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BOARD CHARACTERISTICS AND CORPORATE SOCIAL RESPONSIBILITY OF LISTED DEPOSIT MONEY BANKS IN NIGERIA

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Abstract

Understanding how board characteristics influence corporate social responsibility (CSR) remains a pressing concern for governance and sustainability in the banking sector. This study examined the impact of board characteristics measured by board size, board independence, and gender diversity on the CSR of listed deposit money banks in Nigeria. The research adopted a correlational research design and utilized secondary panel data spanning 2014 to 2023, with a population of 10 listed banks and a census sample of all. Data were sourced from publicly available annual reports and regulatory filings and analysed using simple multiple regression within a panel data framework. Findings reveal that board size, board independence, and gender diversity each have a statistically significant and positive influence on CSR expenditures. The study concludes that effective board composition especially larger, more independent, and gender-diverse boards enhances CSR engagement in the Nigerian banking context. It recommends that banks strengthen governance by expanding board size, ensuring a minimum 60% representation of independent directors, and increasing female participation to at least 30% in order to foster more ethical and socially responsible corporate behaviour.

Keywords: Board characteristics, CSR, listed deposit money banks in Nigeria

1.0 Introduction

In recent years, Corporate Social Responsibility (CSR) has transitioned from being an ancillary function to a central component of strategic decision making within corporations, especially in sectors with significant societal and environmental interfaces. Among financial institutions such as deposit money banks in Nigeria, CSR is gaining relevance as stakeholders increasingly demand ethical conduct, transparency, and accountability (Iredele & Ogunleye, 2021). These institutions are expected not only to provide financial services but also to contribute to broader social objectives including financial literacy, environmental sustainability, and community development. As such, CSR serves as a crucial mechanism for banks to build trust, enhance reputational capital, and ensure sustainable stakeholder engagement.

The role of Nigerian banks in promoting socio economic development has become more prominent in light of regulatory pressures and public expectations. Central Bank of Nigeria (CBN) guidelines and sustainability frameworks encourage financial institutions to integrate environmental, social, and governance (ESG) concerns into their operational models (CBN, 2021). Yet, the extent of CSR adoption across banks varies widely, often influenced by internal governance dynamics. While some banks actively engage in CSR through education sponsorships, health interventions, and green financing, others merely adopt superficial

programs that lack measurable impact (Ejechi & Osadebe, 2022). This inconsistency prompts questions regarding the organizational factors that enable or constrain genuine CSR practices.

Importantly, CSR in the Nigerian banking sector is not just a compliance issue it is a strategic imperative that affects competitiveness and long-term viability. With increasing digital disruption, stakeholder activism, and regulatory scrutiny, banks must demonstrate commitment to ethical values and sustainability. However, studies have shown that in the absence of strong internal governance, CSR initiatives may become perfunctory, driven more by reputational concerns than by long-term stakeholder value creation (Omole & Abubakar, 2021). This suggests that the governance structure, particularly the characteristics of the board of directors, may significantly influence the nature and effectiveness of CSR efforts among Nigerian banks.

Corporate governance, through its mechanisms and structures, plays a pivotal role in shaping corporate ethics and social performance. Among the core governance attributes, board size, board independence, and gender diversity have emerged as critical variables that potentially affect CSR outcomes. These board characteristics not only determine strategic decision-making but also influence how organizations balance profit motives with social responsibilities (Ararat et al., 2021). In the Nigerian banking context, where corporate governance reforms have gained momentum in recent years, understanding how these factors relate to CSR practices is both timely and necessary.

Board size refers to the total number of directors on a company's board. A sufficiently large board is often associated with a diversity of skills, experiences, and perspectives, which can enrich decision-making processes and promote CSR engagement (Kajola et al., 2023). Larger boards are also more likely to include directors with specialized knowledge in sustainability or stakeholder engagement, thereby fostering a broader appreciation of social responsibility issues (Adegbite et al., 2022). However, overly large boards may experience coordination problems and diluted responsibility, which could hinder the swift execution of CSR strategies (Cheng & Wang, 2020). Therefore, the influence of board size on CSR may depend on achieving an optimal balance between inclusiveness and decisiveness.

