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The Most Discriminant Variable In Firm's Performance Concerning Corporate Social Responsibility: A Survey Of Quoted Deposit Money Banks In Nigeria

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Abstract:*This survey research sought to provide information to various stakeholders of money deposit banks on the most discriminate variablein the performance of corporate social responsibility in Nigeria. A survey questionnaire was used to collect primary data on factors that influence CSR practice, by Nigerian deposit money banks. Archival documents and analysis of financial results from 2010 to 2014 of fifteen publicly listed money deposit banks in Nigeria were collected and analyzed for the five year period. This study utilized multivariate techniques of data analysis. The discriminant analysis statistical toolwas usedin the analysis. The research identified corporate social responsibility in the area of market (CSRM) as the most discriminant variable followed by corporate social responsibility in the area of work place (CSRWP) with respect to corporate social responsibility and corporate performance of the firms under study. The study recommends that companies should also publish a sustainability report as part of the corporate financial statement showing their corporate social initiatives.*

Key Words: *Corporate social responsibility, corporate performance, Sustainable development.*

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I. Introduction

By its very nature corporate social responsibility is a complex multiform phenomenon emerging as the interface between enterprises and society. Social and environmental consequences have started to be weighed against economic gains and short-term profit against long-term prosperity by business in order to maintain long-term sustainable growth and development. Thus, many have integrated into their operations corporate social responsibility programmes that aim to balance their operations with the concerns of internal and external stakeholders such as employees, customers, suppliers and business partners, labour unions, local communities, non-governmental organisations and government.

According to Adesina (2010) we live in an increasingly complex and sceptical global village where corporate scandals, stock market downturn, uncertain economy, threat of terrorism are constantly creating diminished trust in the corporate sector and its leaders. It is therefore pertinent that the corporate world addresses this by demonstrating their positive impact on society and collectively developing systems for measuring the progress made in this direction. With the growing sensitivity towards social and environmental issues and shareholder and owner concerns that can be effectively addressed through internal and external dimensions of corporate social responsibility, businesses are increasingly striving to become better corporate citizens.

Corporate social responsibility is not just another cliché, but an essential tool in today's business as businesses worldwide are increasingly worried about the impact of their activities on society. Today corporate leaders face a dynamic and challenging task in attempting to apply societal ethical standards to responsible business practice. Nowadays corporate social responsibility is an integral part of the business vocabulary and is regarded as a crucially important issue in management (Cornelius, Todres, Janjuha-Juvry, Woods, & Wallace(2008).

Nevertheless one of the key challenges in studying and implementing responsible business practices has been the lack of commonly agreed definition of corporate social responsibility. According to Nelson (2004) the term corporate social responsibility is often used interchangeably with others, including corporate responsibility, corporate citizenship, business in society, social enterprise, sustainability, sustainable development, triple bottom line, societal value-added, strategic philanthropy, corporate ethics, and in some cases also corporate governance. There are also clear links between these terms and those relating to socially responsible investments, community investing, social capital, and collaborative governance. In the business community, corporate social responsibility is alternatively referred to as corporate citizenship, which essentially means that a company should be a "good neighbour" within its host community.

Kotler & Lee (2005) viewed corporate social responsibility as a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. A key element in this definition is the word discretionary, which refers to a voluntary commitment a business makes in choosing and implementing socially and environmentally responsible practices and making contributions. The term community well-being, according to Kotler & Lee (2005) includes human conditions as well as environmental issues. They also used the term corporate social initiatives to describe efforts under the corporate social responsibility umbrella as shown by this definition: "Corporate social initiatives are major activities undertaken by a corporation to support social causes and to fulfil commitments to corporate social responsibility" (Kotler & Lee, 2005:4). Causes that can be supported through these initiatives are those that contribute to: (a) community health, safety, education, and employment; (b) the environment; (c) community and economic development and other basic human needs.

The US Agency for International Development (2002) defined corporate social responsibility as transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. The International Labour Organization (2007) described corporate social responsibility as a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. It further specified corporate social responsibility as a voluntary, enterprise-driven initiative, which refers to activities that are considered to exceed compliance with law.

This study, adopts the structural perspective of corporate social responsibility as propounded by Marcel, (2003) and Wilenius, (2005) in order to evaluate the firm's performance concerning social issues**.** According to the structural viewpoint, corporate social responsibility covers three dimensions of corporate action: economic performance, social accountability and environmental management. The researcher chooses this approach because according to the approach, corporate social responsibility can be understood in terms of different stakeholders and the issues that they are concerned with. These issues relate to the overlapping levels of social, environmental and economic impact.

