

## **EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON THE CUSTOMER SATISFACTION OF SELECTED DEPOSIT MONEY BANKS IN ABUJA, NIGERIA**

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**ABSTRACT:** This study examines the influence of corporate social responsibility (CSR) on customer satisfaction in selected deposit money banks in Abuja, Nigeria, specifically Access Bank, Zenith Bank, UBA, GT Bank, and First Bank. Using a survey research design, data were collected from 425 customers, selected through stratified random sampling. The Fisher formula guided the determination of sample size. Correlation and regression analyses were employed to test the study's hypotheses. The results indicate that CSR has a significant and positive impact on customer satisfaction. Specifically, both the economic and legal responsibilities of banks were found to enhance customer satisfaction significantly. The study concludes that strengthening economic and legal responsibilities can further improve customer satisfaction among bank customers in Abuja.

**Keywords:** Corporate Social Responsibility, Economic Responsibility, Legal Responsibility, Customer Satisfaction

### **INTRODUCTION**

Corporate Social Responsibility (CSR) is a multifaceted concept that is widely discussed across various disciplines, including sociology, economics, politics, and business administration. Scholars often describe CSR as an organisation's willingness to act in the broader interest of society, prioritising "missionary" over "mercenary" motives (Amalia & Suprati, 2020). In business, CSR refers to a company's obligation to pursue actions that align with societal values and objectives (Hadi & Mariana, 2018).

While CSR is well-established and actively practised in developed countries, it remains an emerging concept in developing economies, such as Nigeria (Adeneye & Ahmad, 2018). The contemporary CSR discourse emphasizes a shift from mere regulatory compliance to proactive engagement and value creation, positioning the private sector as a key driver of equitable and sustainable economic growth (Bernardi, 2018; Martina-Conesa et al., 2017).

The Nigerian banking sector, in particular, has experienced significant transformation due to technological advancements, regulatory reforms, and evolving customer expectations (Amoaka et al., 2023). Today's customers seek not only competitive financial products but also evidence of banks' commitment to societal well-being. Consequently, CSR initiatives—such as financial literacy programs, environmental sustainability efforts, and community development projects—have become important differentiators for banks (Manaf et al., 2020; Rashid et al., 2021).



through two key dimensions: economic responsibility and legal responsibility. These dimensions represent the specific CSR activities and obligations that banks undertake to meet both economic expectations and legal requirements within society.

The dependent variable in this framework is customer satisfaction, which reflects the extent to which customers perceive their needs and expectations as being met by the banks.

The arrows in the framework indicate the hypothesized direct relationships between each dimension of CSR (economic and legal responsibility) and customer satisfaction. This structure suggests that improvements in a bank's economic and legal responsibilities are expected to positively influence customer satisfaction levels.

### **Corporate Social Responsibility**

Corporate social responsibility (CSR) refers to a firm fulfilling its legal, economic, ethical, and philanthropic responsibilities to society. Generally, CSR is interpreted as a firm's social contribution (Carroll, 2019). However, CSR and social contribution must be differentiated: social responsibility refers broadly to a firm's legal, economic, ethical, and philanthropic responsibilities, while a firm's social contribution refers to only one aspect of CSR. Therefore, it is not accurate to simplify the concept of CSR into social responsibility; thus, CSR will be redefined using the concepts in various CSR studies (Arora & Puranik, 2017). Sood and Arora (2018) define social responsibility as the pursuit of the right policy in terms of social goals or values, describing it as the duty of businesspeople to follow such decisions and actions. Since then, numerous definitions have been proposed, with no single, universally accepted definition of CSR. Because discussions about CSR are broad and comprehensive, they can be defined from many different approaches and perspectives (Carroll, 2019).

The underlying factor in the definition is that CSR activities are voluntary, which surpasses the firm's legal and contractual obligations (Blowfielf & Frynas, 2019). Barthón (2021) defined CSR as encompassing the legal, ethical, economic, and other discretionary responsibilities that firms/institutions render to society. The above definition implies that firms/institutions operating in a society should operate under the dictates of the law prevalent in a society and conduct their operations in a morally acceptable manner by contributing to the economic well-being of the society, among other obligations deemed necessary. Other scholars like Bassen et al (2020) defined CSR based on their perceptions and understanding of the concept, observing that the CSR concept implies a balance between economic, ecological, and social goals, which means the distribution of assets among several interest groups. In the same vein, Lantos (2022) defined CSR as a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment, or a situation whereby organizations integrate social and environmental concerns into their business operations and in their interaction with their stakeholders voluntarily. CRS disclosure by firms improves the perception of investors (Waddock & Graves, 2017).