Another critical attribute is board independence, the proportion of non-executive or independent directors who are not part of the company's management team. Independent directors are seen as key agents of accountability who can objectively oversee management and advocate for socially responsible initiatives (Boubaker et al., 2022). Their presence on the board reduces the risk of groupthink and encourages more ethical and stakeholder-focused decisions. In Nigeria, where banking scandals and governance lapses have raised public concern, board independence may serve as a safeguard against CSR tokenism and a driver of authentic social investment (Nguyen et al., 2023).

Gender diversity, or the representation of women on corporate boards, has also been linked to CSR outcomes. Empirical studies indicate that gender-diverse boards are more likely to prioritize social and environmental concerns, often due to the collaborative and empathetic decision-making styles associated with female directors (Bear et al., 2021; García-Sánchez et al., 2022). In the traditionally male-dominated Nigerian financial sector, increasing the participation of women in leadership roles could significantly reshape CSR strategies. Nevertheless, structural inequalities and gender biases continue to limit the effectiveness of diversity initiatives, raising questions about whether mere representation is sufficient to drive meaningful change (Konrad et al., 2020).

Despite the growing attention to governance and CSR, Nigerian deposit money banks often fall short in aligning board structure with sustainable outcomes. Regulatory efforts have

focused more on compliance than on capacity-building or performance measurement, resulting in a disconnect between governance frameworks and CSR effectiveness. Furthermore, inconsistencies in CSR performance across banks suggest that board attributes may be key determinants of success in implementing socially responsible practices. This observation aligns with findings from comparative studies that highlight the critical role of board composition in influencing CSR intensity and scope (Obalola et al., 2021).

While there is a burgeoning body of literature linking board characteristics to CSR in global contexts, the empirical evidence from Nigeria remains fragmented and inconclusive. Some studies suggest positive relationships between board diversity and CSR, while others report negligible or negative effects, possibly due to contextual factors such as regulatory enforcement, institutional maturity, and socio-cultural norms (Adegbite & Nakpodia, 2021; Ejechi & Osadebe, 2022). These disparities underscore the need for localized research that explores how board characteristics influences CSR performance in the unique regulatory and socio-economic environment of Nigeria's banking sector.

Despite mounting pressure for ethical and sustainable business practices, many Nigerian banks continue to exhibit inconsistent CSR engagement. While regulatory frameworks encourage responsible conduct, their implementation is often undermined by weak governance mechanisms and limited board accountability. The variability in CSR outcomes suggests that internal governance dynamics, specifically, the composition and structure of corporate boards may be influencing the extent and quality of CSR implementation. However, existing studies offer limited and contradictory insights into how board size, independence, and gender diversity affect CSR performance in the Nigerian banking context. This lack of clarity hampers the development of effective governance strategies that align corporate practices with broader societal goals.

Based on the gaps identified, the following null hypotheses are proposed:

H₀₁: Board size has no significant impact on CSR of listed deposit money banks in Nigerian

H₀₂: Board independence has no significantly effect on CSR of listed deposit money banks in Nigerian

H₀₃: Gender diversity in board composition has no significant influence on CSR of listed deposit money banks in Nigerian.

2.0 Literature Review

Corporate Social Responsibility (CSR) refers to the ethical and strategic commitment of firms to contribute positively to societal development beyond mere profit generation. According to Carroll and Brown (2021), CSR involves integrating environmental, social, and governance (ESG) concerns into corporate strategy. Orazalin (2020) expands on this by emphasizing CSR's role in fostering sustainable practices that benefit both stakeholders and the environment. García-Sánchez et al. (2022) add that CSR also serves as a reputation-enhancing mechanism that aligns corporate behavior with public expectations and long-term societal goals.

In the Nigerian banking sector, CSR has become an important tool for demonstrating corporate accountability and responding to stakeholder demands. Adegbite and Nakpodia (2021) argue that CSR initiatives such as financial literacy programs, education funding, and environmental conservation serve to improve stakeholder relationships and enhance public trust. Ogunkunle

and Adeoye (2021) note that CSR engagement is uneven across firms due to varying governance capacities. For the purpose of this study, CSR is defined as the set of strategic, ethical, and socially beneficial initiatives undertaken by listed deposit money banks in Nigeria to address stakeholder needs and environmental responsibilities.

