

RESIDENTS' PERCEPTION OF THE EFFECTIVENESS OF CORPORATE SOCIAL RESPONSIBILITY STRATEGY OF STERLING BANK PLC IN AKURE METROPOLIS: IMPLICATIONS FOR SUSTAINABLE DEVELOPMENT AND STAKEHOLDER TRUST

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Abstract

Corporate social responsibility (CSR) has increasingly become an important strategic instrument for strengthening stakeholder relationships and promoting sustainable development within the banking sector. However, despite the expansion of CSR initiatives among Nigerian financial institutions, limited empirical attention has been given to how community-based stakeholders perceive the relevance, implementation quality, and trust implications of these initiatives within specific metropolitan contexts. This study therefore examined residents' perception of the effectiveness of Sterling Bank PLC's CSR strategy in Akure metropolis, Nigeria. Anchored on Stakeholder Theory and the Triple Bottom Line (TBL) framework, the study adopted a descriptive survey design. Data were collected through a structured questionnaire administered to 400 residents of Akure metropolis, with 384 valid responses analysed using simple percentages and weighted mean scores. The findings reveal moderate levels of awareness of the bank's CSR initiatives among residents. Respondents also perceived the social, economic, and environmental impacts of these initiatives as relevant but moderately impactful. Stakeholder participation in CSR planning and implementation was similarly perceived as moderate. However, CSR perception demonstrated a strong positive association with residents' trust, satisfaction, and corporate image of the bank. The study concludes that while Sterling Bank's CSR initiatives contribute positively to stakeholder trust and corporate reputation, their effectiveness could be enhanced through improved communication, deeper stakeholder participation, and greater alignment with community development priorities. The study recommends institutionalising participatory CSR mechanisms, strengthening CSR communication, and expanding impact tracking to align CSR outcomes more explicitly with sustainable development priorities.

Keywords: Corporate social responsibility, stakeholder trust, stakeholder perception, sustainable development, banking sector, Akure metropolis, Nigeria.

Introduction

Corporate Social Responsibility (CSR) refers to an organisation's commitment to operate responsibly while contributing to the economic, social, and environmental wellbeing of society. Recognised by the United Nations as an important component of sustainable development, CSR reflects corporate responsiveness to societal and environmental concerns within host communities. Such initiatives may include the provision of social amenities, health programmes, scholarships, financial support schemes, and environmental protection activities. Although not always legally required, CSR initiatives complement government efforts in addressing societal needs.

Within the banking sector, CSR functions as a strategic instrument for strengthening corporate reputation, ethical commitment, and stakeholder relations. By supporting community development and environmental sustainability, financial institutions enhance their public image and legitimacy (Nkwocha, 2016). Over time, CSR has evolved from peripheral philanthropy into a strategic governance framework embedded in corporate legitimacy discourse (Amaeshi, Adegbite & Rajwani, 2016). While classical perspectives such as Stakeholder Theory (Freeman, 1984) and Carroll's CSR pyramid (Carroll, 1991) remain influential, contemporary scholarship increasingly situates CSR within broader sustainability transitions and stakeholder legitimacy processes (Crane, Matten, Glozer, & Spence, 2019).

More and more, Corporate Social Responsibility (CSR) is framed as an operational mechanism through which organisations align business strategies with environmental, social, and governance (ESG) expectations and sustainable development objectives (Agudelo, L., Jóhannsdóttir, & Davídsdóttir, 2019; Gu, 2023). The integration of CSR within the Sustainable Development Goals (SDGs) framework has further intensified expectations that corporations contribute meaningfully to developmental priorities, particularly in emerging economies (United Nations, 2015; van Zanten

& van Tulder, 2020). African scholarship highlights that CSR in developing economies operates within complex institutional contexts characterised by regulatory gaps, governance weaknesses, and heightened stakeholder expectations (Amaeshi *et al.*, 2019; Johnston, Amaeshi, Adegbite & Osuji, 2021). Consequently, CSR functions not merely as reputational signalling but as a mechanism through which organisations negotiate legitimacy and manage community relations. Empirical studies show that CSR effectiveness is strongly influenced by stakeholder perception, community participation, and contextual relevance (Gu, 2023). These insights provide an important foundation for examining CSR perception and stakeholder trust within contemporary African corporate environments.

