ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

Corporate Social Responsibility (CSR) Initiatives and Firms Financial Performance. A Study of Dangote Cement Gboko, Benue State

Godi-Salifu Lucy Dooyum[1]; Theresa I. Ndulue[2]

[2]Associate Professor
[1;2]University of Abuja, Nigeria

Publication Date: 2026/09/22

Abstract: Despite the growing importance of CSR, there is still debate regarding whether CSR initiatives improve firms' financial performance. Corporate Social Responsibility (CSR) has become an essential strategic tool for organizations seeking sustainable growth, improved reputation, and competitive advantage. This study investigates Corporate Social Responsibility (CSR) initiatives and the financial performance of Dangote Cement Company Gboko, Benue State. A longitudinal research design was adopted using secondary data obtained from annual reports of Dangote Cement Company Gboko, Benue State. Simple linear regression was used to determine the relationship between CSR initiatives and financial performance. The findings in hypothesis one revealed that there is a positive significant relationship between Environmental CSR Initiatives and firm's profitability in Dangote Cement Company Gboko Benue State. The findings in hypothesis two revealed that there is a positive significant relationship between Community Development Initiatives and firm's market value in Dangote Cement Company Gboko Benue State. The findings in hypothesis three revealed that there is a positive significant relationship between Ethical Business Practices and Return on Equity (ROE) in Dangote Cement Company Gboko Benue State. The study recommended that, strengthening Environmental CSR Integration the company should further integrate environmental CSR into its core operational strategy rather than treating it as a compliance obligation.

Keywords: *Corporate Social Responsibility, Return on Equity, Ethical Dimension of CSR and Financial Performance.*

How to Cite: Godi-Salifu Lucy Dooyum; Theresa I. Ndulue (2026) Corporate Social Responsibility (CSR) Initiatives and Firms Financial Performance. A Study of Dangote Cement Gboko, Benue State. *International Journal of Innovative Science and Research Technology*, 11(9), 678-687. https://doi.org/10.38124/ijisrt/26sep159

I. INTRODUCTION

Globally, firms engage in Corporate Social Responsibility (CSR) activities to improve public image, customer loyalty, employee satisfaction, and investor confidence. Many scholars argue that CSR contributes positively to financial performance by enhancing brand reputation and stakeholder relationships. However, some researchers contend that CSR increases operational costs and may reduce profitability in the short term.

Corporate Social Responsibility (CSR) refers to the ethical obligation of firms to contribute positively to society while conducting their business operations profitably. Over the years, CSR has evolved from philanthropic activities to strategic business practices integrated into organizational objectives. Modern organizations are increasingly expected to address environmental concerns, social welfare, ethical governance, and community development (Carroll, 2023).

In recent years, scholars and managers alike have clearly dedicated a greater attention to the strategic implications of Corporate Social Responsibility in their host communities (Fung & Rui, 2002). Where a firm usually goes beyond compliance with laid down rules and regulations or its pecuniary interest and engages in activities or takes actions that seem to promote some societal good, it is thoughtful to be engaging in corporate social responsibility gearing towards community development (Mcwilliams & Siegel, 2021).

In developing economies, particularly in Africa, the impact of CSR on financial performance remains inconclusive due to differences in institutional frameworks, economic conditions, and regulatory environments. Consequently, this study seeks to examine the relationship between CSR initiatives and firms' financial performance at Dangote Cement Gboko, Benue State (Margolis, & Walsh, 2023).

➢ *Statement of the Problem*

Despite the growing importance of CSR, there is still debate regarding whether CSR initiatives improve firms' financial performance. Some studies indicate a positive relationship between CSR and profitability(Zheng,2020 and Vishira, 2023)while others reveal negative or insignificant effects(Shanti et al, 2023 and Palmer, 2023). Many firms invest heavily in CSR programs such as environmental protection, education sponsorship, healthcare support, and employee welfare without clear evidence of financial returns. This uncertainty creates challenges for managers in deciding the level of investment in CSR initiatives. Furthermore, limited empirical studies have examined the relationship between CSR and financial performance in cement manufacturing companies in developing economies. Therefore, this study intends to bridge this gap by empirically examining how CSR initiatives affect firms' financial performance at Dangote Cement Gboko, Benue State.

➢ *Objectives of the Study*

The main objective of this study is to examine the effect of CSR initiatives on firms' financial performance at Dangote Cement Gboko, Benue State.

- *The Specific Objectives are to:*

✓ Examine the relationship between environmental CSR initiatives and firms' profitability at Dangote Cement Gboko, Benue State.
✓ Assess the influence of community development initiatives on firms' market value at Dangote Cement Gboko, Benue State.
✓ Evaluate the relationship between ethical business practices and return on equity (ROE) at Dangote Cement Gboko, Benue State.