Board size, representing the total number of directors on a firm's board, plays a vital role in strategic decision-making and CSR engagement. Adegbite et al. (2022) highlight that larger boards offer greater diversity in skills and viewpoints, fostering robust CSR deliberations. Kajola et al. (2023) affirm that board size influences oversight effectiveness and stakeholder representation. Cheng and Wang (2020) note that while a larger board may offer more comprehensive insights, it can also lead to coordination challenges. In this study, board size refers to the number of directors on the board of Nigerian deposit money banks, examined for its impact on CSR through strategic diversity and deliberative effectiveness.

Board independence is defined by the presence of non-executive, unaffiliated directors who offer impartial oversight and governance. Nguyen et al. (2023) emphasize that independent directors prioritize long-term stakeholder interests over short-term managerial goals. Boubaker et al. (2022) associate board independence with heightened CSR responsiveness and ethical vigilance. Obalola et al. (2021) observe that independent boards are more proactive in supporting sustainability initiatives. For this study, board independence is conceptualized as the proportion of independent, non-executive directors on Nigerian bank boards who contribute to CSR implementation through objective oversight and governance.

Gender diversity refers to the representation of women on corporate boards, influencing ethical leadership and CSR engagement. García-Sánchez et al. (2022) state that gender-diverse boards are more attentive to social issues and stakeholder concerns. Bear et al. (2021) argue that female directors bring inclusive and socially responsible perspectives to governance. Konrad et al. (2020) suggest that diverse boards lead to more balanced and ethical decisions. Within this study, gender diversity is defined as the proportion of female directors on the boards of Nigerian deposit money banks, analyzed for its influence on CSR strategies and stakeholder sensitivity.

Empirical

Board Size and CSR Performance

Several empirical literatures have been conducted on the impact of board characteristics and CSR including the study of Adegbite et al. (2022) who investigated the impact of board size on CSR in Nigerian banks, aiming to understand whether larger boards lead to more effective CSR practices. Using quantitative data extracted from the annual reports of Nigerian banks, they employed regression analysis to examine the relationship. The findings of the study suggest that larger boards provide a wider range of expertise and diverse perspectives, positively influencing CSR performance. However, they caution that excessively large boards may encounter communication difficulties that could hamper effective decision-making. The research recommend that firms optimize board size to balance diversity with operational efficiency, ensuring that board members can collaborate effectively to implement CSR initiatives. Similarly, Boubaker et al. (2022) explore the role of board size in CSR engagement among French corporations. Panel data was collected from 200 firms listed on the French stock exchange and applied fixed effects regression to analyse the data. The findings of the study indicate that larger boards are more likely to adopt CSR strategies, particularly when the board includes members with diverse professional backgrounds. This diversity in expertise enables

boards to address complex CSR challenges effectively. The study recommends that firms seek a balance by maintaining larger boards with varied industry experience to promote innovative and comprehensive CSR practices. In addition, Kajola et al. (2023) examine how board size influences CSR performance in Nigerian financial institutions. Utilizing a cross-sectional data from 30 Nigerian banks and applying structural equation modeling, the study found that, a moderate positive relationship between board size and CSR performance. However, the study note that excessively large boards tend to be less efficient, negatively impacting CSR outcomes. Their research underscores the importance of finding an optimal board size that fosters diversity without sacrificing decision making efficiency. The study suggests that Nigerian banks, in particular, should focus on refining their board composition to achieve more effective CSR outcomes.

Board Independence and CSR Performance

Nguyen et al. (2023) investigated the relationship between board independence and CSR performance in Vietnamese firms. By using survey data from 50 publicly traded companies by applying OLS regression to assess the impact of independent directors on CSR practices. The results of the study reveal a strong positive correlation, with firms featuring independent boards demonstrating superior CSR performance. The study highlights that independent directors provide unbiased oversight, pushing firms to prioritize ethical and long-term sustainability goals. The study recommends that firms increase the proportion of independent directors to strengthen their commitment to CSR and ensure responsible governance.

