



Exploring how corporate social responsibility shapes strategic decision-making in Nigeria's banking sector

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Abstract

Purpose: This study explored how corporate social responsibility (CSR) shapes strategic decision-making within Nigeria's banking sector. It aimed to understand how managers interpret CSR and how CSR practices influence internal decisions such as resource allocation, partnership development, risk considerations, and long-term strategic priorities.

Methodology/Design: A qualitative approach was adopted, involving in-depth interviews with twenty-five managers from selected Nigerian banks. Purposive sampling was used to select participants with relevant experience in CSR and strategic planning. Thematic analysis was applied to analyze the data, ensuring trustworthiness through member checking, peer debriefing, and triangulation.

Findings: The study revealed that CSR is widely regarded as a strategic tool guiding organizational priorities and enhancing stakeholder trust. CSR practices significantly influenced resource allocation, partnerships, risk management, and long-term strategy. Managers emphasized the importance of authentic, transparent, and socially aligned CSR initiatives in shaping internal decision-making processes.

Implications: The findings highlight the critical role of CSR in aligning business strategy with societal expectations. Banks can leverage CSR to strengthen stakeholder relationships, improve reputational trust, and guide sustainable strategic decisions. Policymakers can use the insights to encourage meaningful CSR integration across the financial sector.

Originality/Value: This study provides a deeper understanding of the internal impact of CSR on strategic decision-making in Nigerian banks, filling a gap in literature that often focuses solely on external outcomes. It contributes to theory by linking CSR practice with Stakeholder and Institutional Theories and offers practical recommendations for banking managers and policymakers.

Keywords: Corporate social responsibility, strategic decision-making, Nigerian banking sector, stakeholder theory, institutional theory, qualitative study

Introduction

Corporate Social Responsibility has become a central part of how modern businesses operate, especially in sectors that interact closely with the public like the banking industry. In Nigeria, the expectations placed on banks go far beyond providing financial services. Communities now look to banks to demonstrate responsible behavior through social investments, ethical practices, and environmental care. As the country continues to deal with major social and economic challenges such as poverty, unemployment, weak infrastructure, and unequal development, banks are expected to play a stronger supportive role (Adebayo and Okorie, 2021) [2, 3, 4, 5, 6]. Because of these growing expectations, many Nigerian banks now include CSR in their public reports, brand communication, and community outreach programmes.

Although CSR is commonly seen as a voluntary act, it has gradually become tied to strategic goals. Many banks now use CSR to strengthen their public image, build customer trust, and distinguish themselves from competitors in the financial market. Studies in Africa show that CSR can influence how organizations plan, respond to pressure from stakeholders, and gain a competitive advantage (Gbadamosi, 2022) [24, 25, 26]. In Nigeria, banks often design CSR initiatives around education, environmental protection, healthcare, financial inclusion, and youth development. These activities are not only acts of social goodwill but also strategic tools that help banks build stronger relationships with customers and communities.

At the same time, it is becoming clear that CSR goes beyond donations or short community events. It can influence several internal decisions such as budget planning, staff training, partnership selection, investment direction, and compliance with national and global standards. Yet, even though CSR is widely practiced in the Nigerian banking sector, there is still limited understanding of how it influences the day to day and long term strategic decisions within banks. Most studies focus on the visible outcomes of CSR like reputation or customer loyalty, while fewer explore how CSR shapes internal thinking, planning, and priority setting. A qualitative approach gives room to listen to the views of managers who participate in building strategic plans. This approach helps reveal how CSR is understood within the organization and how it is linked to decision making rather than just external communication.

Problem Statement

Even though CSR has become common among Nigerian banks, there is still limited understanding of how it affects strategic decision making within these institutions. Many banks highlight their CSR achievements in annual reports or public campaigns, but it is not always clear whether these activities are truly woven into long term strategies or if they simply serve branding purposes. Most existing studies have concentrated on the external effects of CSR, such as better public reputation, stronger customer loyalty, or meeting government expectations (Ojo and Ajayi, 2021) [45]. However, very few studies examine what happens inside

banks in terms of how managers use CSR to make decisions that relate to resource allocation, community partnerships, risk management, and corporate priorities (Nwachukwu, 2023) [38, 39, 40].

Another concern is that CSR in Nigeria is sometimes criticized for not being consistent or deeply rooted. Some banks focus on CSR mainly for publicity while others adopt it as a strategic response to regulatory or competitive pressure. Because of this variation, it is still unclear whether CSR truly shapes strategic thinking or if it remains only at the surface level. This gap is even more important in the banking sector since financial institutions influence millions of customers and play a major role in national development. Without clear insight into the internal relationship between CSR and strategy, it becomes difficult to know if CSR is driving meaningful changes or acting only as a marketing tool. This study seeks to address this gap by exploring how CSR shapes strategic decision making within Nigerian banks through a qualitative inquiry that captures the experiences and interpretations of those involved in planning and strategic management.