II. Review of related literature

The literature review was extensively discussed under the following headings: conceptual framework, theoretical framework and empirical framework.

2.1 Conceptual framework

Sustainable development and corporate social responsibility are concepts that play an increasingly important role for governments, business and society within the twenty-first century. Demirag (2005) posits that the link between these two concepts is important because governments are responsible for achieving the goals of sustainable development by signing international agreements; though it is not possible to achieve these goals without the contribution and effort of industry. Demirag (2005) further stated that involving industry in the work towards sustainable development was one of the driving forces behind the rise of the corporate social responsibility concept and pointed out that there are two nuances worth noting about the relationship between sustainable development and corporate social responsibility. First, sustainable development has been understood to be dependent on a strong involvement of governments while on the contrary, corporate social responsibility is often defined as business contribution 'beyond legal requirements' and at the same time described as a 'business contribution to sustainable development'. Second, corporate social responsibility is sometimes defined as the social dimension of sustainable development while at the same time sustainable development can be understood as solely environmental.

Although there are many definitions of sustainable development it is necessary to point out that however expressed, development will not be sustainable if economic, social and environmental goals are not progressed simultaneously. Bent, Howes, & Richard, (2003) posit that a conscious effort has to be made to identify and avoid the damaging trade-offs where, for example, a decision that is good economically is not beneficial environmentally or socially. This means that the full cost is not paid over the counter, but elsewhere, by a damaged environment, or by the exploitation of people either now or in the future. The 'at the same time' (AST) test is important in helping to decide whether a decision contributes positively to sustainable development. If the decision was taken by considering the economic, social and environmental consequences (now and in the future) at the same time, then it may well contribute to sustainable development. The sustainability of organisations is therefore concerned with balancing economic goals with environmental and social development and ensuring that each is taken account of in building a viable and healthy organisation in the long term.

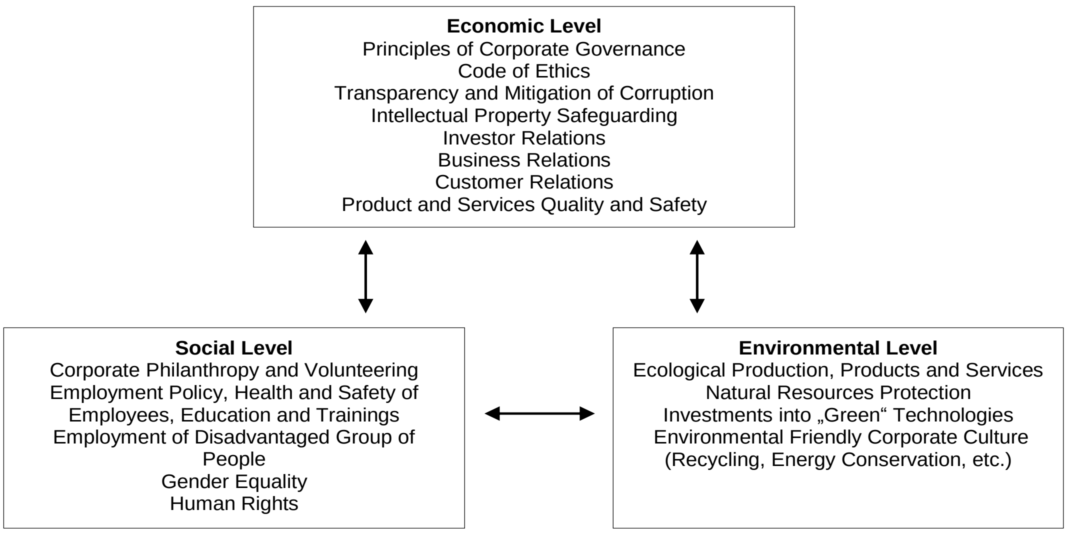
Nowadays corporate social responsibility is an integral part of the business vocabulary and is regarded as a crucially important issue in management (Cornelius et al., 2008).Löhman & Steinholtz (2004) view corporate social responsibility concept as a combination of three separate agendas, namely sustainability, corporate accountability and corporate governance. Sustainability derives from the United Nations meeting in Rio de Janeiro in 1992 and Agenda 21. The definition focuses on how we address and balance the social, economic and environmental areas in the world so that our long term survival is not threatened. Corporate accountability focuses on the credibility of the organisation and is used in situations where discussions are held about the ability of the organisation to manage. Corporate governance is used in the discussion about how an organisation is being run. It deals with transparency, and in the long run, trustworthiness. Demirag (2005) defined 'corporate social responsibility' as corporate attitudes and responsibilities to society for social, ethical and environmental issues, including sustainability developments.