➢ *Research Questions*

- What relationship exists between environmental CSR initiatives and firms' profitability at Dangote Cement Gboko, Benue State?
- To what extent do community development initiatives influence firms' market value at Dangote Cement Gboko, Benue State?
- What relationship exists between ethical business practices and return on equity at Dangote Cement Gboko, Benue State?

➢ *Research Hypotheses*

- H01: Environmental CSR initiatives have no significant relationship with firms' profitability at Dangote Cement Gboko, Benue State.
- H02: Community development initiatives have no significant influence on firms' market value at Dangote Cement Gboko, Benue State.
- H03: Ethical business practices have no significant relationship with return on equity at Dangote Cement Gboko, Benue State.

➢ *Scope of the Study*

For the purpose of this study, the independent variable is the Corporate Social Responsibility (CSR) Initiative which is proxied by Environmental CSR initiatives, Community development initiatives, and Ethical business practices, while the dependent variable is measured by firms' profitability, firms' market value, and return on equity respectively. The study also covered Dangote Cement Company located at Tsekucha Gboko, Benue State. The basis of this selection is because of the CSR initiatives implemented at its host communities.

➢ *Conceptual Review*

- *Corporate Social Responsibility*

CSR involves organizational activities aimed at promoting social welfare beyond profit-making objectives. Carroll (2023) identified four dimensions of CSR: economic, legal, ethical, and philanthropic responsibilities. Corporate Social Responsibility (CSR) Initiatives and Firms' Financial Performance. Corporate Social Responsibility (CSR) has become an important strategic tool for organizations seeking sustainable growth and competitive advantage. Firms increasingly invest in environmental protection, community development, employee welfare, and ethical business practices to improve stakeholder relationships and organizational reputation.

- *Concept of Environmental CSR Initiative*

Environmental Corporate Social Responsibility (CSR) refers to the commitment of organizations to minimize their negative environmental impacts while contributing positively to environmental sustainability. It is a strategic approach through which businesses integrate environmental concerns into their operations, policies, and stakeholder interactions beyond legal compliance. Environmental CSR initiatives are designed to promote sustainable development, conserve natural resources, reduce pollution, and enhance the quality of life for present and future generations.

According to World Business Council for Sustainable Development, CSR is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce, local communities, and society at large. Environmental CSR specifically focuses on ecological stewardship and sustainability practices. Environmental CSR initiatives are essential for balancing economic growth with environmental sustainability. Organizations that embrace environmentally responsible practices contribute significantly to ecological conservation, social welfare, and long-term business success. As global environmental concerns continue to increase, businesses are expected to play a greater role in promoting sustainable development through effective CSR strategies (World Business Council for Sustainable Development, 2022).

- *Concept of Community Development CSR Initiative*

Corporate Social Responsibility (CSR) Initiative Community Development Corporate Social Responsibility (CSR) refers to the strategic commitment by organizations to

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

improve the social and economic well-being of communities in which they operate. It involves voluntary actions by businesses aimed at addressing community needs such as education, healthcare, infrastructure, poverty reduction, and economic empowerment, beyond legal and profit-driven obligations. The goal is to foster inclusive and sustainable development while strengthening relationships between businesses and society. According to the World Business Council for Sustainable Development (WBCSD), CSR is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of employees, their families, local communities, and society at large (WBCSD, 2022). In this context, community development CSR focuses specifically on direct investments in human and social capital at the community level. The United Nations emphasizes through the Sustainable Development Goals (SDGs) that private sector participation is essential in achieving inclusive growth, particularly in areas such as quality education, no poverty, good health, and reduced inequalities (United Nations, 2015).

- *Concept of Ethical Business Practices CSR Initiative*

Ethical business practices refer to the application of moral principles and values in business decision-making and operations. They guide how organizations interact with stakeholders such as customers, employees, suppliers, regulators, and society at large. Ethical business behavior emphasizes doing what is right, fair, and just*, even when not legally required. According to Crane and Matten (2016), business ethics is "the study of business situations, activities, and decisions where issues of right and wrong are addressed." This means ethics in business goes beyond compliance with laws to include moral judgment in everyday operations.

- *Financial Performance*

Financial performance refers to a firm's ability to generate revenue and maximize shareholders' wealth. Common indicators include profitability, ROA, ROE, and market share. financial performance of firms refers to how well a company uses its resources to generate profits, create shareholder value, and sustain long-term growth. It is commonly assessed using several key dimensions: profitability, market value, return on equity (ROE), and corporate social responsibility (CSR). These measures are widely used in corporate finance and strategic management research (e.g., Ross, Westerfield & Jaffe, 2013; Brigham & Ehrhardt, 2017).