Moreso, Obalola et al. (2021) examined the Nigerian banks to explore the critical role of independent directors in shaping CSR strategies. Drawing on panel data from 10 Nigerian banks by applying panel data analysis to assess how board independence influences CSR adoption. The findings of the study reveal that banks with higher proportions of independent directors are more likely to implement robust CSR initiatives, particularly in environmental sustainability. The study suggests that promoting greater independence on boards can enhance firms' responsiveness to stakeholder concerns, thus improving their CSR performance. The study recommends among others that regulatory frameworks encourage increased board independence in order to align corporate actions with social responsibility. In the same vein, Cheng and Wang (2020) investigate how board independence affects CSR adoption in Chinese enterprises, providing new insights into governance in Asia. Using survey data from 100 firms listed on the Shanghai Stock Exchange, they employ structural equation modeling to test their hypothesis. The study reveals that firms with independent boards are significantly more likely to adopt comprehensive CSR strategies, particularly those focused on long-term environmental and social responsibility. The research emphasizes the importance of board independence not just for compliance, but also for fostering a corporate culture that actively engages with sustainability issues. The research recommends among others that firms integrate more independent directors to strengthen CSR outcomes.

Gender Diversity and CSR Performance

García-Sánchez et al. (2022) explore the impact of gender diversity on CSR practices in Spanish corporations. Using data from 100 firms, they apply fixed-effects regression analysis to assess how gender-diverse boards influence CSR performance. Their study reveals a strong positive relationship, with firms having higher female representation on their boards engaging more effectively in CSR activities, particularly those focused on social justice and sustainability. The study advocate for the promotion of gender diversity on boards, suggesting

that female directors bring fresh perspectives and are more attuned to the social and ethical concerns of stakeholders, driving CSR forward. In their longitudinal study, Bear et al. (2021) analyse the influence of female board members on CSR performance across Fortune 500 companies in the U.S. Using a comprehensive dataset spanning several years, the researchers employ longitudinal regression to investigate the relationship. The findings of the study show that companies with more female board members tend to have more robust CSR programs, especially those addressing community development and environmental sustainability. The research recommend that companies should actively encourage female participation on their boards, as it correlates with enhanced CSR initiatives and long-term stakeholder engagement. Post and Byron (2015) investigate the relationship between gender diversity on boards and CSR in large multinational companies. Using secondary data from 50 multinational corporations, they apply multivariate analysis to identify trends. Their study highlights that gender diverse boards are more likely to address global social and environmental issues in their CSR strategies. The research argue that female board members bring unique perspectives that contribute to more balanced and socially responsible decision-making. The authors suggest that multinational companies should prioritize increasing gender diversity to enhance CSR outcomes and improve their reputation globally. Finally, Konrad et al. (2020) examine the effect of gender diversity on CSR decision making in European firms, using cross-sectional data from 80 firms across the continent. Through regression analysis, they find that firms with greater gender diversity on boards engage more actively in CSR activities, particularly those targeting environmental and social justice causes. The study highlights that gender-diverse boards tend to have more inclusive decision-making processes, leading to more comprehensive and forward-thinking CSR strategies. The study calls for companies to invest in gender diversity as a means to enhance CSR performance and address the broader needs of society.

Theoretical Framework

This study examines the relationship between board characteristics and Corporate Social Responsibility (CSR) performance in listed oil and gas firms in Nigeria, drawing upon four key theories: Agency Theory, Stakeholder Theory, Resource Dependence Theory, and Institutional Theory. These theories provide complementary perspectives on how governance structures influence CSR practices. Agency Theory focuses on the principal-agent relationship, Stakeholder Theory emphasizes the importance of stakeholder engagement, Resource Dependence Theory underscores the role of external resources, and Institutional Theory highlights the impact of societal norms and external pressures. Together, these theories offer a comprehensive framework for understanding the dynamics at play in CSR performance.

Agency Theory, proposed by Jensen and Meckling (1976), addresses the conflict of interest between principals (shareholders) and agents (management), particularly when management pursues personal goals at the expense of shareholders. In the context of CSR, Agency Theory suggests that effective governance mechanisms, such as independent board members and equity ownership, can reduce agency costs by aligning management's interests with those of shareholders. Fama and Jensen (1983) further emphasize that independent boards can provide oversight and ensure that CSR initiatives align with long-term shareholder value. Thus, the agency relationship directly affects CSR outcomes, particularly in high-impact sectors like oil and gas, where environmental and social concerns are significant.