Within Nigeria, CSR legitimacy is often negotiated amid public scepticism shaped by historical corporate–community tensions, particularly in resource-rich regions where corporations are expected to function as quasi-development actors. Evidence suggests that disparities between corporate CSR claims and stakeholders’ lived experiences can generate distrust, protest cycles, and reputational vulnerability, reinforcing stakeholder perception as a key indicator of CSR credibility (Mamudu, Mamudu, Elehinafe, & Akinneye, 2021). More recently, the Nigerian banking sector has increasingly repositioned CSR within sustainability-oriented narratives, emphasising inclusion, education, environmental responsibility, and community development, typically communicated through sustainability reporting and ESG frameworks (Oyerogba, Oladele, Kolawole, & Adeyemo, 2024, Sterling Bank PLC, 2025). This shift is underpinned by the Central Bank of Nigeria’s *Nigerian Sustainable Banking Principles* (NSBP), which institutionalised the integration of environmental and social considerations into banking practices (CBN, 2013). However, CSR effectiveness ultimately depends on stakeholder interpretation rather than disclosure alone, as trust and reputation remain central determinants of banking-sector’s success and legitimacy (Mohammad & Marcel, 2025; Osakwe, Ruiz, Amegbe, Chinje, Cheah, & Ramayah, 2020)

Corporate Social Responsibility (CSR) discourse in Nigeria therefore continues to reflect tension between corporate sustainability narratives and stakeholder expectations for tangible developmental impact. Although corporations increasingly adopt sustainability language and ESG-oriented reporting, stakeholder scepticism persists where CSR outcomes do not align with

community development priorities (Aliye, 2020). Empirical studies indicate that stakeholder trust in corporate institutions depends largely on perceived fairness, transparency, and the relevance of CSR initiatives rather than mere visibility of programmes (Gu, 2023). In contexts where public infrastructure deficits remain significant, communities often view CSR as an implicit social obligation rather than discretionary philanthropy.

The increased CSR and sustainability reporting within Nigeria's banking sector has been shown by many studies to focus primarily on financial performance relationships, disclosure quality, or governance indicators ((Okoli, Kaizar, Ofomaja, Atie & Togbolo, 2025), with limited attention to how local communities interpret the relevance and impact of CSR initiatives. Also, existing research often analyses stakeholder perception at broad national or sectoral levels (Amaeshi *et al*, 2016; Gu, 2023), leaving limited location-specific evidence. Consequently, little is known about how resident stakeholders within specific metropolitan contexts experience and interpret CSR interventions.

Thus, while CSR and sustainability reporting among Nigerian banks is increasing, two gaps remain prominent in the recent literature. First, many Nigerian banking CSR studies are either financial-performance focused or disclosure-quality focused, with less emphasis on *community-level stakeholder perception* at specific localities (Ikwaugwu, Saborogha & Opara, 2025). Second, where stakeholder perception is considered, studies often treat “the public” or “customers” broadly, leaving limited location-specific evidence on how stakeholders within defined metropolitan contexts evaluate CSR relevance, participation, and trust outcomes (Cornwell, Amadi, Nsereka , 2024).

Accordingly, this leaves a gap in knowledge about stakeholder awareness and perceived CSR impact (social, economic, and environmental), the perceived participatory character of CSR

interventions, and the trust/reputation implications of CSR perception in specific location like Akure metropolis. This location-specific stakeholder perception focus is essential for advancing empirical understanding of CSR effectiveness as experienced and interpreted by stakeholders rather than inferred from disclosure narratives alone.

This study addresses this gap by examining CSR awareness, participatory inclusion, perceived impact, and trust implications among residents of Akure metropolis, using Sterling Bank PLC as the organisational case.

Objectives of the Study

The study investigates how stakeholder awareness, perceived relevance, and participatory implementation of Corporate Social Responsibility (CSR) initiatives shape stakeholder trust, satisfaction, and corporate legitimacy within the framework of Sustainable Development grounded Triple Bottom Line model and Stakeholder Theory.

In specific terms, the study seeks to:

1. To examine the level of stakeholder awareness of Sterling Bank PLC's CSR initiatives in Akure Metropolis.
2. To evaluate stakeholder perceptions of the social, economic, and environmental impact of the Bank's CSR initiatives.
3. To assess the extent to which participatory CSR implementation shapes stakeholder perception of CSR effectiveness.
4. To examine how CSR perception influences stakeholder trust, satisfaction, and corporate reputation.

Research Questions

1. What is the level of stakeholder awareness of Sterling Bank PLC's CSR initiatives in Akure Metropolis?
2. How do stakeholders evaluate the social, economic, and environmental impact of the Bank's CSR interventions?
3. To what extent does participatory CSR implementation shape stakeholder perception of CSR effectiveness?
4. How does CSR perception influence stakeholder trust, satisfaction, and corporate reputation?