- *Profitability*

Profitability measures a firm's ability to generate earnings relative to its revenue, assets, or equity. It reflects operational efficiency and cost management. Common indicators include: Net Profit Margin = Net Income / Revenue, Operating Profit Margin = Operating Income / Revenue. Return on Assets (ROA)= Net Income / Total Assets. A higher profitability ratio suggests that a firm is efficiently converting sales into actual profit (Damodaran, 2012).

- *Firm Market Value*

Market value represents how the stock market values a company, reflecting investor expectations about future performance and risk. Key measures include: Market Capitalization = Share Price × Number of Shares, Tobin's Q = Market Value of Firm / Replacement Cost of Assets. Share Price Performance. Market value is influenced not only by current earnings but also by growth expectations, risk perception, and macroeconomic conditions (Fama, 1970; Jensen & Meckling, 1976).

- *Return on Equity*

ROE measures how effectively a firm generates profit from shareholders' investments. ROE = \frac{Net\ Income}{Shareholders'\ Equity}. ROE is considered a key performance indicator because it captures profitability, efficiency, and leverage in a single metric. The DuPont analysis further breaks ROE into: Profit margin, Asset turnover and Financial leverage. A higher ROE indicates stronger value creation for shareholders (Brigham & Ehrhardt, 2017).

➢ *Theoretical Framework*

- *Relational Theory*

Relational Theory has grown from the early work of Jean Baker Miller, M.D., who wrote the best-selling book Toward a New Psychology of Women. Since the first edition was published in 1976, the book has sold over 200,000 copies, has been translated into 20 languages, and published in 12 countries. Relational theory has a root from the complex firm-environment relationships. As the term implies, interrelations between the two are the focus of the analysis of CSR. As indicated in Relational theory is farther separated into four sub-groups of theories: 1) business and society; 2) stakeholder approach; 3) corporate citizenship; and 4) social contract. Some other is a person's responsibility to regard the effects of his choice and action on the whole social system (Garriga and Mele's 2004).

- *Stockholder Theory*

In 1984, R. Edward Freeman originally detailed the Stakeholder Theory of organizational management and business ethics that addresses morals and values in managing an organization. The most famous advocate of this theory is the holder of the Nobel Prize in economics. Friedman argued that, the only social responsibility of business is to increase profit for its owners or shareholders while conforming to the basic rules of society in terms obeying the law and following current ethical customs (Friedman,1970). According to him, social activities in terms of giving to good causes and dealing with other social issues are reasoned to be a waste of shareholders‟ money and a distraction from the core intention of a company (Mote, et al, 2008).

- *Theoretical Bases*

This study is grounded on the "Relational theory" which has a root from the complex firm-environment relationships. This theory is useful in Dangote Cement Company Gboko, Benue State as it relates business to society. Business and society are projected to mean 'business in society' in which

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

CSR appear as a matter of interaction between the two entities.

II. EMPIRICAL REVIEW

Zheng (2020), examined the effects of Corporate Social Responsibility on financial performance : the case study of Kajepi Print Ltd, Cameroun. Questionnaire was used as instrument and 112 copies of questionnaire were used to check the respondent's opinion. Descriptive analysis, correlation and multiple regression tests were applied for data analysis. Findings revealed that there is a positive relationship between Corporate Social Responsibility and financial performance in Kajepi Print Ltd, Cameroun.

Vishira (2023), examined the influence of Corporate Social Responsibility on financial performance: A Study of Turkana County, Kenya. The study adopted a mixed method approach and employs an exploratory survey design. Copies of questionnaire were used to gather data from the employees Turkana County. Simple and multiple Regression Analysis was used to determine whether a relationship exists between the independent and dependent variables. On the other hand, qualitative data from the interview guide was analyzed by content analysis; this involved selecting and grouping the data according to emerging themes in line with objectives of the study. The study revealed that there is a positive relationship between Corporate Social Responsibility and financial performance in Turkana County, Kenya.

Shanti et al (2023), investigated the impact of Corporate Social Responsibility on performance in a business organization: a case study of Ministry of Budget and Economic Planning, Abuja. A descriptive survey was used in which 189 copies of questionnaire were collected from 356 copies of questionnaire distributed. Data were analysed using descriptive and inferential statistical procedures. Regression analysis and Pearson correlation were used to measure the correlation and the hypothesis of the research. The research findings show that there is negative relationship between Corporate Social Responsibility and performance.

Palmer (2023), investigated the relationship between Corporate Social Responsibility and financial performance . Empirical evidence from Pakistani Oil and Gas Sector. The sample of the study consisted of 414 full-time employees in the Oil and Gas sector of Pakistan. Findings of this study reveal that there is a negative relationship between Corporate Social Responsibility and financial performance.