### **Economic Responsibility**

Economic responsibility can be seen as a core responsibility. Naturally, without a company's focus on profitability, there is no business. Profits are not only necessary for the satisfaction of shareholders but are also essential for a company's growth (Roberts & Dowling, 2020). Therefore, economic responsibility can be viewed as a starting point and is substantial for any additional development of the company. First, there are businesses' economic responsibilities. It may seem odd to consider economic responsibility as social responsibility, but, in effect, it is what it is (Paya & Krausz, 2019). First and foremost, the American social system calls for businesses to be an economic institution. This means that they should be an institution whose orientation is to produce goods and services that society wants and to sell those at a fair price – prices that society thinks represent the true value of the goods and services delivered and that provide businesses with profits adequate to ensure their perpetuation and growth and to reward their investors (McGuire & Schneeweis, 2018).

This study adopts this definition of economic responsibility in the context of corporate social responsibility (CSR) and customer satisfaction, which refers to a company's commitment to managing resources efficiently, driving sustainable growth, and creating value through ethical financial practices that meet customer needs and foster trust. This definition captures the connection between a company's economic practices and their impact on customer satisfaction, emphasizing the importance of sustainability, ethical conduct, and value creation as critical components of building long-term customer loyalty and trust within a CSR framework.

### **Legal Responsibility**

Richard et al (2021) posit that from a legal perspective, society expects businesses to fulfil their economic mission within the framework of legal requirements. Just as society has sanctioned our economic system by permitting businesses to assume the productive role mentioned above as a partial fulfilment of the social contract, it has also laid down the ground rules – the laws – under which business is expected to operate. Legal responsibilities reflect a view of 'codified ethics' in the sense that they embody basic notions of fairness as established by our lawmakers. It is the business's responsibility towards society to comply with these laws (Wang et al., 2021). Suppose the business disagrees with laws that have been adopted or are about to be adopted. In that case, our society has provided a mechanism through which dissenters can be heard in the political process (Warkick & Cochran, 2021).

Legal responsibilities require an organization to abide by the laws of society. Organizations anywhere in the world are required to operate in compliance with the law because the law is society's codification of acceptable and unacceptable behaviour. The law reflects what society considers acceptable or unacceptable (Amadi & Ndu, 2017). The laws of society typically constitute the most objective and readily accessible guide for distinguishing between permissible and impermissible behaviour. This study adopts this definition of legal responsibility within the context of corporate social responsibility (CSR) and customer satisfaction, referring to a company's obligation to comply with laws, regulations, and industry standards while ensuring transparency and accountability in its actions to build trust and confidence among customers. This

definition emphasises the crucial role of compliance and ethical conduct in promoting customer trust, aligning with the broader CSR objective of upholding integrity and accountability to enhance customer satisfaction and loyalty.

### **Customer Satisfaction**

Customer Satisfaction has been a central concept in literature and is an important goal of all business activities. Today, companies face their toughest competition because they move from a product and sales philosophy to a customer philosophy, which gives a company a better chance of outperforming the competition (Wilson et al. 2021). Overall, customer satisfaction translates to more profits for companies and market share increases. Many researchers and academicians have highlighted the importance of customers (Mandina et al., 2017; Larsen et al., 2021; Wang, 2019; Mendoza & Luiz). The primary concern of marketing is to connect with customers by building strong customer relationships to meet their expectations (Yoo & Bai, 2020). For customer-centred companies, customer satisfaction is both a goal and a marketing tool. Therefore, companies need to be concerned about customer satisfaction levels due to the impact of internet technology, including social media, which enables the rapid spread of negative word-of-mouth marketing or otherwise to the rest of the world (Liu & Jang, 2019).

Customer satisfaction is now a key indicator and an important element in business strategies. It determines how the delivered products or services meet or exceed customer expectations (Rashid et al., 2021). Every business needs to hold its present customers and, in like manner, expand its customer base, and this is possible when the target customer is completely satisfied with the relationship on a couple of parameters (Tan et al., 2017).

### **Empirical Review**

Amoako et al. (2023) examined the impact of corporate social responsibility (CSR) on customer loyalty at MTN Ghana, a leading telecommunications firm. The study used environmental, social, stakeholder, philanthropic, and voluntary responsibility. Data was collected through a survey of 900 customers using stratified sampling and structured questionnaires. The data was analysed using structural equation modelling (SEM) with AMOS software. The findings reveal that CSR has a significant positive impact on customer loyalty, with environmental responsibility, social responsibility, and stakeholder responsibility emerging as significant predictors, but voluntary responsibility had an insignificant effect. The study recommends that MTN Ghana prioritize environmental, social, and stakeholder responsibilities to enhance customer loyalty and retention. Additionally, firms should integrate CSR into their core business strategies to reap long-term benefits. This study contributes to the CSR literature by providing Ghanaian perspectives, but its generalizability is limited by its focus on the telecommunications sector and reliance on self-reported customer data.