Significance of the Study

This study is important for several reasons. First, it adds to academic understanding by offering deeper insight into how CSR influences internal strategic processes within Nigerian banks. While many existing studies focus on the outcomes of CSR, fewer explore how CSR shapes the thinking and planning of managers at the strategic level. By focusing on internal processes, the study introduces new knowledge to the growing conversation on responsible business practices in Africa.

Second, the study provides practical benefits for bank managers and policy makers. Understanding how CSR shapes strategy can help leaders design CSR initiatives that support long term goals instead of remaining one time charitable actions. This alignment can improve the social impact of CSR and strengthen trust among customers, regulators, and communities. For policy makers, the findings can support the creation of frameworks that encourage more meaningful CSR engagement in the banking industry.

Finally, the study benefits society by showing how banks can use CSR to support community needs and national development goals in Nigeria. Banks play a key role in the economic and social life of the country, and understanding the strategic role of CSR can help promote more responsible and sustainable practices. This contributes to stronger public trust, improved transparency, and healthier relationships between the financial sector and the communities it serves.

Objective of the Study

The study aims to gain a deeper understanding of how Corporate Social Responsibility influences the way strategic decisions are made within Nigeria's banking sector. Specifically, the study seeks to:

1. Explore how managers in selected Nigerian banks understand and interpret CSR in relation to their strategic planning and decision-making processes and;
2. Examine how CSR practices influence internal choices such as resource allocation, partnership development, risk considerations, and long-term strategic priorities within the banking sector.

Literature Review

Theoretical Foundation

To understand how CSR shapes strategic decision-making in Nigeria's banking sector, it is helpful to rely on theories that explain why organizations respond to social expectations and how these expectations influence internal choices. Two theories that strongly support this study are Stakeholder Theory and Institutional Theory.

Stakeholder Theory

Stakeholder Theory explains that organizations operate within a network of groups that influence or depend on them, such as customers, employees, communities, regulators, and shareholders. Because these groups have growing expectations for responsible and ethical behavior, banks must pay attention to their concerns when planning their strategies (Freeman, 1984; Oghojafor & Adebayo, 2021) [2, 3, 4, 5, 6, 23, 42].

For Nigerian banks, CSR becomes a way of responding to the needs of these stakeholders. Activities in education, health, financial inclusion, and community development help banks build trust and strengthen relationships with the groups that matter most to their operations. As a result, CSR begins to influence how strategic decisions are made, including decisions about partnerships, investments, and long-term priorities. This theory shows why CSR cannot be treated as a separate activity but becomes part of broader strategic thinking.

Institutional Theory

Institutional Theory suggests that organizations shape their decisions based on pressures from the environment, such as regulations, industry expectations, or cultural norms (Scott, 2014; Adekunle, 2020) [1, 49]. In the Nigerian banking sector, these pressures come from regulatory bodies like the Central Bank of Nigeria, public expectations for responsible behavior, and competition among banks that want to appear credible and trustworthy.

Because of these pressures, banks often adopt CSR as a strategic response. They use CSR to meet regulatory expectations, align with industry standards, and gain legitimacy in the eyes of the public. This theory helps explain why CSR becomes part of internal decision-making—banks want to remain competitive, compliant, and respected, and CSR offers a pathway to achieve these goals.

Corporate Social Responsibility

Corporate Social Responsibility refers to the responsibility companies take to behave ethically, support communities, and reduce harmful social or environmental impacts. In Nigeria, CSR has moved from being a voluntary gesture to becoming an important part of how businesses build trust and legitimacy (Adebayo & Okorie, 2021) [2, 3, 4, 5, 6]. Banks often engage in CSR by funding scholarships, supporting hospitals, promoting environmental awareness, and running financial literacy programmes. These activities help organisations respond to stakeholder expectations and improve public perception. CSR also supports long-term relationships between banks and the communities they serve, especially in a country where social needs such as poverty reduction and youth empowerment remain urgent (Gbadamosi, 2022) [24, 25, 26]. Because of this, CSR is now regarded as both a moral responsibility and a strategic tool

that strengthens reputation, improves customer loyalty, and enhances organizational sustainability.

Strategic Decision-Making

Strategic decision-making refers to how leaders set priorities, allocate resources, and plan long-term actions that guide an organisation's direction. In the banking sector, these decisions shape areas such as risk management, investment choices, innovation, and customer engagement (Okafor & Idris, 2021) [43]. Strategic decisions are influenced by internal goals, external pressures, and stakeholder expectations. As CSR becomes more important in Nigeria, managers increasingly consider social and environmental issues when making strategic choices. Decisions about which communities to support, how to communicate CSR activities, or how to balance financial goals with ethical responsibilities are now part of strategic thinking. This shift shows how CSR can shape long-term planning by encouraging banks to adopt more responsible, sustainable, and stakeholder-driven approaches to decision-making (Nwachukwu, 2023) [38, 39, 40].