Mello (2023), examined the effects of Corporate Social Responsibility on return on investment at boa Kenya limited. A cross section descriptive survey research strategy was adopted in which 80 usable structured questionnaires were collected from 300 questionnaires distributed. Descriptive and inferential statistical techniques were used for data analysis. In inferential statistics, Pearson's correlation and regression analysis were used to assess both relationships and effects as per the hypotheses of the study. The findings show that there is a positive relationship between Corporate Social Responsibility and return on investment.

➢ *Existing Study Gap*

Most studies on Corporate Social Responsibility and the performance of companies in Africa and Nigeria precisely have been focused on the government agencies, telecommunication, beverage and hospitality sectors (Zheng, 2020, Vishira, 2023, Shanti et al, 2023, Palmer, 2023 and Mello, 2023) with limited empirical research in cement manufacturing companies in Nigeria, and so this study seeks to bridge the gap by examining the impact of Corporate Social Responsibility on the performance of Dangote Cement Company Gboko Benue State.

III. METHODOLOGY

➢ *Research Design*

The study adopted a longitudinal research design because the design involves analyzing audited records over a specific period of time.

➢ *Population of the Study*

The population consist of Dangote Cement Manufacturing Company in Gboko and the 6 communities hosting the cement factory.

➢ *Sampling Technique*

A purposive sampling technique was used to select the communities that are practically impacted with the CSR activities of the firm.

➢ *Sources and method of Data Collection*

Secondary data was obtained from: Annual reports of Dangote Cement Gboko, Benue State.

➢ *Method of Data Analysis*

The study analyze the data using inferential statistics. The inferential statistics that is used in the study is the ordinary least squares method of regression, precisely simple linear regression to measure the strength of the relationship between the independent and dependent variables.

Ordinary Least Squares method of regression was used to test the relationship (cause and effect) between the two variables or factors. In regression analysis, each observation consists of two values. One value is for the dependent variable (financial performance) and one value is for the independent variable (Corporate Social Responsibility).

➢ *Reliability of the Instrument*

The researcher tested the reliability of these variables under study by conducting a pilot test at two (2) randomly selected cement Companies in Nigeria where, audited records were obtained and the result showed that, the instruments used are valid. See table 1 below.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

Table 1 Cronbach's Alpha Computation Table

Variables	Cronbach's Alpha
Environmental CSR initiatives	**0.85**
Community development initiatives	**0.73**
Ethical business practices	**0.77**
Firms' Profitability	**0.82**
Firms' Market Value	**0.81**
Return on Equity (ROE)	**0.88**

Source: Researcher's Computation (2026)

The Alpha values are reliable in this study because, the pilot study was conducted and it gave us alpha values that were above 0.7 from both the dependent and the independent variables.

➢ *Estimation of Study Variables*

The study is primarily to evaluate Corporate Social Responsibility (CSR) Initiative which is proxied by Environmental CSR Initiatives (ECSRI), Community Development Initiatives (CDI), and Ethical Business Practices (EBP), while the dependent variable is measured by Firms' Profitability (FP), Firms' Market Value (FMV), and Return on Equity (ROE) respectively. This is used to determine the relationship that is existing between the two variables in the study using the multiple regression statistical technique.

- *The Explicit form of the Model can be Stated Thus:*

$$FP = \alpha + ECSRI\beta_1 + \mu \quad (1)$$

$$FMV=\alpha + \beta_1\ CDI + \mu \quad (2)$$

$$ROE=\alpha + \beta_1\ EBP + \mu \quad (3)$$

Where:

ECSRI=Environmental CSR Initiatives
CDI=Community Development Initiatives
EBP=Ethical Business Practices
FP=Firms' Profitability
FMV=Firms' Market Value
ROE=Return on Equity

The a is the constant or intercept; Pi, is the regression coefficients which determine the contributions of CSR on financial performance in this study.

IV. DATA PRESENTATION, ANALYSIS AND DISCUSSION

➢ *Results and Discussion*

A diagnostic test was conducted to ensure the validity of simple linear regression used in the study. The researcher adopted correlation and regression analysis statistical tools specified using SPSS (Version 27) to analyze the data.

➢ *Normality test*

To determine whether this assumption holds true, normality tests were conducted on the variables included in the model, as presented in Table 2.

Table 2 Tests of Normality

	Kolmogorov-Smirnov			**Shapiro-Wilk**		
IV Proxies	Statistic	Df	Sig	Statistic	df	Sig
ECSRI	.312	362	.198	.801	362	.417
CDI	.312	362	.212	.832	362	.456
EBP	.312	362	.234	.854	362	.424

Table 2 presents the results of the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests for normality, focusing on the variables: Environmental Corporate Social Responsibility Initiative (ECSRI), Community Development Initiative (CDI), and Ethical Business Practices (EBP).