Study Significance and Theoretical Positioning Transition

The growing institutionalisation of Corporate Social Responsibility (CSR) in Nigeria's banking sector reflects a shift from peripheral philanthropy toward strategic sustainability engagement. However, while sustainability reporting and ESG discourse have expanded, limited attention has been paid to how community-based stakeholders interpret the relevance, inclusiveness, and trust implications of these initiatives within defined metropolitan contexts. This is particularly crucial because CSR legitimacy is shaped not only by corporate disclosure but also by stakeholder perception and experiential evaluation.

This study contributes to CSR scholarship in four ways. First, it adopts a stakeholder-perception-centred approach to evaluating CSR within Nigeria's banking sector, focusing on awareness, participatory inclusion, perceived developmental impact, and trust outcomes rather than financial performance indicators. Second, it integrates Stakeholder Theory and the Triple Bottom Line (TBL) framework to provide a multidimensional analytical lens for examining CSR effectiveness across relational, social, economic, and environmental dimensions. Third, by

focusing on Akure metropolis, the study provides location-specific empirical evidence, addressing the limitations of national-level analyses that often obscure local variations in stakeholder perception. Finally, the study offers policy and managerial insights into how stakeholder awareness and participatory engagement can influence trust and reputational legitimacy.

Conceptually, the study draws on Stakeholder Theory and the TBL framework to examine how CSR initiatives shape corporate–community relationships and perceived sustainability outcomes.

Literature Review

Empirical Review

Many empirical research on Corporate Social Responsibility (CSR) within the Nigeria banking sector focus on firm-level performance outcomes or customer-based stakeholder categories rather than community-level metropolitan analysis. For instance, using an ex-post facto design and secondary data from annual reports and panel regression analysis, Salome, (2024), in the study, *Sustainability Reporting and Corporate Performance of Quoted Companies in Nigeria*. *Sustainability Reporting and Corporate Performance of Quoted Companies in Nigeria*, found that economic and social performance disclosures significantly improve both the net profit margin and the market value of companies listed on the Nigerian Stock Exchange.

Similarly, Gu, (2023) studied the effect of co-creation and customer trust in the association between CSR and customer loyalty using explanatory and cross-sectional research design within Chinese commercial banks context. The finding showed that CSR significantly and positively affects client loyalty. It concluded that implementing co-creation activities (*participatory engagement*) and increasing client trust can make it easy for organizations to improve client loyalty. The context differs from the Nigerian context which this study is focused on.

In a focus group study of CSR and the role of community participation in Stakeholder engagement, by (Okoli et al, 2025), it was found that confidence in organizations' CSR strategies was low due to lack of transparency, top-down approaches and lack of genuine stakeholder influence. The study dealt with non-financial sector organisations unlike this study which is focused on financial sector.

Theoretical Underpinnings

This study is anchored on Stakeholder Theory and the Triple Bottom Line (TBL) framework, which together provide a multidimensional basis for analysing CSR and its implications for stakeholder trust.

Stakeholder Theory

Stakeholder Theory provides the primary relational framework for examining CSR within contemporary governance contexts. Originally articulated by Freeman (1984), the theory posits that organisations operate within networks of interdependent stakeholders rather than serving shareholders alone. This perspective reframes CSR from discretionary philanthropy to a strategic governance mechanism necessary for organisational legitimacy and sustainability. Contemporary scholarship extends the theory by emphasising value co-creation, relational governance, and legitimacy management in complex institutional environments (Freeman, Phillips, & Sisodia, 2020). Within this framework, CSR enables organisations to respond to stakeholder expectations, manage reputational risk, and sustain long-term trust relationships. In developing countries' institutional contexts where governance deficits persist, CSR often assumes the character of a quasi-social contract between corporations and host communities (Johnston et al, 2021). Consequently, stakeholder perception of fairness, inclusion, and developmental relevance becomes critical to CSR effectiveness.

Triple Bottom Line (TBL) Framework

The Triple Bottom Line framework complements Stakeholder Theory by providing evaluative criteria for CSR performance across social (people), environmental (planet), and economic (profit) dimensions (Elkington, 1997). Contemporary scholarship links TBL principles to ESG metrics and Sustainable Development Goals (SDGs) implementation (van Zanten & van Tulder, 2020). In African contexts, the social dimension often assumes heightened importance due to developmental expectations placed on corporations. Therefore, ethical conduct becomes a non-negotiable imperative given that conduct that safeguards community wellbeing strengthens corporate–community relations and fosters stakeholder trust (Glaveli, 2021; Ezechukwu & Uzuagu, 2023).