Johnson (1971) in his definition of corporate social responsibility, conceives a socially responsible firm as being one that balances a multiplicity of interests, such that while striving for larger profits for its stockholders, it also takes into account, employees, suppliers, dealers, local communities and the nation. This definition draws from stakeholder theory as developed by Freeman (1984). According to Freeman (1984), the firm can be described as a series of connections of stakeholders that the managers of the firm attempt to manage. Stakeholder, according to Bruno & Nichols (1990) is a term which denotes any identifiable group or individual who can affect or be affected by organizational performance in terms of its products, policies, and work processes. Davis (1975) argues that modern business is intimately integrated with the rest of society. It is not some self-enclosed world, like a small study group. Rather, business activities have profound ramifications throughout society, and their influence on peoples' lives is hard to escape. Therefore, corporations have responsibilities that go beyond making money because of their great social and economic power.

Recent theories of corporate social responsibility assert that firms engage in "profit-maximizing" corporate social responsibility. That is, companies are assumed to be socially responsible because they anticipate a benefit from these actions. Examples of such benefits might include reputation enhancement, the ability to charge a premium price for its output, or the use of corporate social responsibility to recruit and retain high quality workers. These benefits are presumed to offset the higher costs associated with corporate social responsibility, since resources must be allocated to allow the company to achieve adequate corporate social responsibility status, i.e. adequate level of corporate social responsibility (Baron, 2001).

2.1.1 Essential Aspects of Corporate Social Responsibility

One of the approaches to review corporate social responsibility in more detail is based on division of corporate social responsibility into three mutually interrelated levels. According to the approach corporate social responsibility can be understood in terms of different stakeholders and the issues that they are concerned with. These issues relate to the overlapping levels of social, environmental and economic impact. Composition of each levelis provided in figure 2.1 below.



Firgure 2.1: Three Fundamental Levels of Corporate Social Responsibility

Source: Based on M. A. Placet, R. Flower, M. Kimberly, (2005), Strategies for Sustainability, available at: http://www.allbusiness.com/environment-natural-resources/pollution-monitoring/10575494-1.html

The economic level is concerned with elements which contribute to long-term financial success such as reputation and relationships and the broad economic impact of a company in terms of the multiplier effects of wages, investment and sourcing. Environmental level involves protecting air, water, land, and ecosystems, as well as effectively managing the earth's natural resources. Social level means improving the quality of life and equity for employees of the company and for society as a whole. In a successful sustainability focused business strategy, these three levels are inter-related and support each other (Placet et al., 2005).

As an alternative, the corporate social responsibility concept is sometimes broken down into the following three levels: economic (equivalent to Marketplace), social (equivalent to Workplace and Community) and environmental (equivalent to Environment); as shown in table 2.1 below.

Table 2.1: Three levels and four areas of Corporate Social Responsibility

CSR Level	CSR Area
Economic Level	Marketplace
Social Level	Workplace
	Community
Environmental Level	Environment

Source: M. Steinerová, (2008), Business Leaders Forum ČR, Concept of CSR in Practice - guide to responsible business, available at: http://www.blf.cz/doc/brozura_CSR_web_CZ.pdf

A fully socially responsible company should be active in the above-mentioned four areas. Based on its core values and principles, field of business, and the requirements of its stakeholders, the company chooses individual, specific activities in each of these areas on which it is going to focus its efforts. Choosing the right scope of corporate social responsibility concept is extremely important for a company. If the scope is too wide, a company can have difficulties allocating scarce resources to all selected activities and probably it will never accomplish planned objectives (both economic and corporate social responsibility). Such company may end up in financial difficulties and/or resign from corporate social responsibility concept. On the other hand, if the scope is too narrow, a company may be seen as not being enough socially responsible by stakeholders, which undermines invested effort and resources and again it may prevent achieving planned objectives. Finally, it is also immensely important to choose within the scope of corporate social responsibility those activities that are consistent with the overall strategy and business objectives of the company, i.e. activities that are of interest to a company's existing and potential customers.