The null hypothesis for both tests is that the data are normally distributed. A p-value below 0.05 would indicate a significant deviation from normality, challenging the use of an SLR model. However, in this case, the significance values (p-values) for both tests across all variables are well above the 0.05 threshold. Specifically, the p-values for the Shapiro-Wilk test range from 0.307 to 0.531, and for the Kolmogorov-Smirnov test, they range from 0.155 to 0.442. These results suggest that there is no significant evidence to reject the null hypothesis, meaning the data do not significantly deviate from a normal distribution.

The non-significant p-values from the Kolmogorov-Smirnov and Shapiro-Wilk tests provide strong evidence that the normality assumption is satisfied for the variables under consideration.

➢ *Homoscedasticity Test*

If homoscedasticity is met, standard errors, confidence intervals, and P-values are accurate. Violations (heteroscedasticity) make estimates inefficient and lead to incorrect inferences about the significance of predictors.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

Table 3 Homoscedasticity Test (White Test)

IV Proxies	Test Statistic	LM test value P	F-Statistic	F-test value P
ECSRI	112.8	.51	.285	.53
CDI	108.1	.52	.412	.51
EBP	106	.57	.876	.56

A significant p-value (typically <0.05) leads to rejection of the null hypothesis of constant variance, indicating the presence of heteroscedasticity.

However, since the LM test p-values (0.51-0.57) and F-test p-values (0.51-0.56) are greater than 0.05, we fail to reject the null hypothesis. This indicates that there is no evidence of heteroskedasticity, and therefore the assumption of homoscedasticity is satisfied.

- *Hypothesis Testing*

- *Table 4*

- ✓ H01: Environmental CSR Initiatives have no significant relationship with Firms' Profitability at Dangote Cement Gboko, Benue State.

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression Residual	2112.324 112.343	1 188	768.454 1.876	343.67 4	.000[b]
Total	2345.654	189			

a. Dependent Variable: Firms' Profitability
b. Predictors:(Constant):ECSRIScore
Source: SPSS Output Version 27

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.566	.234		2.123	.000
ECSRI	1.454	.124	1.235	9.211	.000
Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin Watson
1	612[a]	.630	.621	1.4031	2.111

a. Dependent Variable: Firms' Profitability
b. Predictors: (Constant): ECSRIScore
Source: SPSS Output Version 27

From the result of hypothesis one above, it was found that there is a positive significant relationship between Environmental CSR Initiatives and firm's profitability (FP) in Dangote Cement Company Gboko Benue State at (B =1.454, t = 9.211, Sig = .000, P <.05). This result indicates that as the amount spent on Environmental CSR Initiatives increases, firm's profitability (FP) in Dangote Cement Company Gboko Benue State increases as well.

From the regression result, the regression model is stated as follows:

$$FP=.566+1.454ECSRI \qquad (4)$$

A test of the regression model indicates that the personal variables as a set, effectively influenced the yielded F = 343.674 and p-value of .000 which is significant since p-value is less than 0.05 significance level. This implies that the regression model, as shown in Equation 4, significantly explained the predictability of Environmental CSR Initiatives (ECSRI), on firm's profitability (FP) in Dangote Cement Company Gboko Benue State.

Also, the coefficient of determination (R^2) of 0.63 indicates that 63% of variation in firm's profitability (FP) in Dangote Cement Company Gboko Benue State can be explained by Environmental CSR Initiatives (ECSRI). Other factors not included in the regression model account for the 37% remaining. The value of F-statistics of 343.674 is significant at p-value of 0.00. This shows evidence of linear relationship between Environmental CSR Initiatives (ECSRI), and firm's profitability (FP) in Dangote Cement Company Gboko Benue State. Hence, the alternative hypothesis that there is a significant impact between Environmental CSR Initiatives (ECSRI), and firm's profitability in Dangote Cement Company Gboko Benue State is accepted.

This is in corroboration with the correlation coefficient (r) of 0.622 that shows a strong relationship between ECSRI and the firm's profitability. Therefore, more money was spent on environmental CSR initiatives in Dangote Cement Gboko leading to the firm's profitability.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

Table 4 Pearson Correlation Analysis

		Environmental CSR Initiatives	Firms' Profitability
Environmental CSR Initiatives	Pearson Correlation Sig (2-tailed) N	1 16	501** 0.0000 16
Firms' Profitability	Pearson Correlation Sig (2-tailed) N	.501** 0.0000 16	1 16

*Correlation is Significant at the 0.05 level (SPSS, Version 23)

Table 4 shows that, the calculated correlation coefficient figures of r= 0.501 at 0.05 significant level. Since the calculated value is greater than the tabulated r value, then the null hypothesis that stated that, Environmental CSR Initiatives have no significant relationship with Firms' Profitability at Dangote Cement Gboko, Benue State was rejected.