Fortanier and Kolk (2017) study was on the economic dimensions of CSR: Exploring Fortune Global 250 reports. A mixed-methods methodology is used in this study to collect data using both quantitative and qualitative techniques. Sample data was collected from non-financial reports of Fortune Global 250 companies as published. For the data analysis, both descriptive and inferential

statistics were used. The research's results indicate that a firm's economic responsibility focus greatly increases their performance, especially non-financial performance. Companies may preserve a healthy corporate image and promote better trust by coordinating their activities with stakeholder interests, which invariably increases customer satisfaction.

Nassar (2021) investigated the impact of economic responsibility on customer satisfaction in Egyptian telecom companies. Out of the 30 million consumers in the population, 507 customers made up the sample. Significant correlations were found between aspects of consumer satisfaction (trust, commitment, and loyalty) and economic responsibility (infrastructure development, digital accessibility, and local content promotion) using structural equation modelling. The findings indicated that consumer trust is positively and significantly impacted by economic responsibility. It is recommended that telecommunications companies prioritise digital accessibility and infrastructure development.

Asghar (2023) examined the influence of Corporate Social Responsibility in a Legal Context using empirical evidence from Pakistan. A Sample size of 246 respondents was involved. A structured questionnaire was used to collect primary data, while archival records were used to gather secondary data. The data from the questionnaire were entered into two analytical software packages: the Statistical Package for Social Sciences (SPSS, version 17) and STATA. Both descriptive and inferential statistics, including Pearson correlation and multiple regressions, were employed. The findings underscore the significance of CSR as an ethical and legal imperative for businesses in today's global landscape. The study recommendations emphasize the need for a holistic approach to CSR that considers legal requirements, ethical considerations, stakeholder engagement, and the long-term sustainability of business practices. Implementing these recommendations can pave the way for responsible and sustainable corporate conduct within legal frameworks.

Wang et al. (2019) examined how Huawei Technologies' (China) legal responsibilities affected customer satisfaction. There were 488 responders out of 150 million users. Significant correlations were found between customer satisfaction characteristics and legal responsibility using regression analysis. The findings showed that consumer loyalty is significantly and favourably impacted by legal responsibility. Huawei should prioritise consumer protection and cybersecurity. The study advances our understanding of how legal obligations influence consumer satisfaction. According to the results, activities promoting legal responsibility increase client loyalty. It is recommended that Huawei prioritise consumer protection and cybersecurity. For managers seeking to enhance customer satisfaction through corporate social responsibility, this research provides valuable insights.

### **Stakeholder Theory**

The theory was originally developed by Freeman (1984) and has since become one of the most essential and frequently cited theories in the literature. The theory posits that a corporate firm may have various responsibilities to different factions within a society. Stakeholders are individuals or groups that were either harmed by or benefited from the firm, or whose rights have been violated or must be respected by the firm (Battilana et al., 2022). According to Bridoux and Stochorst



(2022), the theory of paying attention to the needs and rights of all the stakeholders (e.g., employees, customers, suppliers, host communities, shareholders and society at large) in a business is a useful way of developing socially responsible behaviour by managers (Donaldson & Dunfee, 1999). The stakeholder theory, therefore, considers the need to satisfy those interested parties capable of influencing firm performance and outcomes (Follert et al., 2003).

Realistically, according to Stakeholder Theory and stakeholder ethics, if top managers are going to let every stakeholder actively participate in a corporation's decision-making process, then those stakeholders need to be aware of the corporation's external and internal environment (Keikkinen & Lehtimäki, 2013). Directors in a corporation may conceal important information regarding income or hazardous operations within the factory (Freeman & McVear, 2001).

## **METHODOLOGY**

This study adopted a survey research design to investigate the relationship between corporate social responsibility (CSR) and customer satisfaction in selected deposit money banks in Abuja, Nigeria. The banks—Access Bank, Zenith Bank, UBA, GT Bank, and First Bank—were chosen due to their large customer base, significant market presence, and active engagement in CSR initiatives within the Nigerian banking sector. This selection ensures that the findings are representative of major players in the industry.

### **Population and Sampling Technique**

The study population comprised all customers of the selected banks in Abuja, totalling 2,158,486 as of December 2023 (Statista, 2023; Nairametric, 2023; Business Day, 2024; The Economist, 2024). Stratified random sampling was employed to ensure proportional representation from each bank. The total sample size was determined using Fisher's formula for sample size calculation, with a 95% confidence level and a 5% margin of error. The minimum required sample size was 385. To account for potential non-responses and incomplete questionnaires, an additional 10% (as recommended by Israel, 2013) was added, resulting in a final sample size of 425. Accordingly, 85 questionnaires were distributed to customers of each bank.