2.1.1.1 Corporate Social Responsibility Activities Relating to Marketplace Area

In today's market-oriented environment, a socially-responsible company is expected to conduct its business in a transparent manner and to have positive relationships with its investors, customers, suppliers and other business partners. The company's ability to succeed on a long-term basis depends on its ability to create lasting and high quality sales networks for its products and services. A responsible approach to business partners can contribute to the building of a sense of mutual trust, produce higher quality products and services and, ultimately lead to higher profits, generated from these enhanced business partnerships.(Business Impact Project Team, 2000)

2.1.1.2 Corporate Social Responsibility Activities Relating to Workplace Area

Employees are highly dependent on the company for which they work. Work is the location where they spend most of their day and their work impacts on the quality of their private and family lives and it often also impacts on their level of physical well-being. In a complimentary fashion, the long-term ability of the company to thrive and be successful is dependent upon the quality of the workforce manufacturing its products, providing services to its customers and carrying out other activities that help the company to achieve its business objectives. Behaving in a socially responsible manner to its most valuable assets – employees – should be the standard for all companies. Due to these facts companies should pay special attention to workplace area when deciding on the scope of corporate social responsibility activities.

2.1.1.3 Corporate Social Responsibility Activities Relating to Community Area

As soon as the company starts the operation of its business activities, it becomes a part of the local community. A socially responsible company tries to build good relationships with its local community by minimizing any negative impact on the local environment and by getting involved in addressing and dealing with local problems and concerns. All of this pays off through a reduction in possible risks to the company's operations and through the goodwill created by the company's acceptance by the local community. The local community is a source of both potential customers and employees for the company. To become a good neighbour, the company can engage itself in such varied initiatives as providing financial and material support for local activities and projects and by making the time and the professional knowledge of its employees available to the local community.

2.1.1.4 Corporate Social Responsibility Activities Relating to Environment Area

Even in the natural environment area, it has been evident that businesses that try to minimize negative environmental impact of their activities can benefit through new business opportunities. A company that actively cares for the natural environment has a better chance of succeeding and a better chance of acquiring new customers from the ranks of environmentally-conscious consumers.

2.2 Theoretical framework

The concept of corporate social responsibility means that organizations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law. However, corporate executives have struggled with the issue of the firm's responsibility to its society. It has been argued by Friedman (1970) that the corporation's sole responsibility is to provide maximum financial return to share holders while others are of the belief that business owes responsibility to a wide range of groups in the society. This has led to a number of theories attempting to explain corporate social responsibility namely; shareholders' theory, stakeholders' theory and social contracts theory.This study used the blending of stakeholder and legitimacy theories to explain the motivation for corporate social responsibility.

2.2.1 Stakeholder theory

The stakeholder theory of modern corporations was propounded by Edward Freeman in 1984. Stakeholder theory states that the purpose of a business is to create as much value as possible for stakeholders which includes, but not limited, to shareholders (Freeman, 1984). In other words**,** corporations have a social responsibility beyond making a profit. The theory opposes the then popular ideology that a company's aim is to accumulate profits so it can be redistributed amongst shareholders. According to Friedman (1970), in a free society, there is one and only one social responsibility of business, to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game**.** He argued that managerial attention to interests other than those of investors is a breach of trust that inevitably reduces the welfare of shareowners. Stakeholder theory, on the other hand, is based on the notion that companies have several stakeholders defined as groups and individuals who benefit from or are harmed by, and whose rights are violated or respected by corporate actions. According to Wahba (2008), stakeholder theory assumes that organizational sustainability initiatives must result in higher financial performance.

2.2.2 Legitimacy theory

In literature, legitimacy theory is credited to Mark C. Suchman who developed a broad-based definition of legitimacy in 1995 as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman, 1995). Legitimacy theory posits that businesses are bound by the social contract in which the firms agree to perform various socially desired actions in return for approval of its objectives and other rewards, and this ultimately guarantees its continued existence. The concept is used to represent a multitude of implicit and explicit expectations that society has about how the organization should conduct its operations. It assumes that society allows the organization to continue operations to the extent that it generally meets their expectations. According to Lindblom (1994), legitimacy is a status that comes from the harmony between a corporation's value system and that of society. The absence of such harmony, he argues, may cause the firm to disappear. From such a perspective, corporate social responsibility is seen as one of the strategies used by companies to seek acceptance and approval of their activities from society. It is seen as an important tool in corporate legitimating strategies, as it may be used to establish or maintain the legitimacy of the company by influencing public opinion, patronage and ultimately, the bottom line.