Nigeria's Banking Sector

Nigeria's banking sector has grown into one of the most influential parts of the country's economy, playing a key role in financial stability, business development, and national growth. Over the past two decades, reforms by the Central Bank of Nigeria helped strengthen regulation, improve transparency, and encourage banks to adopt more modern and ethical business practices (Ogunleye, 2020) [41]. The sector now includes a mix of large commercial banks, medium-sized banks, and digital banks that serve millions of customers across the country. Competition is strong, which pushes banks to innovate, build trust, and enhance customer relations. At the same time, the public expects banks to go beyond profit-making and contribute to social and economic development. This has increased interest in Corporate Social Responsibility as banks try to balance business goals with community expectations in areas such as education, health, youth development, and financial inclusion (Adetunji & Oladele, 2022) [7].

How managers in selected Nigerian banks understand and interpret CSR in relation to their strategic planning and decision-making processes.

Corporate Social Responsibility has moved from a voluntary gesture to an essential part of how modern organizations operate, especially in emerging economies like Nigeria. In the banking sector, CSR is often linked to issues such as financial inclusion, education, environmental safety, and community welfare, making it a visible measure of responsible corporate behavior (Adebayo & Okorie, 2021) [2, 3, 4, 5, 6]. Literature shows that managers play a key role in shaping how CSR is understood within their institutions. Their interpretations guide whether CSR becomes a strategic tool, a regulatory response, or a symbolic activity that focuses more on reputation than real impact (Ifeoma & Nwankwo, 2022) [27].

Many studies in Africa suggest that managers increasingly see CSR as a way to strengthen competitiveness and stakeholder trust rather than as simple charity (Gbadamosi, 2022; Opoku, 2023) [24, 25, 26, 46]. This shift reflects a more strategic view, where CSR is linked to long-term organizational survival and alignment with global standards

such as the United Nations Sustainable Development Goals. In Nigeria, the banking sector faces strong public expectations due to its influence on financial stability and community development. Because of these expectations, managers often approach CSR with a focus on both image building and operational relevance (Ojo & Ajayi, 2021) [45]. The literature also shows that managers interpret CSR differently depending on their bank's culture, strategic goals, and leadership orientation. Some see CSR as an extension of ethical responsibility, while others view it as a strategic tool for building trust, reducing reputational risk, or responding to regulatory pressure (Nwachukwu, 2023) [38, 39, 40]. Studies across developing economies note that when managers perceive CSR as closely tied to strategy, the organization is more likely to integrate CSR into planning processes, performance indicators, and organizational communication (Mensah & Adu, 2024) [36].

This interpretation process is shaped by internal and external pressures. Internally, leadership values, organizational mission, and executive experience influence how CSR is framed. Externally, stakeholder demands, digital transparency, and social media activism push managers to view CSR through a strategic lens rather than an optional one (Kalu & Edet, 2023) [29]. The growing role of environmental and social governance frameworks has also encouraged banks to rethink how CSR fits into strategic decision-making.

Taken together, the literature indicates that managers in Nigerian banks interpret CSR through a combination of ethical responsibility, competitive positioning, and long-term planning. Their understanding directly shapes how CSR is integrated into strategy, making managerial perception a key entry point for exploring the internal link between CSR and strategic decision-making.

How CSR practices influence internal choices such as resource allocation, partnership development, risk considerations, and long-term strategic priorities within the banking sector.

Literature shows that CSR involvement has a strong influence on the internal operational and strategic choices made within financial institutions. In many countries, including Nigeria, CSR has evolved into a framework that guides how banks distribute resources, choose partners, assess risks, and establish long-term goals (Ahmed & Sule, 2020; Gbadamosi, 2022) [9, 24, 25, 26]. Studies note that CSR often demands investment in community programs, sustainability projects, and stakeholder engagement initiatives. Because these activities require financial commitment, CSR pushes managers to reconsider how resources are allocated and how budgets reflect broader social expectations (Ezenwa & Chukwu, 2021) [21].

Research in developing economies highlights that CSR influences partnership decisions, especially in areas such as education, environmental conservation, social empowerment, and financial literacy. Banks often collaborate with NGOs, schools, health institutions, and government agencies to deliver projects that align with their CSR goals. These partnerships help reduce operational burden and improve public trust, making partnership selection an important strategic choice (Mensah & Adu, 2024) [36]. For Nigerian banks, forming the right partnerships is also a way of reducing financial and reputational risks, since poorly executed CSR projects can attract public criticism.

Risk considerations are another internal aspect shaped by CSR. As more stakeholders demand transparency, banks face higher reputational risk when they ignore social or environmental concerns (Okafor & Duru, 2022) [44]. Studies show that banks now incorporate CSR-related risks into their planning systems. For example, environmental risks, social backlash, and governance failures influence how managers assess long-term threats to stability. This shift encourages banks to pay closer attention to ethical issues, sustainability requirements, and the social implications of their actions (Nwachukwu, 2023) [38, 39, 40].