Sample Size Formula (Fisher's Formula):

$$n = [Z^2 \times p \times q] / [E^2 \times (1 + (Z^2 \times p \times q) / (N \times E^2))]$$

Where:

n = sample size

Z = Z-score (1.96 for 95% confidence level)

p = estimated proportion (0.5 for maximum variability)

q = 1 - p (0.5)

E = margin of error (0.05)

N = population size (2,158,486)

### **Instrument and Data Collection**

Data were collected using a structured questionnaire divided into three sections:

Section A: Demographic characteristics

Section B: Items on corporate social responsibility (economic and legal responsibility)

Section C: Items on customer satisfaction

A five-point Likert scale (1 = strongly disagree to 5 = strongly agree) was used to measure responses. The questionnaire was reviewed by academic experts in business administration to ensure face and content validity, confirming that the items adequately captured the constructs under study. A pilot test was conducted with 30 respondents (not included in the main study) to refine the instrument and ensure clarity of the questions.

### **Reliability and Validity**

Reliability of the instrument was assessed using Cronbach's alpha. All constructs demonstrated acceptable internal consistency, with alpha values above the recommended threshold of 0.70 (see Table 3.1).

**Table 3.1 Reliability Test Result**

SN	Variables	NO OF ITEMS	Cronbach's Alpha
1	Economic Responsibility	4	.79
2	Legal Responsibility	4	.83
3	Customer Satisfaction	4	.786
<b>Recommended <math>\alpha</math></b>		$\alpha \geq 0.70$	

**Source:** Reliability Test using SPSS version 26

Descriptive statistics (mean, standard deviation, frequencies, and percentages) were used to summarize the data. Inferential statistics, including correlation and multiple regression analyses, were employed to test the study's hypotheses and examine the relationships between CSR dimensions and customer satisfaction. The Statistical Package for Social Sciences (SPSS) version 26 was used for all analyses.

Regression Model:

$$CUS = \alpha + \beta_1 ECR + \beta_2 LER + \mu$$



Where:

CUS = Customer Satisfaction

ECR = Economic Responsibility

LER = Legal Responsibility

$\alpha$  = Intercept

$\beta_1, \beta_2$  = Coefficients

$\mu$  = Error term

Correlation Coefficient Formula:

$$r = [n(\sum xy) - (\sum x)(\sum y)] / \sqrt{\{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]\}}$$

Where:

r = correlation coefficient

n = number of samples

x = independent variable

y = dependent variable

$\Sigma$  = summation

## DATA ANALYSIS

**Table 4.1: Response Rate**

Respondents	Frequency	Percentage (%)
Filled Correctly	408	96
Errors and Others	17	4
<b>Total</b>	<b>425</b>	<b>100</b>

*Source: Field Survey, 2024*

Table 4.1 shows the response rate of the questionnaire distributed. Four hundred twenty-five (425) questionnaires were distributed, with four hundred eight (408) respondents representing 96% of properly filled copies, while seventeen (17) respondents returned questionnaires with incorrect answers, which represents 4% of the respondents. The four hundred and eight (408) correctly filled questionnaires will serve as the sample size for this study.

**Table 4.2: Gender**

Respondents	Frequency	Percentage (%)
Male	218	53.4
Female	190	46.6
<b>Total</b>	<b>408</b>	<b>100</b>

*Source: Field Survey, 2024*

Table 4.2 shows the gender distribution of respondents. Two hundred and eighteen (218) were male, representing 53.4% of the respondents, while one hundred and ninety (190) were female, representing 46.6%. This means that there is no difference between the number of males and females sampled

**Table 4.3: Age**

Respondents	Frequency	Percentage (%)
18-30 years	217	53
31-50 years	121	30
51 and above	70	17
<b>Total</b>	<b>408</b>	<b>100</b>

*Source: Field Survey, 2024*

Table 4.3 shows the age distribution of respondents. Two hundred and seventeen (217) respondents representing 53% were between 18 and 30 30years, while one hundred and twenty-one (121) respondents representing 30% were between 31 and 50 years. About seventy (70) respondents, representing 17%, were 51 years and above. This shows that the majority of respondents were younger.

**Table 4.4: Educational Level**

Respondents	Frequency	Percentage (%)
O'level	83	20.3
Diploma	147	36.2
Bachelors	104	25.4
Masters	56	13.7
PhD	18	4.4
<b>Total</b>	<b>408</b>	<b>100</b>

*Source: Field Survey, 2024*

Table 4.4 shows the educational level of respondents. Eighty-three (83) respondents, making 20.3%, had O'level, one hundred and forty-seven (147), representing 36.2%, had a diploma, while one hundred and four (104) respondents, making 25.4%, had a bachelors. Fifty-six respondents, representing 13.7%, and eighteen respondents, making up 4.4%, held master's and PhD degrees,

respectively. This means the majority of respondents are educated enough to give objective responses.