2.3 Empirical review

Amaeshi, Adi, Ogbechiw & Amao (2006) conducted a study on Corporate Social Responsibility in Nigeria: Western Mimicry or Indigenous Practice. The objective of the study was to explore the current meaning and practice of CSR in Nigeria with emphasis on the waves, issues, and modes of CSR amongst indigenous firms. The study was largely exploratory and does not present or adopt any normative stance (or best practice approach) towards the practice and meaning of CSR. The study explored the context in which firms operate in Nigeria – i.e. the corporate governance framework and socio economic conditions influencing indigenous firms and its implications for corporate governance. Data were collected using structured interviews through face-to-face, telephone and emails.The result/analysis of the study showed that the understanding and practice of corporate social responsibility in Nigeria is still largely philanthropic and altruistic. It also concluded that most people think that corporate social responsibility is just one of the many ways companies can plough back a portion of their profit to their immediate environment.

Dinga, (2008) carried out a survey on Corporate Social Responsibility – A new factor of corporate competitiveness. The objective of the survey was to identify a level of awareness about CSR tools and ability to utilize them by companies located in the Czech Republic and to compare results according to size and seat of the company. There was no hypothesis used in the survey.A total of 225 companies of all sizes from 14 regions of the Czech Republic were surveyed on CSR. Surveyed sample consisted of 65% micro and small companies, 23% medium-sized companies and 12% large companies. The results of the survey showed that 47% of involved companies knew CSR concepts. Significant majority of companies (almost 90%) embraced at least one CSR activity aimed at own employees. On the other hand, in at least one activity related to external dimension of CSR was involved 93% of reviewed companies. The principal forces that motivated companies in implementing CSR concept were ethical and moral reasons, improvement of employees' satisfaction, improvement of business relations and tradition. The main obstacles that hampered companies in socially and environmentally responsible behaviour were excessive bureaucracy, lack of time and too high costs.

Übius, & Alas, (2009) conducted a research on corporate social responsibility and its influencing factors in Estonian and Japanese enterprises: Problems and Perspectives in Management. The authors of this article conducted an empirical study in 2007-2008 in Estonian and Japanese enterprises in order to find differences and similarities according to corporate social responsibility in Estonian and Japanese enterprises. The research was done in 8 Estonian enterprises with 623 respondents and in 6 Japanese enterprises with 1570 respondents. The purpose of the study was to investigate corporate social responsibility and it´s influencing factors as well as connections between organisational cultures, individual and organisational level factors in Estonian and Japanese enterprises.

In the research process several instruments were used. The author worked out interview questions for evaluating connection between the success of innovations and corporate social responsibility in Estonian organisations in order to analyse the connection between corporate social responsibility and the success of innovations in Estonian organisations the author used a correlation analysis.To assess corporate social responsibility, and individual and organisational level factors in different countries the author found the questionnaire designed by the Denki Ringo research group suitable. A linear regression analysis was used in order to find statistically relevant relationships.

The results indicate significant differences, as well as similarities, in individual level factors – job satisfaction, meaning of work, attitude toward the firm, in organisational level factors - powerfulness of firm in competition against rivals, behaviour of management, policy of firm and in facets of corporate social responsibility - firm performance concerning social issues and firm respect concerning interests of agents. Differences and similarities in different countries concerning corporate social responsibility is influenced by different cultural and historical background. It was found that there was considerable evidence of a strong relationship between the adoption of a CSR strategy by the firm and effective environmental and innovative performance. The findings indicate corporate social responsibility is an important value in Estonian and Japanese enterprises according to this study. There were statistically significant differences between Estonian and Japanese respondents according to connections between job satisfaction, meaning of work, attitudes toward the firm, powerfulness of firm in competition against rivals, behaviour of management, policy of firm and 2 facets of corporate social responsibility. The results of the study also show that culture types – clan, market, hierarchy and adhocracy predict job satisfaction, attitude toward the firm, meaning of work, powerfulness of firm in competition against rivals, behaviour of management and policy of firm, but it varies according to countries.

However, in all the research studies and survey conducted so far on corporate social responsibility, none has been able to identify the most discriminant variable in corporate social responsibility. This study most significantly intends to develop a model for predicting the most discriminant variable in corporate social responsibility.

Development of Research Hypothesis

Given the mixed results in the above empirical review, we develop the following hypothesis stated in their null forms to guide our study.

Ho_1: Firms performance in the area of market is not the most discriminant variable in corporate social responsibility.

III. Methodology

The researcher employed thesurvey research design for this study. The reason for adopting the survey method was to enable the researcher gather the desired information on the subject matter.