Stakeholder Theory, introduced by Freeman (1984), expands the focus from shareholders to a wider range of stakeholders, including employees, customers, suppliers, and communities.

This theory argues that companies should prioritize the interests of all stakeholders, not just shareholders, to ensure sustainable success. Hillman and Dalziel (2003) suggest that boards with diverse expertise are better equipped to address stakeholder concerns, particularly in sectors like oil and gas. Gender-diverse boards or those with sustainability expertise are more likely to implement CSR strategies that meet stakeholder expectations. Therefore, Stakeholder Theory provides a lens for understanding how board composition influences CSR practices, with a focus on ethical decision-making, stakeholder engagement, and long-term sustainability.

Resource Dependence Theory, as articulated by Pfeffer and Salancik (1978), posits that organizations depend on external resources such as capital, expertise, and information to thrive. In CSR, boards that include members with varied skills and networks are better positioned to secure necessary resources for sustainable practices. Kang et al. (2010) show that board diversity enhances CSR performance by enabling firms to tap into external networks, including NGOs and regulatory bodies. This theory emphasizes the need for boards to be adaptable to societal changes and proactive in leveraging external relationships. In the oil and gas industry, where CSR initiatives often require external collaboration, Resource Dependence Theory highlights the role of boards in accessing resources to address environmental and social challenges.

Institutional Theory, proposed by DiMaggio and Powell (1983), explores how external pressures, such as regulatory requirements and societal norms, shape organizational behavior. This theory suggests that firms adopt CSR practices not only to fulfil ethical obligations but also to gain legitimacy and maintain their social license to operate. Meyer and Rowan (1977) argue that firms often engage in CSR to conform to institutional expectations, which may lead to isomorphism, or the adoption of similar practices across organizations in the same industry. In the oil and gas sector, where regulatory bodies and public scrutiny play a significant role, boards must align CSR practices with institutional pressures to ensure both compliance and long-term success.

3.0 Research Methodology

This study adopts a quantitative correlational research design to examine the relationship between board characteristics variables. Board Size, Board Independence, and Gender Diversity and the corporate social responsibility (CSR) performance of listed deposit money banks in Nigeria. Correlational research is appropriate as it enables the assessment of statistical relationships among naturally occurring variables without experimental manipulation (Creswell & Creswell, 2018).

Given the multidimensional nature of the data, the study employs a panel data methodology, which combines both cross-sectional (across firms) and time-series (across years) observations. This approach enhances model efficiency and controls for individual heterogeneity, allowing for more robust and generalizable insights (Hsiao, 2022). It is consistent with the empirical tradition in corporate social responsibility studies, which often use panel regressions to uncover dynamic board and CSR linkages.

The population comprises of the study comprise of all the ten (10) deposit money banks listed on the Nigerian Exchange Group (NGX) as of 2024. These banks were selected due to their consistent availability of annual reports, corporate governance disclosures, and CSR expenditure data. The Nigerian banking sector, being one of the most regulated in Africa,

provides a fertile context for investigating board effectiveness and CSR engagement, given the mandatory disclosure requirements (Sanan, 2018).

Given the small and finite population size, a census approach was employed, wherein all ten listed banks were included in the study. This technique eliminates sampling bias and increases the statistical power of regression analyses (Saunders et al., 2019). The dataset spans a five-year period from 2014 to 2023, selected to provide a balanced pre- and post-pandemic perspective while ensuring data continuity and availability.

The study draws exclusively on secondary data obtained from publicly accessible and verifiable sources to ensure transparency and reliability. Key data sources include the annual reports and sustainability disclosures of the selected banks for CSR related metrics, the Nigerian Exchange Group (NGX) Factbooks for standardized corporate governance variables, and filings with the Securities and Exchange Commission (SEC) to authenticate board composition details. These sources provide audited and regulatory compliant information essential for a credible empirical analysis.

The study adopts a multiple regression technique of analysis within a panel data framework to examine the impact of board characteristics on corporate social responsibility (CSR), while controlling for firm size. This approach allows for the analysis of both cross-sectional and time-series variations across the selected banks. The model is specified as:

$$CSR_{it} = \beta_0 + \beta_1(BS_{it}) + \beta_2(BI_{it}) + \beta_3(GD_{it}) + \beta_4(FS_{it}) + \epsilon_{it} \dots \dots \dots (1)$$

where CSR represents the dependent variable and the board characteristics variables serve as predictors.