**Table 4.5: Years as Bank Customer**

Respondents	Frequency	Percentage (%)
1 – 5 years	72	18
6 - 10 years	159	39
11 - 20 years	128	31
21 years above	49	12
<b>Total</b>	<b>408</b>	<b>100</b>

*Source: Field Survey, 2024*

Table 4.5 shows the number of years of customers. Seventy-two (72) respondents, representing 18%, have been customers for one to five years, one hundred and fifty-nine (159) respondents, making 39%, were six to ten years, while one hundred and twenty-eight (128), making 31%, were from eleven to twenty years. Finally, forty-nine (49) respondents were from twenty-one years and above. This means that larger respondents have been customers long enough to give objective responses.

**Table 4.6: Response on Economic Responsibility**

Questions	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)
The bank is committed to generating profits for its investors and stakeholders through sustainable business practices	176(43.1)	115(28.2)	46(11.3)	27(6.6)	44(10.8)
The bank is committed to managing costs effectively to ensure efficient use of resources and long-term sustainability	130(32)	208(51.5)	18(4.5)	22(5.4)	27(6.6)
The bank is committed to making strategic investments that drive growth, innovation, and long-term value creation	89(21.8)	114(28)	65(16)	75(18.3)	65(16)
The bank is committed to giving back through supporting social and economic development	76(18.6)	122(30)	56(13.7)	82(20)	72(17.7)

*Source: Field Survey, 2024*

Table 4.6 shows respondents' responses on economic responsibility. One hundred and seventy-six (176), making 43.1%, strongly agreed that the bank is committed to generating profits for its investors and stakeholders through sustainable business practices. One hundred fifteen (115) respondents, representing 28.2%, agreed, while forty-six (46), or 11.3%, were undecided. Twenty-seven (27) respondents, representing 6.6%, disagreed, while forty-four (44), making up 10.8%, strongly disagreed with the statement.

One hundred thirty (130) respondents, representing 32%, strongly agreed that the bank is committed to managing costs effectively to ensure the efficient use of resources. Two hundred eight respondents (208), making up 51.5%, agreed, while eighteen (18), making up 4.5%, were undecided. Twenty-two respondents (22), making 5.4% disagreed, and twenty-seven (27) respondents, representing 6.6%, strongly disagreed.

The third questionnaire was on the bank's commitment to making strategic investments that drive growth, innovation, and long-term value creation. Eighty-nine (89) respondents made 21.8% strongly agreed, and one hundred and fourteen (114) respondents made 28% agreed. Sixty-five (65) respondents, making 16%, seventy-five (75) respondents, making 18.3%, and sixty-five respondents, representing 16%, were undecided, disagreed, and strongly disagreed, respectively.

Finally, seventy-six respondents, making up 18.6% strongly agreed that the bank is committed to giving back through supporting social and economic development. One hundred and twenty-two (122) respondents, representing 30%, agreed, fifty-six (56), making 13.7%, were undecided, eighty-two (82) respondents, making up 20%, disagreed, and seventy-two (72) respondents, making up 17.7%, strongly disagreed.

**Table 4.7: Response to Legal Responsibility**

Items-	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)
The bank is bound to operate with transparency, disclosing information openly and honestly, and ensuring clarity in all business dealings	41(10)	102(25)	23(6)	132(32)	110(27)
The bank is dedicated to being accountable for actions, transparent in decision-making, and answerable to stakeholders for legal obligations	94(23)	120(29.3)	73(18)	80(19.7)	41(10)
The bank has pledged to acknowledge and address legal liabilities, taking responsibility for actions and minimising risks	91(22.3)	95(23.3)	44(10.7)	106(26)	72(17.7)
The bank is obligated to comply with all applicable laws, regulations, and industry standards, ensuring responsible business practices	121(29.7)	109(26.7)	54(13.3)	69(17)	54(13.3)

*Source: Field Survey, 2024*

Table 4.7 shows respondents' responses on legal responsibility. One hundred and thirty-two (132) respondents representing 32% strongly agreed that the bank is bound to operate with transparency, disclosing information, and ensuring clarity in all business dealings. One hundred and two (102) respondents representing 25% agreed, twenty-three (23) making 6% were undecided, while forty-one (41) making 10% and one hundred and ten (110) making 27% disagreed and strongly disagreed respectively.

Ninety-four (94) respondents, comprising 23%, and one hundred twenty (120) respondents, representing 29.3%, strongly agreed and agreed, respectively, that the bank is dedicated to being accountable for its actions, transparent in decision-making, and answerable to stakeholders for its legal obligations. Seventy-three (73) respondents, making up 18%, were undecided; eighty (80) respondents, making up 19.7%, disagreed, while forty-one (41) respondents, representing 10%, strongly disagreed.