To implement the survey research methodology in this study, a survey questionnaire was applied on the selected target groups.The study utilized two types of data - primary and secondary. The use of the two types of data was necessitated by the need to capture the historical trends as embodied in published annual reports of the companies used in this study and also the personal views of corporate officials.The study covers the period 2010 to 2014 (five years) and only quoted banks in the financial sector were chosen because of their potentials to maintain reliable and accessible database as part of the requirements for continuous listing in the Exchange.Also, the corporate annual reports and other stand alone disclosures are corporate communications used by these organisations to influence the perceptions of various stakeholders on the company's position on social and environmental issues.

Population and study sample

The population of the study includes all quoted Deposit Money Banks in Nigeria.From our sample population, foreign owned banks were eliminated. The reason for this filtration is to ensure easy accessibility to annual reports and accounts and to limit our study to local financial institutions. This criterion was adopted in order to obtain a sample that is homogeneous. The final sample consists of 15Deposit Money Banks from the financial sector of the Nigerian Economy.

Data analysis techniques

This study utilizes multivariate techniques of data analysis.Thediscriminant analysis technique was used in carrying out the analysis.Justification for the use of discriminant analysis is its suitability for the formulated hypothesis.

Model specification

The discriminant analysis model classifies the firm (bank) into two mutually exclusive categories, performing and non performing firm in the area of social responsibility. The function of the variables X_1…………X_n that discriminates as much as possible the two groups under investigation will be a linear combination of the X_1 explanatory variables. The explicit representation of the model is

$$Z \quad = \quad b_1X_1 + b_2X_3 + b_3X_3 + \ldots\ldots\ldots\ldots + b_nX_n$$

Where

Z are the discriminant variables performing and non performing

X_i are the explanatory variables which are corporate social responsibility in the area of work place, corporate social responsibility in the area of environment, corporate social responsibility in the area of market and corporate social responsibility in the area of community.

b_i are the discriminant coefficients

Discriminant analysis is a multivariate technique for discriminating among groups (in this case socially performing and non-socially performing banks) and for classifying a set of observation into these groups.

The classification procedure is stated as follows:

If firms' performance concerning social responsibility is strong, classify individual firm as belonging to group 1 and assign 1 value

But if firms' performance concerning social responsibility is not strong, classify individual firm as belonging to the group 2 and assign zero value.

IV. Analysis and discussion of results

The data generated on return on asset (ROA), return on equity (ROE), corporate social responsibility in the area of environment (CSRE), corporate social responsibility in the area of work place (CSRWP), corporate social responsibility in the area of market (CSRM), corporate social responsibility in the area of community (CSRC) and the aggregate corporate performance concerning social issue (FPCSI) are presented in table 4.1 below. The data were used for the analysis of discriminant function as they deemed appropriate for the investigation of our hypothesis 1.

4.1 Presentation of data

Table 4.1: Banks Performance and social responsibility data

Bank	ROA	ROE	CSRE	CSRWP	CSRM	CSRC	FPCSI
UBA	0.93	11.18	2.20	2.40	2.60	2.30	2.37
FCMB	0.54	3.19	1.60	2.00	2.40	2.40	2.10
FB	1.01	4.24	1.60	2.10	3.00	2.00	2.18
SKYB	0.60	5.71	1.20	2.60	3.00	2.60	2.35
ZB	1.94	10.96	2.28	2.30	2.80	2.30	2.42
WB	-2.07	-5.70	2.00	2.00	2.00	2.30	2.10
ECO	1.48	14.02	1.80	1.90	2.60	2.60	2.23
STB	1.70	9.94	1.70	2.40	3.00	2.70	2.45
UBN	1.13	7.27	1.60	1.20	3.00	2.40	2.05
FBN	1.43	10.43	2.10	1.80	2.00	2.30	2.05
DB	0.17	7.99	1.20	2.40	3.00	2.60	2.30
ACCESS	1.20	7.39	1.80	6.30	2.60	2.40	3.38

STERLING	1.47	8.52	1.40	2.30	3.00	2.60	2.33
GTB	3.30	20.12	1.90	2.30	2.80	2.30	2.33
UNITYBANK	1.13	7.27	1.70	2.50	3.00	2.80	2.5

Source: Compiled from Field Survey, 2014

4.2 Analysis of Data

In this section the data generated using differential semantic scale and presented above were analyzed using discriminant analysis. In the light of this, the Hypothesis is restated and verified as follows:

Ho$_1$: Firms performance in the area of market is not the most discriminant variable in corporate social responsibility.

