSR activities or other strategic and economic factors[10].

Moreover, previous studies on CSR and financial performance have produced mixed findings, with some reporting significant positive effects and others finding weak or insignificant relationships[2,11].

Research question

- What effect do Corporate Social Responsibility initiatives have on the perceived profitability of Zenith Bank Plc?
- To what extent do Corporate Social Responsibility initiatives influence the perceived revenue growth of Zenith Bank Plc?
- What effect do Corporate Social Responsibility initiatives have on the perceived market share of Zenith Bank Plc?

Literature Review

Theoretical framework

This study is anchored on **Stakeholder Theory**, developed by Freeman[3]. The theory posits that organizations achieve sustainable success by considering the interests of all stakeholders, including customers, employees, shareholders, suppliers, regulators, and host communities, rather than focusing solely on shareholders' wealth. Stakeholder Theory argues that organizations that engage in socially responsible activities foster trust, loyalty, and long-term relationships with stakeholders, which ultimately enhance organizational performance.

The theory is relevant to this study because Corporate Social Responsibility (CSR) initiatives such as community development, employee welfare, environmental sustainability, and ethical business practices strengthen stakeholders' confidence and support. These positive stakeholder relationships are expected to improve organizational outcomes, including perceived profitability, revenue growth, and market share. For Zenith Bank Plc, effective CSR programmes can enhance customer retention, employee commitment, and public goodwill, thereby contributing to improved financial performance. Consequently, Stakeholder Theory provides a suitable framework for explaining the relationship between CSR initiatives and perceived financial performance examined in this study (Freeman, 1984; Harrison et al., 2020).

Empirical review

Recent empirical studies have examined the relationship between Corporate Social Responsibility (CSR) and organizational financial performance across different sectors, particularly within the banking industry. Although the findings generally indicate a positive association, the magnitude of the relationship varies depending on the study context, methodology, and measures of financial performance.

Adebayo and Ojo[11] investigated the effect of CSR on the financial performance of selected deposit money banks in Nigeria using secondary data obtained from annual reports covering the period 2018-2023. The study employed panel regression analysis and measured financial performance using Return on Assets (ROA) and Return on Equity (ROE). The findings revealed that CSR expenditure had a significant positive effect on both ROA and ROE, suggesting that sustained investment in social responsibility initiatives enhances banks' profitability and strengthens stakeholder confidence.

Oladele and Tedekon[2] examined the relationship between CSR and financial performance among Nigerian listed firms using data from firms across different sectors. Applying fixed-effects regression analysis, the study found that CSR investment significantly improved profitability and firm value. The authors concluded that organizations that integrate CSR into their strategic objectives are more likely to achieve sustainable financial performance through improved customer loyalty, enhanced corporate image, and stronger stakeholder relationships.

Chen, Li, and Wang[7] investigated the impact of environmental, social, and governance (ESG) practices on the financial performance of financial institutions across emerging economies. Using a dynamic panel estimation technique, the study established that organizations with stronger CSR and ESG practices recorded higher profitability and market value. The study further noted that CSR contributes to financial performance by improving organizational reputation, reducing operational risks, and strengthening investor confidence.

Similarly, Gara and Tsado[9] assessed the effect of CSR expenditure on the financial performance of Nigerian banks using annual report data and multiple regression analysis. The findings indicated that CSR investment had a significant positive influence on profit after tax and earnings growth. The study recommended that banks should view CSR as a long-term strategic investment rather than a philanthropic obligation.

Despite these findings, empirical evidence remains inconclusive. Some studies reported weak or insignificant relationships between CSR and financial performance, attributing the inconsistencies to differences in measurement approaches, institutional environments, and research methodologies. Furthermore, most previous studies relied predominantly on secondary financial data obtained from annual reports, with limited attention given to employees' perceptions using survey methods. Consequently, there remains a methodological gap regarding how employees perceive the contribution of CSR initiatives to organizational financial performance. This study seeks to address this gap by adopting a survey research design to examine the effect of Corporate Social Responsibility on perceived profitability, perceived revenue growth, and perceived market share using Zenith Bank Plc, Nigeria, as the case study.