Ninety-one (91) respondents representing 22.3% of respondents strongly agreed that the bank is pledged to acknowledge and address legal liabilities, taking responsibilities for actions and minimizing risks, while ninety-five (95) respondents, making up 23.3%, agreed. Forty-four (44), representing 10.7%, were undecided, and one hundred and six respondents (106), making up 26%, disagreed; finally, seventy-two (72) respondents, making up 17.7%, strongly disagreed.

Finally, the question on the bank being obligated to comply with all applicable laws, regulations and industry standards, ensuring responsible business practices, one hundred and twenty-one (121) respondents representing 29.7% strongly agreed, one hundred and nine (109) respondents making up 26.7% agreed, and fifty-four (54) respondents making up 13.3% were undecided. Sixty-nine (69) respondents, making up 17%, disagreed, and fifty-four (54), making up 13.3%, strongly disagreed with the question.

**Table 4.8: Response to Customer Satisfaction**

Items- Customer Satisfaction	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)
The bank has done great in terms of it continuous improvement efforts through quality	103(25.3)	116(28.3)	53(13)	83(20.4)	53(13)
The bank has improved its competitive advantage	107(26.3)	112(27.3)	57(14)	83(20.4)	49(12)
The bank has done well in customer retention optimization and loyalty	146(35.7)	129(31.7)	37(9)	61(15)	35(8.6)
I will strongly recommend the banks services	54(13.3)	82(20)	71(17.3)	114(28)	87(21.4)

**Source: Field Survey, 2024**

Table 4.8 shows respondents' responses on Customer Satisfaction. One hundred and three (103) respondents representing 25.3% strongly agreed that the bank has done great in terms of continuous improvement efforts through quality. One hundred and sixteen (1116) respondents

representing 28.3%, agreed, fifty-three (53) respondents, making 13%, were undecided, while eighty-three (83), making 20.4%, and fifty-three (53), making 13%, disagreed and strongly disagreed, respectively.

One hundred and seven (107) respondents, making 26.3%, and one hundred and twelve (112) respondents, representing 27.3%, strongly agreed and agreed, respectively, that the bank has improved its competitive advantage. Fifty-seven (57) respondents, making up 14%, were undecided; eighty-three (83) respondents, making up 20.4%, disagreed, while forty-nine (49) respondents, representing 12%, strongly disagreed.

One hundred and forty-six (146) respondents, representing 35.7% of respondents, strongly agreed that the bank has done well in customer retention optimization and loyalty, while one hundred and twenty-nine (129) respondents, making up 31.7%, agreed. Thirty-seven (37), representing 9%, were undecided, sixty-one (61) respondents, making up 15%, disagreed, and thirty-five (35) respondents, making up 8.6%, strongly disagreed.

One hundred and thirty-four (134) respondents representing 33% strongly agreed that they would strongly recommend the bank's services to others, while one hundred and two (102) respondents, making up 25%, agreed; and fifty-one (51) respondents, making up 12.5% were undecided. Fifty-four (54) respondents, making up 13.1%, disagreed, and sixty-seven (67), making up 16.4%, strongly disagreed with the question.

**Table 4.9: Mean and Standard Deviation**

<b>Table 4.11: Group Mean and Standard Deviation of Variables</b>			
	Mean	Std. Deviation	N
Economic Responsibility	3.2817	1.32006	408
Legal Responsibility	3.1307	1.30766	408
Customer Satisfaction	3.2400	1.32133	408

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***SPSS Output, 2024***

Table 4.9 shows the group mean of the various variables in the study. The group means of any variable in the study, below or equal to 3.00, indicate the perception of the variable by respondents. Additionally, mean values greater than 3.00 indicate a good perception of that variable by the respondents. Table 4.9 presents the group mean for economic responsibility at 3.28, which is above 3.00, indicating that respondents' perception of this variable is generally positive. To know how diverse and well-spread responses to a variable are, the standard deviation of the variable is used. For economic responsibility, the standard deviation is 1.32, showing a good response distribution. To know responses have variety and spread, the standard deviation will be high, which means the opinions of respondents are varied. A low standard deviation indicates that the responses from



respondents are not as varied. The table also shows the group mean of legal responsibility as 3.13, which shows it is good, with a standard deviation of 1.30.