Ha$_1$: Firms performance in the area of market is the most discriminant variable in corporate social responsibility.

The estimated firm performance concerning social issues is shown in the standardized canonical discriminant function coefficients presented in table 4.2 as follows:

Table 4.2Standardized Canonical Discriminant Function Coefficients

	Function
	1
CSRWP	.782
CSRE	.814
CSRM	1.079
CSRC	.687

In the above table, the discriminant coefficient of firms performance concerning social responsibility in the area of market (CSRM) is 1.079, firms' performance concerning social responsibility in the area of environment (CSRE) scores 0. 814, the performance concerning social responsibility in the area of work place (CSRWP) is 0.782 while that in the area of community (CSRC) is 0.687. Thus, the predictive model from the discriminant analysis is stated as:

Z = 1.079CSRM + 0.814 CSRE + 0.782CSRWP + 0.687CSRC

In the light of this estimated model, the researcher displayed the mean difference in table 4.3 and then the percentage contribution of individual variables to the total discriminant (score in order to ascertain the authenticity of this result) in tables 4.4 as follows:

Table 4.3 Group means and means differences for the discriminant variables

Variables	Performance	Non performance	Mean difference
CSRM	2.8333	1.8333	1.000
CSRE	1.7089	1.7833	-0.074
CSRWP	2.8667	2.5000	0.367
CSRC	2.5111	2.3333	0.178

Having shown the mean differences in the above table, the percentage contribution of individual variables to total discriminant scores is presented in table 4.4

Table 4.4 Percentage Contribution of Individual Variables to Total Discriminant Score

Variables	Coefficients	Mean difference	Product	Percentage contribution
CSRM	1.079	1.000	1.079	75.5
CSRE	0.814	-0.074	-0.060	-4.2
CSRWP	0.782	0.367	0.290	20.3
CSRC	0.687	0.178	0.122	8.5
Total			1.43	100

In the table above, corporate social responsibility in the area of market contributed about 76 percent of the total discriminant score for the function, implying that a bank's chance of belonging to the group of performing banks in terms of social responsibility increases as its social responsibility in the area of market increases. Corporate social responsibility in the area of work place appeared to make the second highest contribution with very low percentage score (20.3%) to group separation of the discriminant function. Other variables such as corporate social responsibility in the area of community and environment contributed 8.5 percent and -4.2 percent respectively. On the basis of these results, the researcher therefore has a strong evidence to reject the null hypothesis while accepting the alternative hypothesis that firms performance in the area of market is the most discriminant variable in corporate social responsibility.

The group centroid of the function is presented in table 4.5 as follows:

Table 4.5 Functions at Group Centroids

	Function
Z	1
.00	-1.485
1.00	.990

Unstandardized canonical discriminant functions evaluated at group means

The estimated centroid for the performing banks is found to be 0.990 while that of non performing banks is -1.485. This means that the higher the composite score of any bank, the higher the probability that the bank will be classified as performing highly in social issues particularly in the area of market.

To determine the forecasting power of the estimated model, the estimated function was subjected to a chi-squared (X^2) test of significance. The result of the test is presented in table 4.6 as follows:

Table 4.6: Chi-squared test of significance for the discriminant function

Discriminant function	Canonical correlation	Chi-squared	DF	Significant level
1	0.793	10.912	4	0.028

The calculated Chi-squared at 5 percent level of significance is 10.912 with a significant level (probability) of 0.028. This shows that the hypothesis that the entire discriminant coefficient was equal to zero is rejected. This means that the estimated function can be used to discriminate between performing and non-performing as defined earlier. In order to measure the association between the discreminant functions and a set of (dummy) performing and non performing variables which defines the group membership, the researcher displayed the result of canonical correlation and Eigenvalues in table 4.7 as follows:

Table 4.7: Summary of Canonical Discriminant Functions

Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	1.697[a]	100.0	100.0	.793

a. First 1 canonical discriminant functions were used in the analysis.

The high value of canonical correlation (0.793) indicates that the variables are correlated with the group and the function is therefore a better one.

The researcher also determined how well the function developed in the course of this performance survey is in classifying the banks. The result of the classification performance of the estimated function is presented in table 4.8 below.

Table 4.8: Classification Performance of the Estimated Discriminant Function

Table 4.8: Classification Results[a]

			Predicted Group Membership		
		Z	.00	1.00	Total
Original	Count	.00	5	1	6
		1.00	0	9	9
		Ungrouped cases	0	4	4
	%	.00	83.3	16.7	100.0
		1.00	.0	100.0	100.0
		Ungrouped cases	.0	100.0	100.0

a. 93.3% of original grouped cases correctly classified.