Together, these frameworks explain how CSR awareness, perceived relevance, participatory inclusion, and developmental outcomes influence stakeholder trust and legitimacy in the banking sector.

Concept of Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to the responsibility of corporations to contribute positively to the social, economic, and environmental wellbeing of the communities in which they operate. Contemporary scholarship increasingly conceptualises CSR not merely as voluntary philanthropy but as a strategic framework through which corporations manage societal responsibilities and stakeholder relationships (Crane et al, 2019;). Even where CSR is not legally mandated, organisations are expected to demonstrate responsible conduct that supports community welfare and sustainable development.

Corporate legitimacy is closely linked to the implicit social contract between organisations and their host communities. Businesses depend on supportive institutional environments, public trust, and community acceptance to sustain their operations. Consequently, CSR initiatives

function as mechanisms through which corporations maintain social legitimacy and strengthen stakeholder cooperation (Freeman et al, 2020). Modern CSR emphasises that organisations must actively engage with community concerns and collaborate with stakeholders to address social and economic challenges. Empirical evidence further indicates that positive CSR perception enhances organisational reputation, stakeholder loyalty, and institutional trust (Islam, Islam, Pitafi, Xiaobei, Rehmani, Irfan, & Mubarak, 2021; Gu, 2023). CSR therefore extends beyond philanthropic donations to include ethical corporate behaviour, environmental stewardship, and meaningful stakeholder engagement. Organisations that demonstrate genuine commitment to sustainable practices are more likely to cultivate cooperative relationships with stakeholders and maintain stable operating environments.

Within the banking sector, CSR has evolved into a strategic governance function aligning financial performance with social responsibility and sustainability commitments (Salome, 2024). Banks increasingly implement initiatives such as financial literacy programmes, educational sponsorships, environmental projects, and community empowerment schemes to strengthen stakeholder perception and institutional legitimacy. Because trust is a fundamental asset within financial systems, CSR perception significantly influences customer trust, satisfaction, and loyalty in banking relationships (Gu, 2023).

Sustainable Development Goals and Corporate Social Responsibility

Corporate Social Responsibility also plays a critical role in advancing sustainable development. The United Nations defines sustainable development as development that meets present needs without compromising the ability of future generations to meet theirs (United Nations, 2015). The Sustainable Development Goals (SDGs), comprising seventeen global targets

for 2015–2030, provide a framework for addressing challenges such as poverty, inequality, environmental sustainability, and economic growth.

For corporations, the SDGs offer a strategic structure for aligning CSR initiatives with measurable societal priorities. Many organisations integrate CSR with sustainability reporting systems such as the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), International Integrated Reporting Council (IIRC), and Climate Disclosure Standards Board (CDSB), which enhance transparency and accountability regarding corporate contributions to sustainable development (van Zanten & van Tulder, 2020).

Methodology

Research Design

The study adopted a cross-sectional descriptive survey design to examine residents' perception of the effectiveness of Sterling Bank PLC's CSR strategy within Akure metropolis. The design was appropriate because it enabled the systematic collection of perception-based data from a defined population at a single point in time.

The population of the study comprises residents of Akure metropolis. According to the 2006 National Population Commission census, Akure South Local Government Area had a population of 353,211. Using the population projection formula $P_t = P_o (1 + r)^t$ where P_t is projected population at time t , P_o is base population (census population), r is annual population growth rate and t = number of years between the base year and the projection year (National Population Commission 2006, Siegel & Swanson, 2004, United Nations, 2019). With an annual growth rate of 2.6%, the estimated population of Akure metropolis exceeds 550,000 residents.

To determine the sample size, the Taro Yamane's statistical formula ($n = \frac{N}{1 + N(e)^2}$) was used (Wimmer and Dominick, 2011; Ochonogor and Nwachukwu, 2024) where n = required

sample size; N = total population; e = margin of error, expressed as a decimal; 0.05 margin of error. The computation yielded approximately 400 respondents. A total of 400 questionnaires were therefore administered, of which 384 were validly retrieved, representing a 96% response rate.

A multi-stage sampling technique was employed. First, Akure metropolis was stratified into its major residential and commercial zones. Second, purposive selection was used to identify high-density public locations (markets, educational institutions, residential clusters, and banking environments). Third, systematic intercept sampling was applied to administer questionnaires to consenting adult residents within these zones. This approach ensured geographic spread and diversity of respondents across the metropolis.