**Table 4.10 Correlations**

		<b>ECR</b>	<b>LER</b>	<b>CUS</b>
<b>ECR</b>	Pearson Correlation	1	.752**	.796**
	Sig. (2-tailed)		.000	.000
	N	408	408	408
<b>LER</b>	Pearson Correlation	.752**	1	.886**
	Sig. (2-tailed)	.000		.000
	N	408	408	408
<b>CUS</b>	Pearson Correlation	.796**	.886**	1
	Sig. (2-tailed)	.000	.000	
	N	408	408	408

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

*SPSS Output, 2024*

Table 4.10 above shows the correlation output and the direction of the relationship between the independent variable and on the dependent variables for the study at a 1% significance level. As indicated in Table 4.10 above, Customer Satisfaction has a strong positive relationship with economic responsibility, with a correlation coefficient of  $r = 0.796$  at a 1% ( $p = 0.000$ ) statistical level of significance, which means that there will be an increase in Customer Satisfaction with an increase in economic responsibility. The table also shows a strong positive relationship between Customer Satisfaction and legal responsibility with a correlation coefficient of  $r = 0.886$  at a 1% ( $p = 0.000$ ) statistical significance level, showing that Customer Satisfaction will increase with the increase in legal responsibility.

**Table 4.11: Regression Model Summary**

<b>Model Summary<sup>b</sup></b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.667 <sup>a</sup>	.654	.644	.10251

a. Predictors: (Constant), ECR, LER,

b. Dependent Variable: CUS

*SPSS Output, 2024*

Table 4.11 presents the predictor variables of corporate social responsibility. Economic responsibility and legal responsibility can explain 64% of the variation in the dependent variable, Customer Satisfaction, as indicated by the adjusted R-squared of 0.644. This means that 36% of the variations in the dependent variable (Customer Satisfaction) cannot be explained by the actions or additions of the independent variable (corporate social responsibility), but rather by other factors not captured or discussed in this study.

**Table 4.12: ANOVA Result**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	518.916	3	172.972	1645.716	.031 <sup>b</sup>
	Residual	3.111	396	.011		
	Total	522.026	399			

a. Dependent Variable: CUS

b. Predictors: (Constant), ECR, LER

*SPSS Output, 2024*

The ANOVA result in Table 4.12 establishes the significance of the model, indicating that there is statistical significance in the variation of measures and a difference between them. The p-value is 0.031, which is less than the acceptable significance level of 0.05, indicating that the model is statistically significant at a 95% confidence level.

**Table 4.13: Coefficients of Corporate Social Responsibility**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.630	.018		1.675	.025
	ECR	.240	.038	.320	6.744	.015
	LER	.190	.056	.192	3.374	.045

a. Dependent Variable: CUS

*SPSS Output, 2024*

Table 4.15 presents the coefficient table, with the model constant set to 0.630, which is statistically significant (p-value = 0.025 < 0.05). The result also showed that economic responsibility has a positive effect on customer satisfaction, with a coefficient of 0.240, which is statistically significant at a 5% level of significance (p-value = 0.029 < 0.05). This means that Customer Satisfaction increases by 0.240 for every one (1) unit increase in economic responsibility. This means that the Customer Satisfaction level will increase positively for every level of economic growth.

The results from Table 4.15 also indicate that legal responsibility has a positive effect on Customer Satisfaction, with a coefficient of 0.190, which is statistically significant at a 5% level of significance (p-value = 0.045 < 0.05). This implies that Customer Satisfaction increases by 0.190 for every unit of legal responsibility increase. This means that the Customer Satisfaction level will increase positively for every increase in legal responsibility.

**Decision rule:**

With the regression model, the hypotheses were tested by comparing the p-value to the significance level of 5%. The effects of the variables evaluated in the model are also measured. If the p-value is less than the significance level, the null hypothesis ( $H_0$ ) is rejected, and thus we infer that the variable under consideration is significant. Otherwise, the study fails to accept the null hypothesis, and we conclude that the independent variable under consideration has no significant effect on the dependent variable.

**Table 4.16: Test of Hypotheses**

Hypotheses	Significance level	Decision
$H_{01}$ There is no significant effect of economic responsibility on the Customer Satisfaction of selected deposit money banks in Abuja	0.015	Reject
$H_{02}$ There is no significant effect of legal responsibility on the Customer Satisfaction of selected deposit money banks in Abuja	0.045	Reject

## DISCUSSION OF FINDINGS

The primary objective of this study was to investigate the impact of corporate social responsibility (CSR) on customer satisfaction in deposit money banks in Abuja. The hypotheses tested yielded the following key findings:

### Economic Responsibility and Customer Satisfaction

The study found that economic responsibility has a significant effect on customer satisfaction among deposit money banks in Abuja. Specifically, banks that balance financial success with social responsibility—by driving profits through sustainable practices, managing costs for long-term sustainability, and investing strategically in growth and community development—tend to achieve higher customer satisfaction. This finding aligns with the results of Tumei (2020), Fortanier and Kolk (2017), and Lyubenova (2019), who also reported positive correlations between economic responsibility and customer satisfaction in various contexts.

However, the present study's findings contrast with those of Ofori et al. (2017), who found no significant relationship in a different sector. This divergence may be attributed to contextual differences: in the Nigerian banking sector, customers are increasingly aware of and responsive to banks' economic contributions to society, possibly due to heightened competition and public scrutiny. The unique economic environment in Nigeria, characterized by rapid financial sector reforms and a growing emphasis on sustainable development, may amplify the impact of economic responsibility on customer perceptions and satisfaction.