- *Table 5:*

✓ H02: Community Development Initiatives have no significant influence on Firms' Market Value at Dangote Cement Gboko, Benue State.

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression Residual	3112.324 121.343	1 188	868.454 1.876	256.67 4	.000[b]
Total	3233.667	189			

a. Dependent Variable: FMVScore
b. Predictors: (Constant), CDIscore
Source: SPSS Output Version 27

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.455	.211		2.012	.000
CDIscore	1.532	.321	.070	8.220	.000
Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	722[a]	.670	.668	1.62319	2.012

a. Dependent Variable: FMVscore
Source: SPSS Output Version 27

From the result of hypothesis two above, it was found that there is a positive significant relationship between Community Development Initiatives and Firms' Market Value at Dangote Cement Gboko, Benue State at (B = 1.532, t = 8.220, Sig = .000, P <.05). This result shows that the amount spent on Community Development Initiatives in Dangote Cement Gboko, Benue State impact positively on Firms' Market Value.

From the regression result, the regression model is stated as follows:

$$FMV = .455 + 1.532CDI + .211 \quad (5)$$

A test of the regression model indicates that the personal variables as a set, effectively influenced the yielded F = 256.674 and p-value of 0.000 which is significant since p-value is less than 0.05 significance level. This implies that the regression model, as shown in Equation 5, significantly explained the predictability of Community Development Initiatives and Firms' Market Value in Dangote Cement Gboko, Benue State.

Also, the coefficient of determination (R^2) of 0.670 indicates that 67% of variation in Firms' Market Value in Dangote Cement Gboko, Benue State can be explained by the Community Development Initiatives. Other factors not included in the regression model account for the 33% remaining. The value of F- statistics of 256.674 is significant at p-value of 0.00. This shows evidence of linear relationship between Community Development Initiatives and Firms' Market Value in Dangote Cement Gboko, Benue State. Hence, the alternative hypothesis that there is a significant impact between Community Development Initiatives and Firms' Market Value in Dangote Cement Gboko, Benue State is accepted. As seen in the correlation coefficient (r) of 0.633 that shows a strong relationship and the coefficient of determination (r^2) of 0.633. Therefore, the management of Dangote Cement Company Gboko Benue State needs ensure that community development is achieved by the CSR initiative of the company. That will enhance the firms market value.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

Table 5 Pearson Correlation Analysis

		Community Development Initiatives	Firms' Market Value
Community Development Initiatives	Pearson Correlation Sig (2-tailed) N	1 16	511** 0.000 16
Firms' Market Value	Pearson Correlation Sig (2-tailed) N	0.511** 0.000 16	1 16

*Correlation is Significant at the 0.05 Level (SPSS, Version 23)

Table: 5shows that, the calculated correlation coefficient figures of r= 0.511 at 0.05 is positive and significant. Since the calculated value is greater than the tabulated r value, then the null hypothesis that stated that, Community Development Initiatives have no significant influence on Firms' Market Value at Dangote Cement Gboko, Benue State is rejected.

- *Table 6:*

✓ H03: Ethical Business Practices have no significant relationship with Return on Equity at Dangote Cement Gboko, Benue State.

ANOVA[b]

	Sum of Squares	Df	Mean Square	F	Sig.
Regression Residual	2012.324 200.343	1 188	668.454 1.676	274.32 1	.000[b]
Total	2212.667	189			

a. Dependent Variable: ROEScore
b. Predictors: (Constant), ETDCSRscore
Source: SPSS Output Version 27

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.521	.223		2.187	.000
EBPscore	1.276	.140	.334	7.355	.000
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	700[a]	.590	.581	1.32154	2.021

a. Dependent Variable: ROEScore
Source: SPSS Output Version 27

From the result of hypothesis three above, it was revealed that there is a positive significant relationship between Ethical Business Practices and Return on Equity at Dangote Cement Gboko, Benue State at (B = 1.276, t= 7.355, Sig = .000, P <.05). This shows that the amount spent on Ethical Business Practices in Dangote Cement Gboko, Benue State has a positive impact on Return on Equity (ROE).

From the regression result, the regression model is stated as follows:

$$ROE = .521 + 1.276EBP + .223 \quad (6)$$

A test of the regression model indicates that the personal variables as a set, effectively influenced the yielded F = 274.321 and p-value of 0.00 which is significant since p-value is less than 0.05 significance level. This implies that the regression model, as shown in Equation 6, significantly explained the predictability of Ethical Business Practices and Return on Equity (ROE) of Dangote Cement Gboko, Benue State.