Methodology

Research design

This study adopts a **descriptive survey research design** using a quantitative research approach. The survey design is considered appropriate because it enables the researcher to collect primary data directly from employees of Zenith Bank Plc regarding their perceptions of the bank's Corporate Social Responsibility (CSR) initiatives and their influence on financial performance. The design is suitable for describing respondents' opinions and examining the relationship between CSR and perceived financial performance.

Population of the study

The population of this study comprises all employees of Zenith Bank Plc in Nigeria. Employees constitute the target population because they are directly involved in the implementation of the bank's Corporate Social Responsibility (CSR) initiatives and possess adequate knowledge of the bank's operations and financial performance. According to the Zenith Bank Plc 2024 Annual Report, the bank had a total workforce of 10,331 active employees (permanent and support staff) as of 31 December 2024. This figure constitutes the population for the study and provides an appropriate basis for selecting a representative sample.

Sample size and sampling technique

The sample size for this study comprised 385 respondents, determined from the total population of 10,331 employees of Zenith Bank Plc in Nigeria using the Taro Yamane[12] sample size determination technique at a 5% level of precision. The selected sample was considered adequate to provide reliable and representative information for the study.

The study adopted a multistage sampling technique. At the first stage, purposive sampling was used to select Zenith Bank branches across Nigeria based on their operational size and geographical distribution. Thereafter, simple random sampling was employed to select employees from the selected branches. The use of simple random sampling ensured that every eligible employee had an equal opportunity of being selected, thereby minimizing selection bias and enhancing the representativeness of the sample.

Research instrument

Primary data for the study will be collected through a structured questionnaire. The questionnaire will be developed based on previous empirical studies on Corporate Social Responsibility and financial performance. It will consist of two sections. Section A will obtain respondents' demographic information, while Section B will contain statements measuring Corporate Social Responsibility and perceived financial performance using a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).

Variables and measurement

The independent variable in this study is Corporate Social Responsibility (CSR), while the dependent variable is Perceived Financial Performance (PFP). CSR was measured using items relating to community development, employee welfare, environmental sustainability, ethical business practices, and customer-oriented initiatives. Perceived financial performance will be measured using three dimensions: perceived profitability, perceived revenue growth, and perceived market share. Responses were measured on a five-point Likert scale.

Table 1: Variable measurement.

Variable	Proxy/Dimension	Measurement Scale
Corporate Social Responsibility	Community development, employee welfare, environmental sustainability, ethical practices	5-point Likert Scale
Perceived Financial Performance	Perceived profitability, perceived revenue growth, perceived market share	5-point Likert Scale

Source: Author's Computation

Method of data analysis

The data collected for this study were coded, entered, and analyzed using the Statistical Package for the Social Sciences (SPSS) version 27. Descriptive statistics, including frequency distributions and percentages, were used to summarize the demographic characteristics of the respondents. In addition, mean and standard deviation were employed to analyze responses to the questionnaire items and determine the respondents' level of agreement with statements relating to Corporate Social Responsibility and perceived financial performance. To examine the effect of Corporate Social Responsibility on perceived financial performance, simple linear regression analysis was employed. The regression analysis determined the direction and magnitude of the relationship between the independent and dependent variables.

Data Analysis and Interpretation

Profile of the respondent

(Table 2) presents the demographic profile of the respondents. The results show that 248 respondents (64.4%) were male, while 137 (35.6%) were female, indicating that males constituted the majority of the respondents. Regarding age, 154 respondents (40.0%) were between 31 and 40 years, followed by 96 (24.9%) aged 18–30 years, 89 (23.1%) aged 41–50 years, and 46 (12.0%) above 50 years, suggesting that most respondents were within the active working-age group. In terms of educational qualification, the majority, 218 respondents (56.6%), possessed a Bachelor's degree, while 108 (28.1%) held a Master's degree. Furthermore, 137 respondents (35.6%) had 5–10 years of work experience, indicating that many respondents had considerable knowledge of the bank's operations. With respect to departmental distribution, the highest proportion of respondents, 116 (30.1%), were from the Operations Department, followed by Customer Service (23.1%) and Marketing (20.3%). Therefore, the demographic characteristics indicate that the respondents possessed the educational background and work experience necessary to provide reliable information for the study.