To ensure the robustness of the regression results, several diagnostic tests were conducted. Multicollinearity was examined using the Variance Inflation Factor (VIF), with all values maintained below the threshold of 5. The presence of heteroskedasticity was tested using the Breusch-Pagan test, and robust standard errors were applied where necessary. Additionally, the Shapiro-Wilk test confirmed the normality of residuals, validating the assumptions of linear regression.

Table 1
Variable Measurement

Variable	Operational Definition	Measurement Scale	Empirical Support
CSR (DV)	Naira value of CSR spending (education, health, community, etc.)	Ratio (continuous)	Awodiran & Jimba (2019)
Board Size (IV)	Total number of directors on the board	Ratio (count)	Ahmad et al. (2017)
Board Independence	% of independent non-executive directors on the board	Ratio (%)	Abubakar (2016)
Gender Diversity	% of female directors on the board	Ratio (%)	Oh et al. (2019)

Variable	Operational Definition	Measurement Scale	Empirical Support
Firm Size (Control)	Natural logarithm of total assets	Logarithmic	Sanan (2018)

Sources: Authors compilation from various literatures, 2023.

4.0 Results and Discussion

This section presents the results of the study, structured into descriptive statistics, correlation analysis, multicollinearity assessment, regression analysis, hypothesis testing, and discussion of findings. The results provide insights into how board characteristics impact on CSR of listed deposit money banks in Nigeria. Table 1 presents the descriptive statistics for the variables used in the study, including Corporate Social Responsibility (CSR), Board Size, Board Independence, Gender Diversity, and Firm Size. These statistics offer an overview of the central tendency and dispersion of each variable, along with the distribution characteristics through skewness and kurtosis.

Table 1
Descriptive Statistics for Study Variables

Variable	Mean	Std. Dev.	Min	Max	Skewness	Kurtosis
CSR (Naira '000)	735.20	248.63	350.00	1,200	0.72	-0.31
Board Size	11.50	2.10	8.00	15.00	0.24	-0.77
Board Independence	62.40	8.75	45.00	78.00	-0.11	-0.84
Gender Diversity	19.30	6.60	8.00	30.00	0.34	-0.49
Firm Size (log)	16.72	0.54	15.83	17.84	0.18	-0.60

Source: STATA version 10, 2023.

The results reveal that the average CSR expenditure among listed banks stands at approximately ₦735.20 million, with a modest spread across the dataset. Board size shows a slight positive skew, averaging 11.5 directors, reflecting adherence to corporate governance codes. Board independence displays a healthy average of 62.4%, suggesting alignment with regulatory requirements for non-executive representation. Gender diversity remains low but shows an upward trend, with a mean of 19.3%. All variables fall within acceptable skewness (± 1) and kurtosis (± 3) thresholds, supporting the normality assumption necessary for regression analysis.

Correlation Matrix

Table 2 provides the Pearson correlation coefficients to assess the strength and direction of bivariate relationships among the study variables.

Table 2
Pearson Correlation Matrix

Variables	CSR	Board Size	Board Independence	Gender Diversity	Firm Size
CSR	1.000				
Board Size	.412**	1.000			

Board Independence	.385**	.203	1.000		
Gender Diversity	.295*	.172	.118	1.000	
Firm Size	.460**	.398**	.337**	.276*	1.000

Source: STATA version 10, 2023. *Note: ** $p < .01$, $p < .05$

The correlation matrix indicates positive and statistically significant associations between CSR and each of the board characteristics variables. Board size ($r = .412$, $p < .01$) and board independence ($r = .385$, $p < .01$) are moderately correlated with CSR, while gender diversity ($r = .295$, $p < .05$) shows a weaker but still significant correlation. Firm size also correlates strongly with CSR ($r = .460$, $p < .01$), justifying its inclusion as a control variable.

Regression Analysis

Multiple regression analysis was conducted to determine the predictive power of board characteristics variables on CSR performance, while controlling for firm size.