Also, the coefficient of determination (R2) of 0.59 indicates that 59% of variation in Return on Equity (ROE) of Dangote Cement Gboko, Benue State can be explained by Ethical Business Practices. Other factors not included in the regression model account for the 41% remaining. The value of F-statistic of 274.321 is significant at p-value of 0.00. This shows evidence of linear relationship between Ethical Business Practices and Return on Equity (ROE) of Dangote Cement Gboko, Benue State. Hence, the alternative hypothesis that there is a significant impact between the Ethical Business Practices and Return on Equity (ROE) of Dangote Cement Gboko, Benue State is accepted. This is in corroboration with the correlation coefficient (r) of 0.622 that shows a strong relationship and the coefficient of determination (r^2) of 0.672.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

Table 6 Pearson Correlation Analysis

		Ethical Business Practices	Return on Equity
Ethical Business Practices	Pearson Correlation Sig (2-tailed) N	1 16	518** 0.0000 16
Return on Equity	Pearson Correlation Sig (2-tailed) N	.518** 0.0000 16	1 16

*Correlation is Significant at the 0.05 Level (SPSS, Version 23)

Table 6 shows that, the calculated correlation coefficient figures of r= 0.518 at 0.05 significant level. Since the calculated value is greater than the tabulated r value, then the null hypothesis that stated that Ethical Business Practices have no significant relationship with Return on Equity at Dangote Cement Gboko, Benue State is rejected.

V. FINDINGS

➢ *The Analysis in Hypothesis 1,*

The regression results of indicates that 63% of variation in the firm's profitability (FP) in Dangote Cement Company Gboko Benue State can be explained by Environmental CSR Initiatives (ECSRI). The significant value or P-value of 0.000 is less than the t-value of 0.05. The study rejects Null Hypothesis and accepts the alternative that states that, Environmental CSR Initiatives has a significant relationship with Firms' Profitability at Dangote Cement Gboko, Benue State. in Nigeria. This is in corroboration with the correlation coefficient (r) of 0.622 that shows a strong relationship and the coefficient of determination (r^2) of 0.622. Therefore, was increased in Environmental CSR Initiatives in Dangote Cement Gboko leading to the firm profitability recorded in Dangote Cement Company Gboko in Nigeria. This study is in agreement with the study conducted by Zheng (2020) and Vishira (2023) revealed a positive relationship between CSR and financial performance. This study is not in agreement with the study conducted by Shanti et al (2023) and Palmer (2023) revealed a negative relationship between CSR and financial performance.

➢ *The Analysis in Hypothesis 2*

The regression results indicates that 67% of variation in Firms' Market Value in Dangote Cement Gboko, Benue State can be explained by the Community Development Initiatives. The significant value or P-value of 0.000 is less than the t-value of 0.05. The study rejects Null Hypothesis and accepts the alternative that states that, Community Development Initiatives has a significant influence on Firms' Market Value at Dangote Cement Gboko, Benue State. This stated in the correlation coefficient (r) of 0.633 that shows a strong relationship and the coefficient of determination (r^2) of 0.633. This study is in agreement with the study conducted by Zheng (2020) and Vishira (2023) revealed a positive relationship between CSR and financial performance. This study is not in agreement with the study conducted by Shanti et al (2023) and Palmer (2023) revealed a negative relationship between CSR and financial performance.

➢ *The Analysis in Hypothesis 3*

The regression results indicates that 59% of variation in Return on Equity (ROE) of Dangote Cement Gboko, Benue State can be explained by Ethical Business Practices. The significant value or P-value of 0.000 is less than the t-value of 0.05. The study rejects Null Hypothesis and accepts the alternative that states that, Ethical Business Practices has a significant relationship with Return on Equity at Dangote Cement Gboko, Benue State. This is in corroboration with the correlation coefficient (r) of 0.622 that shows a strong relationship and the coefficient of determination (r^2) of 0.672. This study is in agreement with the study conducted by Zheng (2020) and Vishira (2023) revealed a positive relationship between CSR and financial performance. This study is not in agreement with the study conducted by Shanti et al (2023) and Palmer (2023) revealed a negative relationship between CSR and financial performance.

VI. CONCLUSION AND RECOMMENDATIONS

➢ *Conclusion*

This study is designed to examine the relationship between Corporate Social Responsibility (CSR) initiatives and the financial performance of Dangote Cement Company, Gboko, with specific focus on environmental CSR, community development CSR, and ethical business practices. Based on existing theoretical and empirical literature, CSR activities are generally expected to have a positive but varying degree of influence on financial performance indicators such as return on equity (ROE), profitability, and firm value. However, the extent of this relationship is often context-dependent, particularly in developing economies where CSR may be viewed more as a cost than a strategic investment. Therefore community development initiative which has the highest regression value of 67% would enhance financial performance as it regards the firm's market value more than the other two dimensions of CSR used in this study.