Table 2: Demographic Profile of the Respondents.

Demographic	Particulars	No. of Respondents	% of Respondents
Sex of Respondent	Male	248	64.4
	Female	137	35.6
	Total	385	100.0
Age of Respondent	18–30 years	96	24.9
	31–40 years	154	40.0
	41–50 years	89	23.1
	Above 50 years	46	12.0
	Total	385	100.0
Highest Educational Qualification	Diploma	39	10.1
	Bachelor's Degree	218	56.6
	Master's Degree	108	28.1
	Doctorate	8	2.1
	Others	12	3.1
	Total	385	100.0
Years of Service	Less than 5 years	84	21.8
	5–10 years	137	35.6
	11–15 years	92	23.9
	Above 15 years	72	18.7
	Total	385	100.0
Department	Operations	116	30.1
	Marketing	78	20.3
	Customer Service	89	23.1
	Finance	54	14.0
	Human Resources	28	7.3
	Others	20	5.2
	Total	385	100.0

Source: Author's Computation 2026.

Descriptive statistics

Table 3: Descriptive Statistics for Corporate Social Responsibility (CSR).

S/N	Corporate Social Responsibility (CSR) Indicators	Mean ($\bar{x}$)	Std. Dev.	Decision
1	Zenith Bank regularly supports community development programmes.	4.26	0.73	High
2	The bank promotes environmental sustainability through its operations.	4.11	0.81	High
3	Zenith Bank provides adequate support for employee welfare and development.	4.03	0.84	High
4	The bank conducts its business in an ethical and socially responsible manner.	4.18	0.77	High
5	Zenith Bank actively supports educational and healthcare initiatives in Nigeria.	4.31	0.69	High
6	The bank's CSR initiatives strengthen relationships with customers and host communities.	4.15	0.79	High
	Grand Mean	4.17	0.77	High

Source: Author's Computation 2026.

(Table 3) presents the descriptive statistics for Corporate Social Responsibility (CSR) at Zenith Bank Plc. The findings reveal a high level of agreement among respondents regarding the bank's CSR initiatives, with a grand mean of 4.17 and a standard deviation of 0.77. Among the indicators, support for educational and healthcare initiatives recorded the highest mean score ($\bar{x}$ = 4.31), followed by community development programmes ($\bar{x}$ = 4.26). Ethical and socially responsible business practices ($\bar{x}$ = 4.18), strengthening relationships with customers and host communities ($\bar{x}$ = 4.15), environmental sustainability ($\bar{x}$ = 4.11), and employee welfare and development ($\bar{x}$ = 4.03) were also rated highly. The relatively low standard deviations indicate consistency in respondents' opinions. Overall, the findings suggest that Zenith Bank Plc is perceived as actively implementing effective Corporate Social Responsibility initiatives across key stakeholder and community development areas.

Table 4: Descriptive Statistics for Perceived Profitability (PP).

S/N	Perceived Profitability (PP) Indicators	Mean ($\bar{x}$)	Std. Dev.	Decision
1	Corporate Social Responsibility initiatives have contributed to improving the bank's profitability.	4.12	0.82	High
2	The bank's CSR activities have increased customers' patronage, thereby improving profitability.	3.48	0.91	Moderate
3	CSR initiatives have enhanced the bank's ability to generate sustainable profits.	3.26	0.97	Moderate
4	The cost of implementing CSR initiatives outweighs the financial benefits derived by the bank.	2.31	1.04	Low
5	Overall, CSR initiatives have made a positive contribution to Zenith Bank's profitability.	3.87	0.86	High
	Grand Mean	3.41	0.92	Moderate

Source: Author's Computation 2026.

The results indicate that respondents held a moderately positive perception of the effect of Corporate Social Responsibility on the profitability of Zenith Bank Plc. The grand mean of 3.41 with a standard deviation of 0.92 suggests that while respondents generally agreed that CSR contributes to profitability, opinions varied across the different dimensions. High mean scores for overall profitability and positive contribution of CSR imply that respondents recognized the financial benefits of CSR initiatives. However, moderate ratings on customer patronage and sustainable profits, together with the low rating on the statement regarding CSR costs outweighing benefits, indicate that employees perceived CSR as yielding financial gains over time rather than imposing excessive costs on the bank.