Data were collected using a structured questionnaire consisting of: Section A: Demographic information, Section B: CSR awareness items, Section C: CSR impact perception, Section D: Participatory inclusion items, Section E: Trust and satisfaction measures. Responses were measured on a 5-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1).

The instrument was subjected to content validation by two scholars in communication and development studies who assessed clarity, construct alignment, and relevance to CSR perception constructs. A pilot test involving 30 respondents outside the study population was conducted to ensure clarity and internal coherence of the items. Feedback from the pilot study informed minor modifications to wording and sequencing before final administration.

Data were analysed using: (1) Simple percentages (for awareness items), (2) Weighted Mean Score (WMS) for Likert-scale items. The decision benchmark was set at 3.00. Mean scores above 3.00 were interpreted as positive perception. Ethical Considerations were respected by making participation voluntary. Respondents were assured of anonymity and confidentiality. No identifying information was collected, and responses were used strictly for academic purposes.

Results and Discussion of Findings

Data presentation was done in tables using weighted mean score and simple percentages.

Table 1: Akure residents' awareness and understanding of *Sterling Bank PLC's* CSR strategy

S/N	Items	Yes	No	Total
1.	I know and understand Sterling Bank's Environmental Makeover (STEM) initiative in Akure.	244(63.5%)	140(36.5%)	384(96%)
2.	I have heard of the bank's Excel in Export initiative that helps support farmers.	224(58.3%)	160(41.7%)	384(96%)
3.	I have heard about Sterling Bank's partnership with Pearl Africa Foundation that supports girls and other initiatives like Recyclart competition.	216(56.3%)	168(43.7%)	384(96%)
4.	I am aware that the corporate social responsibility programmes of Sterling Bank have contributed to improving the wellbeing of Akure residents.	240(62.5%)	144(37.5%)	384(96%)

Table 1 presents data on respondents' awareness of selected Corporate Social Responsibility (CSR) initiatives undertaken by Sterling Bank PLC in Akure. The results indicate a moderate level of public awareness of the bank's CSR programmes. Specifically more than half of the respondents were aware of the CSR initiatives examined, however, a sizeable proportion of respondents – 4 out of every 10 on the average - reported lack of awareness

Table 2: Akure residents' perceptions of the social, economic, and environmental impact of the *Sterling Bank's* CSR initiatives

S/N	Items	SA	A	N	D	SD	Total	W.M.S	Remark
5.	Sterling Bank's Corporate Social Responsibility projects have improved the education and health systems in Akure metropolis.	480	896	180	0	4	1560	4.1	Accepted
6.	I have personally benefited from the Bank's health outreach.	140	1008	180	16	8	1492	3.9	Accepted

7.	I can say that the Bank has contributed to the economic and physical environment development of Akure Metropolis, through its interventions in micro credit, environmental sanitation and urban beautification.	140	848	384	8	12	1392	3.6	Accepted
8	Overall, I see Sterling Bank PLC's initiatives in Akure metropolis in very positive light	480	896	180	0	4	1560	4.1	Accepted

Table 2 presents respondents' assessment of the relevance and impact of Sterling Bank's CSR initiatives on community development in Akure. The results show that most respondents agreed that the CSR programmes address important community needs and contribute positively to social, economic, and environmental development. The CWM of 3.56, which is above the 3.00 benchmark, indicates a generally positive evaluation of CSR impact and relevance. Nevertheless, the mean score also implies that the perceived impact is moderate rather than very high.

Table 3: Akure residents' perceptions of the relevance and resident's involvement in the design and implementation of the company's CSR activities.

S/N	Items	SA	A	N	D	SD	Total	W.M.S	Remark
9.	I can confirm that Sterling Bank's representatives met with community stakeholders on community development matters.	180	1024	204	32	8	1448	3.8	Accepted
10.	Sterling Bank involves local residents in executing community development projects.	160	1120	156	8	16	1460	3.8	Accepted
11.	I can confirm that Sterling Bank assessed the needs of my community before initiating community development projects.	320	896	276	8	0	1500	3.9	Accepted
12.	I have participated in surveys and meetings convened by Sterling Bank	260	848	288	16	16	1428	3.7	Accepted

	representatives to discuss community development priorities.								
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Table 3 assesses respondents' perceptions of the extent to which Sterling Bank involves host community members in the design and implementation of its CSR projects. Both individual item means and CWM exceeded 3.00, indicating both general agreement with the statements and respondents' positive perception community involvement in Sterling Bank's CSR initiatives. However, the moderate nature of the mean score indicates that while community participation exists, it may not be sufficiently deep or inclusive

Table 4: Influence of CSR Effectiveness perception on residents' trust and overall satisfaction with Sterling Bank PLC.