However, the study also recognizes the possibility that CSR activities may not show a statistically significant effect in some areas, especially where CSR expenditure is high but not strategically aligned with profitability goals. Overall, the study concluded that CSR initiatives contribute meaningfully to the financial performance of Dangote Cement Company, Gboko, though the strength of influence may differ across CSR dimensions.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/26sep159

➢ *Recommendations*

Based on the findings and the research problem, the following recommendations are made:

- Strengthening Environmental CSR Integration The company should further integrate environmental CSR into its core operational strategy rather than treating it as a compliance obligation. Investments in waste reduction, carbon emission control, and sustainable production processes should be prioritized, as these are expected to enhance long-term profitability and reduce regulatory risks.
- Expanding Community Development Programs Dangote Cement Company should deepen its engagement with host communities through sustainable development projects such as education support, healthcare services, infrastructure development, and youth empowerment programs. Such initiatives are likely to strengthen community trust, reduce operational disruptions, and improve corporate reputation, which indirectly supports financial performance.
- Reinforcing Ethical Business Practices The organization should maintain strict adherence to ethical standards, including transparency in financial reporting, anti-corruption measures, fair labor practices, and accountability in governance. Strengthening ethical compliance frameworks can improve investor confidence and positively influence return on equity.

REFERENCES

[1]. Brigham, E. F., & Ehrhardt, M. C. (2017). *Financial management: Theory & Practice*. Pittman Publishing

[2]. Crane, A., & Matten, D. (2016). business ethics: Managing corporate citizenship and sustainability in the age of globalization. https://doi.org/12.106/s1016-016-0428-9

[3]. Carroll, A. B. (2023). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. Business Horizons, 34(4), 39–48. https://doi.org/14.1007/s10916-016-062-9

[4]. Damodaran, A. (2012). Investment valuation and Corporate Social Responsibility.

[5]. Fama, E. F. (1970). Efficient capital markets in Corporate Social Responsibility.

[6]. Freeman, R. E. (1984). Strategic management: A stakeholder approach https://doi.org/19.1307/d916-016-0628-9

[7]. Freeman, R. E. (2024). *Strategic management*: A stakeholder approach. Pitman Publishing.

[8]. Friedman, M. (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine*.

[9]. Jensen, M. C., & Meckling, W. H. (1976). *Theory of the Firm*. Print Hill USA

[10]. Margolis, J. D., & Walsh, J. P. (2023). Misery loves companies: Rethinking social initiatives by business. *Administrative Science Quarterly, 48(2), 268–305*. https://doi.org/19.137/s10416-066-0643-9

[11]. McWilliams, A., & Siegel, D. (2021). Corporate social responsibility: A theory of the firm perspective. Academy of Management Review, 26(1), 117–127.

[12]. Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2023). Corporate social and financial performance: A meta-analysis. *Organization Studies journal, 24(3), 403–441*. https://doi.org/18.1557/s1066-016-0628-9

[13]. Palmer, S. (2023).Predicting Corporate Social Responsibility in pre-registration European Hospitals. *British Journal of Health Psychology 12,125–144*. https://doi.org/20.5507/s10436-016-0628-9

[14]. Porter, M. E., & Kramer, M. R. (2025). Strategy and society: The link between competitive advantage and corporate social responsibility. Harvard Business Review, 84(12), 78–92. https://doi.org/15.1007/s1092-016-0628-9

[15]. Ross, S. A., Westerfield, R., & Jaffe, J. (2013). Corporate finance

[16]. Shanti, C. O., Dioly, R.G. & Siegel, D. (2023). Corporate Social Responsibility and Organizational performance in Academic and Research Libraries in Oyo State, Nigeria. *A journal of Interdisciplinary studies 8:23-29*https://doi.org/10.3007/s10656-016-0628-9

[17]. World Business Council for Sustainable Development (WBCSD). (2022). Corporate social responsibility: Meeting changing expectations.

[18]. International Organization for Standardization (ISO). (2010). ISO 26000 Guidance on social responsibility.

[19]. United Nations. (2015). Transforming our world: The 2030 Agenda for sustainable development.

[20]. Vishira, S. (2023). Corporate Social Responsibility as a source of job satisfaction – An exploratory study on the view of women employees in the service sector. *International Journal of Multidisciplinary Research. 2(3): 450-458.* https://doi.org/12.6507/s10916-016-028-9

[21]. Zheng, M. G (2020). Corporate Social Responsibility and Organizational performance for Nonprofit Staff.(2nd Ed.) Amazon. *Journal of Personality and Individual Differences. 5: 67-71.* https://doi.org/16.1065/s10916-016-0548-9