Long-term strategic priorities are also shaped by CSR. Many banks now align their strategic plans with themes such as sustainable finance, community development, digital inclusion, and climate responsibility. Scholars argue that CSR pushes organizations to adopt broader goals that benefit both the institution and the public (Adebayo & Okorie, 2021) [2, 3, 4, 5, 6]. In Nigeria, banks increasingly integrate CSR into annual reports and executive planning meetings, showing that CSR shapes organizational vision, not just short-term campaigns.

Overall, the literature suggests that CSR practices have a deeper influence on internal decisions than previously understood. They shape where money goes, who banks work with, how risks are managed, and what priorities guide future planning. This reinforces the idea that CSR is not separate from strategic management but is intertwined with the core decisions that determine how banks operate and grow.

Empirical Review

Krastev and Wojcik (2020) examined how banks in Poland integrated CSR into strategic planning. Using a qualitative multiple-case study involving interviews with senior managers from four commercial banks, the study found that CSR gradually shifted from a public-relations function to a strategic tool. Managers explained that CSR helped them manage stakeholder expectations, strengthen long-term brand positioning, and guide investment decisions in social programmes. The findings showed that CSR shaped strategic choices most strongly in areas linked to community trust and regulatory compliance.

Ionescu and Petrescu (2021) [28] explored CSR and strategic decision-making among Romanian financial institutions. The researchers used a mixed-methods design, combining surveys with semi-structured interviews. Results showed that CSR played a strong role in balancing short-term financial pressures with long-term strategic goals. Managers reported that CSR encouraged more sustainable thinking, especially in areas such as ethical lending and community investment. The study highlighted that CSR helped banks manage reputational risks and build stronger relationships with regulators and civil society.

In another study, Marković and Stojanovic (2022) conducted a qualitative phenomenological study with managers from Serbian retail banks to understand how they experienced CSR as part of their daily decision-making. The study found that CSR acted as a “strategic filter,” shaping how managers assessed risks, evaluated partnership opportunities, and allocated resources. Managers described CSR as both a moral and strategic duty, influenced by public expectations and increasing pressure for transparency. The study concluded that CSR had become an internal lens through which long-term sustainability decisions were made.

Similarly, a study by Horvat and Lukačić (2023) used a case study approach to examine how Croatian banks applied CSR in shaping corporate priorities. Through document reviews and interviews with CSR and strategy officers, the study found that CSR influenced internal decisions related to digital transformation, environmental responsibility, and customer education programmes. The findings showed that CSR helped banks respond to societal changes and supported long-term plans focused on resilience and stakeholder trust.

Methodology

Philosophical Consideration

The study was grounded in the interpretivist philosophy, which emphasizes understanding participants’ experiences and the meanings they attach to social phenomena (Saunders *et al.*, 2019). This approach was appropriate because the research sought to explore managers’ perceptions and interpretations of CSR within strategic decision-making processes.

Research Design

A qualitative exploratory design was employed to capture in-depth insights from key decision-makers in the banking sector (Creswell & Poth, 2018) [17]. This design allowed flexibility in data collection and enabled the researcher to examine the nuanced ways in which CSR influenced strategic planning, resource allocation, partnerships, and risk considerations.

Population of the Study

The target population consisted of senior and middle-level managers in selected Nigerian banks who are directly involved in strategic planning and CSR initiatives. These managers were chosen because they are responsible for making decisions that integrate CSR considerations into corporate strategy (Adebayo & Okorie, 2021) [2, 3, 4, 5, 6].

Sampling Technique and Sample Size

A purposive sampling technique was employed to select 25 managers who had substantial experience with CSR and strategic decision-making (Palinkas *et al.*, 2020). Purposive sampling was deemed suitable as it ensured that participants possessed the specific knowledge and expertise relevant to the study objectives.

Trustworthiness and Validity

Trustworthiness was ensured through strategies such as member checking, peer debriefing, and triangulation (Lincoln & Guba, 2020) [34]. Participants were given opportunities to review their responses to ensure accuracy, while peers and the supervisor examined codes and emerging themes to reduce researcher bias. Triangulation involved comparing data across participants and banks to strengthen the dependability and confirmability of findings.

Method of Data Collection

Data were collected using semi-structured interviews, which allowed participants to freely express their experiences while keeping the discussion aligned with the research objectives (Kallio *et al.*, 2021) [30]. Interviews were conducted face-to-face or virtually, lasting between 30 to 45 minutes. All interviews were audio-recorded with participants’ consent and later transcribed for analysis.

Data Analysis

Thematic analysis was employed to analyze the qualitative data, following the steps outlined by Braun and Clarke (2021) [14]. This process included familiarization with the data, coding, generating initial themes, reviewing and refining themes, and producing a final report. *NVivo* software assisted in managing and organizing the data, enabling systematic identification of patterns and relationships between CSR and strategic decision-making.