The proportion of non performing banks erroneously classified as performing constituted about 16.7% of the banks subjected to the classification. The performing banks were 100% correctly classified. The 16.7%

non performing banks misclassified for performing banks may default in their performance due to misspecification error.

4.3 Discussion of Findings

The study in estimating the discriminating variables on firms' performance concerning social issues found that the firms' performance in the area of market is the most discriminant variable in corporate social responsibility. Corporate social responsibility in the area of work place appeared to make the second highest contribution with very low percentage score. Other discriminant variables namely social responsibility in the area of community and environment made little or no contribution. This support the assertion of Übius, & Alas, (2012) that indicates significant differences, as well as similarities, in individual level factors – job satisfaction, meaning of work, attitude toward the firm, in organisational level factors - powerfulness of firm in competition against rivals, behaviour of management, policy of firm and in facets of corporate social responsibility - firm performance concerning social issues and firm respect concerning interests of agents.

The researcher grouped the factors into four underlying categories: corporate social responsibility in the area of environment (CSRE), corporate social responsibility in the area of work place (CSRWP), corporate social responsibility in the area of market (CSRM), corporate social responsibility in the area of community (CSRC) and the aggregate corporate performance concerning social issue (FPCSI) corporate social responsibility in the area of environment (CSRE), corporate social responsibility in the area of work place (CSRWP), corporate social responsibility in the area of market (CSRM), corporate social responsibility in the area of community (CSRC) and the aggregate corporate performance concerning social issue (FPCSI) with each category having a number of statements drawn from different aspects that have dominated the debate of CSR as highlighted in the literature review.

Factors that yielded high mean results were: corporate social responsibility in the area of market (CSRM) with a mean of 1.000, corporate social responsibility in the area of work place (CSRWP) with a mean of 0.367, corporate social responsibility in the area of community (CSRC) with a mean of 0.178 and corporate social responsibility in the area of environment (CSRE) with a mean of -0.074. To ascertain the authenticity of this result, percentage contribution of individual variables to total discriminant scores were also computed. Corporate social responsibility in the area of market (CSRM) contributed 76%0, corporate social responsibility in the area of work place (CSRWP) 20.3%, corporate social responsibility in the area of community (CSRC) 8.5% and corporate social responsibility in the area of environment (CSRE) -4.2%.

Corporate social responsibility in the area of market (CSRM) was found to be the most discriminant variable in CSR implying that a bank's chance of belonging to the group of performing banks in terms of social responsibility increases as its social responsibility in the area of market increases. Corporate social responsibility in the area of work place appeared to make the second highest contribution with very low percentage score (20.3%) to group separation of the discriminant function. Other variables such as corporate social responsibility in the area of community and environment contributed 8.5 percent and -4.2 percent respectively.

The test of forecasting power of the model shows that the estimated function is a better one and can be used for forecasting and discriminating between performing and non-performing firms.

V. Conclusion

The main objective of this study was to determine the extent to which firm's performance in the area of market discriminates against Corporate Social Responsibility.This study basing on money deposit banks revealed that there are many factors that influence a bank's practice of CSR. Clearly from the results of this research, factors that influence corporate social responsibility practice come from all the stakeholders' perspectives of community, customer, employees, investors, suppliers and the environment. A business needs to incorporate all the stakeholder needs in its business operations as these have underlying benefits to a socially responsible corporation. Economic benefits arising from well aligned business operations to corporate social responsibility include: sales revenue growth, enhanced organizational reputation,manageable business risk, and improved internal efficiency.A firm perceived as high in corporate social responsibility may face relatively fewer labour problems or perhaps customers may be more favourably disposed to its products and this builds up a bigger market for the products and customers hence revenue.

This study provided some major contributions which policy makers should not ignore. The contributions are specifically stated as follows:

i. In the discriminant model of social responsibility (SR), CSRM has the most discriminant proportion (75.5%) in Nigeria thus policy makers in this area must place priority on CSRM when discussing firm's performance concerning social responsibility.
ii. The study provided an estimator with high forecasting power for discriminant prediction. The estimator is:

Z = 1.079CSRM + 0.814 CSRE + 0.782CSRWP + 0.687CSRC

With this predictive model one can forecast or predict the firm's performance concerning social responsibility at any point in time.

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