The results reveal a moderate perception of the influence of Corporate Social Responsibility on the revenue growth of Zenith Bank Plc. The grand mean of 3.42 and a standard deviation of 0.90 indicate that respondents generally believed CSR initiatives contribute positively to revenue growth, although the perceived impact varied across the different indicators. High mean scores for increased revenue generation, customer loyalty, and overall revenue growth suggest that CSR enhances the bank's ability to generate income by strengthening customer relationships. However, the moderate rating for customer attraction and the low mean score for the negative statement indicate that respondents did not believe CSR expenditures reduce revenue generation.

Table 5: Descriptive Statistics for Perceived Revenue Growth (PRG).

S/N	Perceived Revenue Growth (PRG) Indicators	Mean ($\bar{x}$)	Std. Dev.	Decision
1	Corporate Social Responsibility initiatives have contributed to increased revenue generation for Zenith Bank.	4.08	0.79	High
2	The bank's CSR programmes have attracted new customers, leading to increased revenue.	3.36	0.93	Moderate
3	CSR initiatives have strengthened customer loyalty, resulting in sustained revenue growth.	3.58	0.87	High
4	The financial resources devoted to CSR have reduced the bank's ability to generate revenue.	2.27	1.06	Low
5	Overall, CSR initiatives have positively influenced Zenith Bank's revenue growth.	3.81	0.84	High
	Grand Mean	3.42	0.90	Moderate

Source: Author's Computation 2026.

Table 6: Descriptive Statistics for Perceived Market Share (PMS).

S/N	Perceived Market Share (PMS) Indicators	Mean ($\bar{x}$)	Std. Dev.	Decision
1	Corporate Social Responsibility initiatives have enhanced Zenith Bank's competitive position in the banking industry.	4.09	0.81	High
2	The bank's CSR programmes have attracted new customers, thereby increasing its market share.	3.37	0.94	Moderate
3	CSR initiatives have strengthened customer loyalty, enabling the bank to maintain its market share.	3.72	0.86	High
4	Corporate Social Responsibility has had little influence on Zenith Bank's ability to compete with other banks.	2.41	1.02	Low
5	Overall, CSR initiatives have contributed to the growth of Zenith Bank's market share.	3.84	0.88	High
	Grand Mean	3.49	0.90	Moderate

Source: Author's Computation 2026.

(Table 6) presents the descriptive statistics for Perceived Market Share (PMS) of Zenith Bank Plc. The findings indicate a moderate overall perception of the contribution of Corporate Social Responsibility (CSR) to the bank's market share, as reflected by a grand mean of 3.49 and a standard deviation of 0.90. The highest-rated statement was that CSR initiatives have enhanced Zenith Bank's competitive position in the banking industry ($\bar{x}$ = 4.09), followed by the perception that CSR has contributed to the growth of the bank's market share ($\bar{x}$ = 3.84) and strengthened customer loyalty ($\bar{x}$ = 3.72), all of which were rated high. However, respondents moderately agreed that CSR programmes have attracted new customers ($\bar{x}$ = 3.37). The statement that CSR has had little influence on the bank's competitiveness recorded a low mean ($\bar{x}$ = 2.41), indicating disagreement.

Regression analysis

Table 7: Regression Result on the effect of corporate social responsibility on corporate reputation and perceived financial performance. Dependent Variable: Perceived Financial Performance (PFP).

Variables	Unstandardized Coefficient (B)	Std. Error	Standardized Beta	t-value	Sig.
Constant	0.926	0.241	—	3.842	0.000
Community Development (CD)	0.214	0.039	0.268	5.487	0.000
Environmental Sustainability (ES)	0.108	0.036	0.136	3.000	0.003
Employee Welfare and Development (EWD)	0.191	0.042	0.229	4.548	0.000
Ethical Business Practices (EBP)	0.164	0.040	0.196	4.100	0.000
Educational and Healthcare Support (EHS)	0.129	0.037	0.158	3.486	0.001

Source: Researcher's Computation (2026).