Ethical Considerations

Ethical approval was obtained from the relevant institutional review board. Participants were informed about the purpose of the study and assured of confidentiality, voluntary participation, and the right to withdraw at any stage without penalty (Bryman, 2021) [15]. Pseudonyms were used to protect participants’ identities, and data were securely stored to maintain privacy and integrity

Results

Demographic Characteristics of Respondents

A total of twenty-five managers from selected Nigerian banks participated in the study. Understanding their demographic characteristics provides important context for interpreting the perspectives shared during interviews. The respondents comprised fourteen males and eleven females, reflecting a reasonably balanced gender representation within the banking sector. This balance aligns with findings from North African studies, where gender diversity among managerial roles in financial institutions has been shown to influence decision-making perspectives and inclusivity in CSR practices (El-Sayed & Hassan, 2020; Benali, 2021) [11, 20].

In terms of age, the majority of participants were between thirty-one and forty years old, with eight respondents in the 31–35 range and seven between 36–40. Five participants were aged 25–30, and another five fell in the 41–45 bracket. This distribution ensured a diversity of experiences, capturing insights from relatively younger managers as well as those with more extensive professional exposure. Similar observations were reported in studies of banking managers in Egypt and Morocco, where age diversity contributed to varied interpretations of CSR and strategic planning approaches (Khedr, 2019; Farah, 2020) [22, 31].

Regarding educational background, most respondents held advanced qualifications. Twelve managers had earned master’s degrees, ten had bachelor’s degrees, and three had professional certifications relevant to banking and management. This high level of education indicated a group well-equipped to provide informed perspectives on the integration of CSR into strategic decision-making. North African research has also highlighted the influence of

formal education and professional training on managers’ understanding of CSR and its strategic importance (Bouzidi & Hammoud, 2021) [13].

Finally, in terms of managerial level, sixteen participants were middle managers actively involved in day-to-day strategy implementation, while nine were senior managers responsible for higher-level decision-making and CSR oversight. The combination of middle and senior management perspectives enriched the study by capturing both operational and strategic insights. Prior studies in Tunisia and Algeria similarly underscore the value of including managers at multiple levels to gain a comprehensive understanding of how CSR informs strategy within banks (Chakroun & Messaoud, 2020; El-Feki, 2019) [16, 19].

Essentially, the demographic profile of respondents balanced in gender, diverse in age, highly educated, and spanning middle to senior managerial levels provided a solid foundation for exploring how CSR influences strategic decision-making in Nigeria’s banking sector. The combination of personal characteristics and professional experience allowed the study to capture rich, contextually grounded insights into CSR integration and strategic planning.

Trustworthiness and Validity of the Study

Ensuring the trustworthiness and validity of the study was essential to provide credible and reliable insights into how managers understand and integrate CSR into strategic decision-making in Nigerian banks. Strategies such as member checking, peer debriefing, and triangulation were employed to enhance the authenticity of the data. Participants were given opportunities to review and confirm their responses, while peers and the research supervisor examined the coding and emerging themes. Triangulation involved comparing information across participants and banks to strengthen the dependability and confirmability of findings.

These strategies were applied across both research objectives. For the first objective, which explored how managers understand and interpret CSR in relation to strategic planning, and the second objective, which examined how CSR practices influence internal decisions such as resource allocation and partnership development, the use of these trustworthiness measures ensured that the study results genuinely reflected managerial experiences and perceptions? These strategies such as combining participant verification, peer feedback, and data comparison enabled the study maintained a high standard of rigor and reliability. Table 1 below summarizes how these strategies were applied for both research objectives.

Table 1: Trustworthiness and Validity Strategies Applied

| Trustworthiness Strategy | Application in the Study | Purpose/Outcome | Objective |
|--------------------------|--|---|-----------|
| Member Checking | Participants reviewed and confirmed interview transcripts | Ensured accuracy and authenticity of responses | 1 & 2 |
| Peer Debriefing | Colleagues and supervisor reviewed codes and emerging themes | Reduced researcher bias and enhanced credibility | 1 & 2 |
| Triangulation | Cross-checked data from multiple participants and banks | Strengthened dependability and confirmability of findings | 1 & 2 |

Source: Field Data, 2025

Objective One: To explore how managers in selected Nigerian banks understand and interpret CSR in relation to their strategic planning and decision-making processes.

Analysis of the interviews revealed three main themes that reflect managers' understanding and interpretation of CSR in strategic decision-making.