From a theoretical perspective, these results support stakeholder theory, which posits that organizations must address the interests of all stakeholders—including customers, communities, and investors—to achieve long-term success. The findings suggest that when banks visibly contribute to economic development and community well-being, customers perceive them as more trustworthy and reliable, thereby enhancing satisfaction.

### **Legal Responsibility and Customer Satisfaction**

The study also found that legal responsibility significantly affects customer satisfaction. Banks that operate with transparency, accountability, and strict adherence to legal and regulatory standards are more likely to earn the trust and loyalty of their customers. This is consistent with the findings of Asghar (2023), Hadi and Udin (2020), and Adeneye and Ahmed (2015), who observed that legal compliance and ethical conduct are critical drivers of customer satisfaction in the financial sector. However, Kim et al. (2018) reported contrasting results, possibly due to differences in regulatory environments or customer expectations in their study context.

In the Nigerian context, the importance of legal responsibility may be heightened by the country's history of banking crises and regulatory reforms. Customers may be particularly sensitive to issues of transparency and compliance, viewing them as indicators of a bank's reliability and integrity. This underscores the role of institutional trust in shaping customer satisfaction, as suggested by institutional theory.

### **Theoretical Implications and Mechanisms**

The findings of this study contribute to the broader literature on CSR by highlighting the non-financial benefits of CSR activities in the banking sector, particularly in emerging markets like Nigeria. The positive effects of economic and legal responsibility on customer satisfaction suggest that CSR can serve as a strategic tool for building customer loyalty and competitive advantage.

Potential mechanisms underlying these relationships include an enhanced corporate reputation, increased customer trust, and a perceived alignment between the bank's values and societal expectations. When banks demonstrate a commitment to both economic development and legal compliance, they not only fulfil regulatory requirements but also signal their dedication to ethical and responsible business practices, which resonates with customers.

In summary, the study extends existing knowledge by demonstrating that, in the Nigerian banking context, both economic and legal dimensions of CSR are critical for achieving high levels of customer satisfaction. This underscores the need for banks to integrate CSR into their core business strategies, not only for regulatory compliance but also for long-term customer relationship management.

## **Conclusion and Recommendations**

This study concluded that corporate social responsibility (CSR) has a significant and positive effect on customer satisfaction in selected deposit money banks in Abuja. Specifically, both economic and legal responsibilities were found to have a positive influence on customer satisfaction.

1. Economic responsibility has a significant and positive effect on customer satisfaction. Banks that prioritize cost-effective management, strategic investments, and sustainable profit generation not only strengthen their financial foundation but also contribute positively to society and the economy. By maintaining a balance between profitability and social responsibility, banks can enhance customer satisfaction and foster long-term loyalty.
2. Legal responsibility also has a significant and positive effect on customer satisfaction. Banks that operate with transparency, accountability, and strict adherence to legal and regulatory standards build trust and confidence among stakeholders. Promptly addressing legal liabilities and maintaining high standards of integrity further reinforces responsible business practices and protects the bank's reputation.

## **Recommendations**

Based on these findings, the following recommendations are made:

1. For Economic Responsibility: Banks should continue to prioritize efficient resource management and long-term sustainability. Strategic investments in growth, innovation, and value creation should be emphasized. Additionally, banks should maintain a strong financial foundation through sustainable practices and actively support social and economic development initiatives to further enhance customer satisfaction.
2. For Legal Responsibility: Banks should operate with the highest level of transparency, openly disclosing information and ensuring clarity in all business dealings. Accountability and prompt response to legal obligations are essential. By consistently complying with all relevant laws, regulations, and industry standards, banks can maintain integrity and foster greater trust among customers.

## **Limitations**

While this study provides valuable insights, it is not without limitations. The research was geographically concentrated in Abuja, which may limit the generalizability of the findings to other regions of Nigeria or to different banking environments. Additionally, the cross-sectional design of the study captures relationships at a single point in time, making it difficult to assess changes or causality over time.

## **Directions for Future Research**

Future studies could address these limitations by:

1. Expanding the geographic scope to include other regions or conducting comparative analyses across different sectors or countries.
2. Incorporating additional dimensions of CSR, such as ethical and philanthropic responsibilities, to provide a more comprehensive understanding of CSR's impact on customer satisfaction.
3. Employing longitudinal research designs to examine how the relationship between CSR and customer satisfaction evolves over time.
4. Investigating the role of digital transformation and customer engagement in moderating the CSR-customer satisfaction relationship.

By exploring these avenues, future research can deepen our understanding of CSR's role in the banking sector and beyond.

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