Table 3

Multiple Regression Results (Dependent Variable: CSR)

Predictor	B	Std. Error	t	p
(Constant)	-195.34	112.27	-1.74	.087
Board Size	25.17	8.62	2.92	.005**
Board Independence	14.08	5.98	2.35	.021*
Gender Diversity	9.76	4.44	2.20	.030*
Firm Size (control)	58.45	19.74	2.96	.004**

Model Summary: $R^2 = .431$,
Adjusted $R^2 = .397$,
 $F(4, 45) = 12.86$, $p < .001$

Source: STATA version 10, 2023.

The regression results reveal that all board characteristics variables significantly predict CSR expenditure. Board size has a strong positive effect ($\beta = 25.17$, $p = .005$), indicating that larger boards may provide broader perspectives and enhance CSR engagement. Board independence ($\beta = 14.08$, $p = .021$) also shows a significant positive impact, consistent with agency theory, which posits that independent directors enhance firm accountability and stakeholder orientation. Gender diversity ($\beta = 9.76$, $p = .030$) positively influences CSR, aligning with findings by Oh et al. (2021) that suggest diverse boards are more socially responsive. Firm size ($\beta = 58.45$, $p = .004$) further underscores the role of financial capacity in enabling CSR initiatives.

These findings corroborate recent studies such as Ahmed and Mustapha (2022), who observed similar positive relationships between board characteristics and CSR in emerging economies. The significant F-statistic and relatively high adjusted R^2 value indicate that the model explains a substantial portion of the variance in CSR performance among listed Nigerian banks.

Hypothesis Testing

Based on the statistical evidence, the first null hypothesis (H_{01}), which posits that board size has no significant impact on CSR, is rejected, as board size significantly predicts CSR at $p <$

.01. Similarly, the second null hypothesis (H_{02}), suggesting that board independence does not significantly affect CSR, is also rejected, given the significant p-value of .021. The third null hypothesis (H_{03}), which states that gender diversity has no significant influence on CSR, is rejected as well, supported by a significant p-value of .030. These results align with both theoretical expectations and empirical evidence, reinforcing the view that board characteristics plays a pivotal role in shaping corporate social behavior in the Nigerian banking sector.

The study reveals that board size, board independence, and gender diversity each have a significant positive impact on CSR performance among listed deposit money banks in Nigeria. Larger, more independent, and gender-diverse boards are more likely to drive socially responsible initiatives. Firm size also plays a key role, suggesting that resource availability enhances CSR engagement. These findings highlight the strategic value of effective board composition in fostering corporate accountability and sustainability.

5.0 Conclusion and Recommendations

This study investigated the impact of board characteristics captured through board size, board independence, and gender diversity on the corporate social responsibility (CSR) performance of listed deposit money banks in Nigeria using secondary panel data from 2014 to 2023. The findings revealed that all three board characteristics variables significantly and positively influence CSR engagement. Board size emerged as the most influential predictor, followed by board independence and gender diversity, while firm size was found to enhance CSR spending due to its financial leverage. These outcomes provide empirical support for corporate governance theories and highlight the strategic role of effective board composition in advancing social responsibility objectives in the Nigerian banking sector.

Conclusion

The study concludes that board composition is a critical determinant of CSR performance among Nigerian listed deposit money banks. Larger boards are more likely to drive stronger CSR commitments, likely due to a broader range of skills and perspectives that enhance strategic oversight. Similarly, board independence significantly contributes to CSR, supporting the notion that non-executive directors play a pivotal role in promoting ethical governance and stakeholder-oriented practices. Gender-diverse boards also emerged as key drivers of CSR engagement, reflecting how inclusive governance contributes to a firm's social responsibility posture. These conclusions reinforce corporate governance theory, highlighting that strategic board design is essential for advancing social and ethical goals in the financial sector.

Recommendations

In light of the findings, it is recommended that listed deposit money banks in Nigeria adopt actionable governance reforms to enhance their CSR performance. First, banks should strategically increase their board size to between 11 and 13 members, optimizing diversity and governance efficiency. Second, regulatory authorities such as the Central Bank of Nigeria (CBN) and the Securities and Exchange Commission (SEC) should mandate that at least 60% of board members be independent directors, ensuring greater objectivity and accountability. Third, financial institutions should implement gender inclusion policies that aim for a minimum of 30% female board representation, supported by mentorship programs and inclusive recruitment strategies to promote gender equity and socially responsible leadership.

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