CSR as a Strategic Tool

Managers emphasized that CSR is not just a public relations exercise but a strategic approach that guides their organizational priorities. One participant explained: "CSR is embedded in our annual planning. It is not just about giving to the community; it helps us align our operations with societal expectations and long-term growth." (Participant 4, Male, Senior Manager)

Another manager noted

"We see CSR as a lens through which we evaluate new projects and investments. It influences decisions on which initiatives we prioritize." (Participant 12, Female, Middle Manager)

CSR as a Reputation and Trust Builder

Managers also highlighted that CSR strengthens trust with stakeholders and enhances the bank's public image. A participant stated:

"When our CSR programs are genuine, customers and regulators notice. It builds trust and shows that we care beyond profits." (Participant 7, Male, Middle Manager)

Another participant added:

"CSR helps us differentiate ourselves in a competitive market. It shapes how we are perceived, which affects strategic partnerships and customer engagement." (Participant 19, Female, Senior Manager)

CSR Awareness and Interpretation Variability

While most managers understood CSR as strategic, there was variability in depth of understanding. Some managers viewed it more as compliance or a reporting requirement. One remarked:

"Honestly, CSR is sometimes seen as something we have to report to the regulators, but some of us try to make it more meaningful in our planning." (Participant 2, Female, Middle Manager)

This shows that while CSR is widely acknowledged as important, its integration into strategy varies depending on managerial experience and perception.

Objective Two: To examine how CSR practices influence internal choices such as resource allocation, partnership development, risk considerations, and long-term strategic priorities within the banking sector.

Three main themes emerged from the data analysis.

Resource Allocation and Prioritizations

Managers explained that CSR influences how budgets and resources are allocated. A participant noted: "We often allocate funds based on CSR priorities. For example, education and youth development projects get more resources because they align with our strategic goals." (Participant 6, Male, Senior Manager)

Another shared

"CSR initiatives guide where we spend and which projects get approval. It is not separate from our planning; it drives

our internal decisions." (Participant 14, Female, Middle Manager)

Partnership Development and Stakeholder Engagement

Managers emphasized that CSR shapes choices regarding partnerships. One participant said:

"We choose partners who share our values. CSR ensures that any collaboration aligns with our ethical and social objectives." (Participant 10, Male, Middle Manager)

Another stated

"Community partnerships often arise from our CSR agenda. It affects whom we work with and how we design joint programs." (Participant 21, Female, Senior Manager)

Risk Consideration and Long-Term Strategy

CSR was seen as influencing risk management and strategic priorities. A participant explained:

"Engaging in CSR reduces reputational and operational risks. We consider the impact of our decisions on society before approving any strategic project." (Participant 3, Male, Senior Manager)

Another manager highlighted

"CSR is part of our long-term strategy. It guides risk assessments, ensures compliance, and influences which markets or products we pursue." (Participant 17, Female, Middle Manager)

These themes show that CSR is deeply intertwined with internal decision-making processes, affecting not only external engagement but also resource allocation, partnerships, risk management, and strategic direction within Nigerian banks.

Discussion of Findings

Objective One: To explore how managers in selected Nigerian banks understand and interpret CSR in relation to their strategic planning and decision-making processes.

Analysis of the interviews revealed three key themes that provide insight into managers' understanding of CSR and how it informs strategic decision-making.

CSR as a Strategic Tool

Managers consistently emphasized that CSR extends beyond public relations, functioning as a strategic lens through which organizational priorities are evaluated. One participant stated:

"CSR is embedded in our annual planning. It is not just about giving to the community; it helps us align our operations with societal expectations and long-term growth." (Participant 4, Male, Senior Manager)

Another manager explained

"We see CSR as a lens through which we evaluate new projects and investments. It influences decisions on which initiatives we prioritize." (Participant 12, Female, Middle Manager)

These insights are consistent with prior studies in Ghana, South Africa, Kenya, and Cameroon, which show that CSR is increasingly recognized as a strategic tool that guides corporate planning and ensures alignment with societal expectations (Agyapong *et al.*, 2020; Ndlovu & Moyo, 2021; Wanjiru, 2022; Mbarga, 2021) [10, 35, 52]. From the

perspective of Stakeholder Theory, this strategic approach reflects managers' awareness of diverse stakeholder interests including customers, regulators, and communities and the need to integrate these interests into organizational planning to maintain legitimacy and long-term viability (Freeman, 1984)^[23].

CSR as a Reputation and Trust Builder

Managers also highlighted that CSR strengthens trust with stakeholders and enhances the bank's public image. A participant stated:

"When our CSR programs are genuine, customers and regulators notice. It builds trust and shows that we care beyond profits." (Participant 7, Male, Middle Manager)

Another participant added

"CSR helps us differentiate ourselves in a competitive market. It shapes how we are perceived, which affects strategic partnerships and customer engagement." (Participant 19, Female, Senior Manager)

This finding aligns with studies from Ghana and South Africa, where CSR was found to strengthen corporate reputation, stakeholder trust, and social legitimacy, ultimately influencing strategic decisions and partnerships (Boateng & Osei, 2022; Nkosi & Mthethwa, 2021)^[12, 37]. Institutional Theory helps explain this phenomenon, suggesting that banks adopt CSR not only to satisfy internal objectives but also to conform to institutional norms, societal expectations, and industry practices, thereby gaining legitimacy in the eyes of stakeholders (DiMaggio & Powell, 1983)^[18].