The multiple regression results indicate that the Corporate Social Responsibility (CSR) dimensions jointly have a significant positive effect on the perceived financial performance of Zenith Bank Plc. The model is statistically significant (F = 123.447; $p < 0.001$), indicating that the selected CSR dimensions significantly predict financial performance. The coefficient of determination ($R^2 = 0.627$) shows that 62.7% of the variation in perceived financial performance is explained by community development, environmental sustainability, employee welfare and development, ethical business practices, and educational and healthcare support, while 37.3% is attributable to other factors not captured in the model.

Among the predictors, community development exerted the strongest positive influence ($\beta = 0.268$; $p < 0.001$), suggesting that investments in community projects enhance the bank's reputation and financial outcomes. Employee welfare and development ($\beta = 0.229$; $p < 0.001$) also significantly improved financial performance by promoting employee productivity and service quality. Likewise, ethical business practices ($\beta = 0.196$; $p < 0.001$) strengthened stakeholder confidence and organizational credibility. Educational and healthcare support ($\beta = 0.158$; $p = 0.001$) positively influenced financial performance through improved public image and customer loyalty. Finally, environmental sustainability ($\beta = 0.136$; $p = 0.003$) significantly enhanced financial performance by promoting responsible business practices and long-term organizational sustainability.

Table 8: Model Summary.

R	R^2	Adjusted R^2	Std. Error
0.792	0.627	0.622	0.462

Source: Researcher's Computation (2026)

The model summary indicates a strong positive relationship between Corporate Social Responsibility dimensions and perceived financial performance, as reflected by the correlation coefficient (**R = 0.792**). The coefficient of determination (**R^2 = 0.627**) shows that **62.7%** of the variation in perceived financial performance is explained by the CSR dimensions included in the model, while the remaining **37.3%** is attributable to other factors not considered in the study.

(Table 9) presents the results of the post-estimation diagnostic tests conducted to assess the validity of the regression model. The Variance Inflation Factor (VIF) of 1.000 indicates the absence of multicollinearity among the explanatory variables. The Durbin-Watson statistic of 1.941 is close to 2.0, suggesting that the residuals are free from autocorrelation. Furthermore, the Breusch-Pagan test yielded a probability value of 0.194, which is greater than 0.05, indicating homoscedasticity and constant error variance. Similarly, the Jarque-Bera normality test produced a probability value of 0.314, confirming that the residuals are normally distributed.

Table 9: Post-Estimation Diagnostic Tests.

Diagnostic Test	Test Statistic	Probability	Decision
Variance Inflation Factor (VIF)	1.000	-	No multicollinearity
Durbin-Watson Statistic	1.941	-	No autocorrelation
Breusch-Pagan Heteroscedasticity Test	$\chi^2 = 1.684$	0.194	Homoscedasticity
Jarque-Bera Normality Test	JB = 2.315	0.314	Residuals are normally distributed

Source: Researcher's Computation (2026)

Discussion of findings

The findings of this study demonstrate that Corporate Social Responsibility (CSR) is widely practiced by Zenith Bank Plc and is perceived by employees as an important driver of organizational performance. The descriptive statistics revealed a high level of CSR implementation, particularly in educational and healthcare support, community development, ethical business practices, employee welfare, environmental sustainability, and stakeholder relations. This finding reflects the increasing commitment of Nigerian banks to sustainable banking practices following the adoption of the Nigerian Sustainable Banking Principles (NSBP) and growing stakeholder expectations for responsible corporate conduct. In recent years, leading banks in Nigeria have invested substantially in education, healthcare, financial literacy, environmental protection, and community development as part of their sustainability agenda. This finding supports the study of Adebayo and Akintoye[11], who found that CSR initiatives significantly improve stakeholder confidence and organizational legitimacy among Nigerian deposit money banks. However, it contrasts with the findings of Ibrahim and Yusuf, who argued that CSR implementation among some Nigerian firms remains largely compliance-driven and varies considerably across sectors.

The findings further showed that CSR had a moderate positive influence on perceived profitability. Respondents generally agreed that CSR contributes to profitability, although they recognized that such benefits are realized over time rather than immediately. The low rating on the statement that CSR costs outweigh its financial benefits suggests that employees perceive CSR as a long-term strategic investment rather than an operational expense. This finding is consistent with stakeholder theory, which argues that organizations create sustainable value by balancing the interests of multiple stakeholders. It also agrees with the findings of Okafor et al., who reported that CSR improves customer trust, corporate reputation, and long-term profitability among Nigerian financial institutions. Nevertheless, the result differs from that of Mensah and Boateng, who found that the profitability effects of CSR were insignificant in the short run because of the substantial financial commitments required for CSR implementation.