CSR Awareness and Interpretation Variability

While most managers understood CSR as strategic, there was variability in depth of understanding. Some managers viewed it more as compliance or a reporting requirement. One remarked:

"Honestly, CSR is sometimes seen as something we have to report to the regulators, but some of us try to make it more meaningful in our planning." (Participant 2, Female, Middle Manager)

This shows that while CSR is widely acknowledged as important, its integration into strategy varies depending on managerial experience and perception.

This variability reflects findings from studies in Kenya and Cameroon, which highlight that managerial interpretation of CSR can range from strategic integration to superficial reporting, depending on experience, institutional culture, and resource capacity (Wanjiru, 2022; Mbarga, 2021)^[35, 52]. Stakeholder Theory suggests that the degree of CSR integration may depend on the perceived salience and power of stakeholders, while Institutional Theory emphasizes that institutional pressures such as regulatory expectations or sector norms shape how CSR is implemented within strategic processes.

In summary, Objective One findings show that managers in Nigerian banks largely view CSR as a strategic tool and a reputation builder, though understanding and implementation depth vary. These insights are consistent with African evidence and can be effectively interpreted through the dual lenses of Stakeholder Theory and Institutional Theory, highlighting the interplay between managerial discretion, stakeholder expectations, and

institutional pressures in shaping CSR integration into strategic planning.

Objective Two: To examine how CSR practices influence internal choices such as resource allocation, partnership development, risk considerations, and long-term strategic priorities within the banking sector.

Analysis of the interviews revealed three primary themes, reflecting how CSR guides managerial decisions in Nigerian banks.

Resource Allocation and Prioritizations

Managers explained that CSR influences how budgets and resources are allocated. A participant noted: "We often allocate funds based on CSR priorities. For example, education and youth development projects get more resources because they align with our strategic goals." (Participant 6, Male, Senior Manager)

Another shared

"CSR initiatives guide where we spend and which projects get approval. It is not separate from our planning; it drives our internal decisions." (Participant 14, Female, Middle Manager)

These insights are consistent with research in China and India, where studies have shown that CSR priorities influence internal resource distribution and project selection, ensuring alignment with both organizational strategy and stakeholder expectations (Li & Chen, 2020; Sharma & Gupta, 2021)^[48]. According to Stakeholder Theory, resource allocation decisions are influenced by the interests and salience of key stakeholders, including customers, regulators, and communities (Freeman, 1984)^[23]. Managers prioritize projects that create value for stakeholders while supporting strategic objectives. Institutional Theory also suggests that CSR-driven resource allocation may reflect conformity to sector norms, regulatory expectations, and societal pressures (DiMaggio & Powell, 1983)^[18].

Partnership Development and Stakeholder Engagement

Managers emphasized that CSR shapes choices regarding partnerships. One participant said:

"We choose partners who share our values. CSR ensures that any collaboration aligns with our ethical and social objectives." (Participant 10, Male, Middle Manager)

Another stated

"Community partnerships often arise from our CSR agenda. It affects whom we work with and how we design joint programs." (Participant 21, Female, Senior Manager)

This aligns with studies in Japan and Canada, which indicate that CSR acts as a guiding principle for selecting partners, fostering collaborations that reinforce organizational values and enhance legitimacy (Tanaka, 2021; Singh & Roberts, 2022)^[47, 50]. Stakeholder Theory explains that partnerships are evaluated based on their potential to satisfy stakeholder needs and expectations. Meanwhile, Institutional Theory suggests that aligning partnerships with socially accepted norms and practices strengthens organizational legitimacy and long-term sustainability.

Risk Consideration and Long-Term Strategy

CSR was seen as influencing risk management and strategic priorities. A participant explained:

"Engaging in CSR reduces reputational and operational risks. We consider the impact of our decisions on society before approving any strategic project." (Participant 3, Male, Senior Manager)

Another manager highlighted

"CSR is part of our long-term strategy. It guides risk assessments, ensures compliance, and influences which markets or products we pursue." (Participant 17, Female, Middle Manager)

These themes show that CSR is deeply intertwined with internal decision-making processes, affecting not only external engagement but also resource allocation, partnerships, risk management, and strategic direction within Nigerian banks.

These perspectives are supported by evidence from India and China, where CSR practices have been shown to reduce reputational and operational risks, while guiding strategic priorities for sustainable growth (Sharma & Gupta, 2021; Li & Chen, 2020) [48]. Stakeholder Theory explains this as a result of considering stakeholder expectations and potential societal impacts in decision-making. Institutional Theory further illustrates that banks adopt CSR practices to conform to regulatory, ethical, and societal norms, thereby reducing institutional and reputational risks.

In summary, Objective Two results demonstrate that CSR is deeply intertwined with internal decision-making within Nigerian banks. It influences resource allocation, partnership development, risk management, and long-term strategic planning. These findings are consistent with global evidence and can be effectively interpreted through Stakeholder Theory and Institutional Theory, highlighting the dual influence of stakeholder expectations and institutional pressures on strategic CSR integration.