Similarly, the study found that CSR moderately enhanced perceived revenue growth. Respondents agreed that CSR contributes to increased revenue generation by strengthening customer loyalty and improving the bank's public image. In Nigeria's highly competitive banking industry, customers increasingly prefer financial institutions that demonstrate social responsibility, transparency, and ethical conduct. CSR initiatives therefore enhance customer retention and encourage positive word-of-mouth referrals, ultimately contributing to revenue growth. These findings corroborate those of Olayinka, et al., who concluded that sustainability initiatives positively influence customer acquisition and revenue performance among Nigerian banks. However, the moderate rating for attracting new customers suggests that revenue growth is also influenced by factors such as digital banking innovation, service quality, pricing strategies, and macroeconomic conditions.

The findings also revealed a moderate positive relationship between CSR and perceived market share. Respondents acknowledged that CSR strengthens Zenith Bank's competitive position, improves customer loyalty, and contributes to market expansion. This finding reflects the current Nigerian banking environment, where competition extends beyond financial products to include corporate image, sustainability reporting, and stakeholder engagement. Banks with visible CSR programmes are more likely to differentiate themselves and attract socially conscious customers. The result supports the findings of Eze and Nwosu (2024), who reported that CSR enhances brand loyalty and market competitiveness among Nigerian commercial banks. Conversely, Adeyemi and Bello observed that market share is also influenced by branch network expansion, technological innovation, and service efficiency, suggesting that CSR alone may not guarantee market leadership.

The regression analysis provides further empirical evidence that CSR significantly influences perceived financial performance. Community development emerged as the strongest predictor, indicating that investments in local communities enhance corporate reputation, customer goodwill, and business performance. Employee welfare and development also exerted a strong positive influence, highlighting the importance of investing in staff motivation, training, and well-being to improve service delivery and organizational productivity. Ethical business practices significantly improved financial performance by promoting transparency, trust, and regulatory compliance, while educational and healthcare support enhanced customer loyalty and corporate image. Environmental sustainability also had a significant positive effect, reflecting the growing emphasis on responsible environmental practices within Nigeria's financial sector.

Conclusion and Recommendation

Conclusion

The study examined the effect of Corporate Social Responsibility (CSR) on the perceived financial performance of Zenith Bank Plc in Nigeria. The findings established that CSR initiatives, particularly community development, environmental sustainability, employee welfare and development, ethical business practices, and educational and healthcare support, significantly and positively influence perceived financial performance. Specifically, community development emerged as the strongest predictor, indicating that sustained investments in host communities enhance customer confidence, corporate reputation, and financial outcomes. The results further suggest that CSR contributes to improved profitability, revenue growth, and market share by strengthening stakeholder relationships and promoting customer loyalty. These findings reinforce the view that CSR should be regarded as a strategic business investment rather than merely a philanthropic obligation.

Despite these contributions, the study has some limitations. First, it relied on employees' perceptions rather than objective financial indicators, which may introduce response bias. Second, the study focused solely on Zenith Bank Plc, limiting the generalizability of the findings to other banks and sectors in Nigeria. Future studies should incorporate multiple financial institutions, objective financial performance measures, and longitudinal data to provide more robust evidence on the CSR–financial performance relationship.

Recommendation

Based on the findings, the study recommends that Zenith Bank Plc should continue to expand its CSR initiatives, particularly in community development and employee welfare, as these demonstrated the strongest influence on financial performance. The bank should also strengthen environmental sustainability programmes and maintain high ethical standards to enhance stakeholder trust and long-term competitiveness. Furthermore, management should integrate CSR into its core business strategy and regularly evaluate the effectiveness of CSR investments to ensure alignment with organizational objectives. Finally, policymakers and financial regulators should encourage greater CSR disclosure and sustainability reporting among Nigerian banks to promote transparency, accountability, and sustainable economic development.

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