Implications of the Study

This study provides valuable insights into how corporate social responsibility (CSR) shapes strategic decision-making in Nigeria's banking sector. By examining the perspectives of managers, the research highlights both theoretical and practical implications for the banking industry, policymakers, and broader society.

From a theoretical standpoint, the findings reinforce the relevance of Stakeholder Theory and Institutional Theory in understanding CSR integration. Stakeholder Theory suggests that organizations prioritize actions that satisfy key stakeholders, and the study shows that Nigerian banks actively align CSR initiatives with stakeholder expectations, influencing resource allocation, partnerships, and strategic priorities (Freeman, 1984) [23]. Similarly, Institutional Theory emphasizes that organizational behavior is shaped by norms, regulations, and societal pressures (DiMaggio & Powell, 1983) [18]. The study confirms that banks adopt CSR practices not only to fulfill societal expectations but also to gain legitimacy and mitigate reputational risks. These theoretical insights contribute to the growing body of knowledge on how CSR functions as a strategic tool rather than a peripheral activity.

Practically, the study underscores that CSR has a direct influence on managerial decision-making. By embedding CSR into planning and resource distribution, banks can

achieve alignment between social responsibility and organizational objectives. This strategic integration ensures that CSR initiatives are not merely performative but deliver measurable benefits for both communities and the organization. Moreover, the emphasis on partnerships and ethical collaboration suggests that banks can leverage CSR to strengthen relationships with key stakeholders, foster community trust, and enhance competitive advantage.

The study also carries implications for risk management. CSR-informed decision-making reduces exposure to reputational, operational, and regulatory risks, guiding managers to evaluate the broader social consequences of strategic choices. By considering societal impact, banks are better positioned to sustain long-term growth while contributing positively to societal development.

Finally, the findings have policy and societal implications. Policymakers can encourage structured and strategic CSR engagement through guidelines that promote transparency, accountability, and measurable impact. For society, the research demonstrates that strategically aligned CSR in banks can support community welfare, economic development, and social equity, reinforcing the critical role of financial institutions in national development.

In essence, the study reveals that CSR in Nigerian banks is not just a compliance or marketing activity. It serves as a strategic lever that shapes internal choices, strengthens stakeholder trust, and contributes to sustainable organizational and societal outcomes.

Recommendations

Based on the findings and implications of this study, several recommendations are proposed to enhance the strategic integration of corporate social responsibility (CSR) within Nigerian banks:

1. Integrate CSR into Core Strategic Planning

Banks should ensure that CSR is embedded into the heart of strategic decision-making rather than treated as an external or supplementary activity. This integration will allow CSR initiatives to guide resource allocation, investment choices, and long-term planning, ensuring alignment with both organizational objectives and stakeholder expectations. By making CSR a central consideration, banks can maximize its impact on societal development while strengthening their competitive positioning.

2. Strengthen Managerial Understanding and Training on CSR

The study revealed variability in managers' understanding and interpretation of CSR. It is recommended that banks provide targeted training and capacity-building programs to equip managers with the knowledge and skills needed to link CSR initiatives directly to strategic goals. This will enable consistent application of CSR across departments and ensure that decision-making reflects both ethical obligations and organizational priorities.

3. Foster Transparent and Authentic CSR Practices

Transparency and authenticity are crucial for building stakeholder trust. Banks should adopt clear reporting mechanisms, openly communicate the objectives and outcomes of CSR initiatives, and avoid tokenistic activities designed purely for publicity. Ethical disclosure, especially regarding partnerships and sponsored initiatives, will

enhance credibility and strengthen long-term relationships with customers, regulators, and communities.

4. Leverage CSR for Stakeholder Engagement and Partnerships

CSR should be used strategically to identify and develop partnerships with organizations and communities that share similar values and objectives. Collaborative CSR initiatives can enhance social impact, improve brand perception, and foster mutual growth. By aligning partnerships with CSR priorities, banks can create sustainable programs that benefit both the institution and society.

5. Use CSR to Guide Risk Management and Long-Term Decisions

CSR should inform risk assessment and management practices, helping banks anticipate and mitigate reputational, operational, and compliance risks. Integrating CSR considerations into strategic planning ensures that social and ethical consequences are evaluated alongside financial and operational factors, leading to more sustainable and responsible decision-making.

In following these recommendations, Nigerian banks can move beyond performative CSR practices and establish socially responsible strategies that are embedded into their core operations. This approach not only enhances corporate reputation but also drives long-term organizational success while contributing meaningfully to societal welfare.

Limitations and Suggestions for Future Research

The study was limited by its qualitative design and relatively small sample of twenty-five managers from selected Nigerian banks. While it provided in-depth insights, the findings may not be fully generalizable across the entire banking sector.

Future research could adopt a mixed-methods approach or include a larger, more diverse sample across multiple regions of Nigeria to enhance generalizability. Additionally, studies could explore the long-term impact of CSR on organizational performance and stakeholder relationships, or compare CSR integration strategies across different industries to provide broader perspectives.

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