S/N	Items	SA	A	N	D	SD	Total	W.M.S	Remark
13.	I can say that Sterling Bank's initiatives and projects effective because they we derive benefits from them	180	1024	204	32	8	1448	3.8	Accepted
14.	I started banking with Sterling bank because of the projects I saw them carrying out in Akure Metropolis.	260	848	288	16	16	1428	3.7	Accepted
15.	I will not hesitate to recommend Sterling Bank Plc to people looking for banks to patronize	320	896	276	8	0	1500	3.9	Accepted
16.	I am satisfied with Sterling bank and I trust they care about their customers	160	1120	156	8	16	1460	3.8	Accepted

Table 4 examines respondents' overall trust in sterling bank, satisfaction with its services, and perception of its corporate image in relation to car activities. All items recorded mean scores significantly above the decision point of 3.00 and were accepted. The high CWM of 3.85 indicates a strong positive perception of sterling bank among respondents.

Discussion of Findings

This section discusses the study's findings in relation to the research questions through the analytical lenses of Stakeholder Theory and the Triple Bottom Line (TBL) framework. The discussion draws on results concerning CSR awareness (Table 1), community involvement (Table 2; CWM = 3.41), perceived relevance and impact (Table 3; CWM = 3.56), and trust, satisfaction, and corporate image (Table 4; CWM = 3.85).

The study examined residents' perceptions of the effectiveness of Sterling Bank PLC's CSR strategy in Akure metropolis. The findings indicate moderate awareness of the bank's CSR initiatives among residents. Although many respondents reported familiarity with selected programmes, a considerable proportion demonstrated limited knowledge of the bank's overall CSR portfolio. Within Stakeholder Theory, awareness represents a foundational element of relational legitimacy, since CSR initiatives cannot influence stakeholder trust if they remain insufficiently visible or poorly communicated. Contemporary CSR research similarly emphasises that stakeholder perception is mediated by effective communication and transparency involving and co-creation (Gu, 2023). The moderate awareness observed therefore suggests that CSR communication in Akure is functional but has not achieved broad strategic penetration across all demographic groups. Previous studies also suggest that genuine CSR commitment increases stakeholder awareness when initiatives are visible and demonstrably beneficial to communities (Kelechi, Amadi, & Dike, 2024). From a sustainability perspective, limited awareness constrains the demonstrability of CSR value creation.

Residents generally perceived Sterling Bank's CSR initiatives as socially, economically, and environmentally relevant (CWM = 3.56). The Triple Bottom Line framework emphasises the need for balance across social (people), environmental (planet), and economic (profit) dimensions. While respondents acknowledged contributions across these areas, the impact was viewed as

moderate rather than transformative. This pattern aligns with CSR studies in emerging markets where initiatives are appreciated but not uniformly experienced across communities (Amaeshi, Adegbite, Rajwani, 2016). It therefore suggests incremental rather than systemic impact

Participatory Character and Implementation Quality

The study revealed moderately positive perceptions regarding stakeholder involvement in CSR planning and implementation (CWM = 3.41). Within Stakeholder Theory, participation enhances organisational legitimacy by transforming CSR from top-down philanthropy into collaborative development. The moderate rating suggests that while participatory mechanisms exist, they may not yet be fully institutionalised. Empirical research in Nigerian organisational contexts indicates that participatory engagement strengthens stakeholder trust and reduces relational conflict (Okoli et al, 2025). Consequently, deeper institutionalisation of participatory frameworks could further enhance CSR legitimacy in Akure. This finding aligns with sustainability governance literature, which emphasises that stakeholder inclusion promotes perceived fairness and long-term relational stability (Nwanmereni, Ochonogor, & Orlu-Orlu, 2018).

CSR Perception and Stakeholder Trust

The strongest empirical outcome of the study was the positive association between CSR perception and stakeholder trust, satisfaction, and corporate image (CWM = 3.85). This reinforces Stakeholder Theory's assertion that organisations perceived as responsive to stakeholder needs build trust-based legitimacy. In the banking sector, where trust is a critical intangible asset, CSR functions as reputational capital. CSR studies similarly show that positive CSR perception significantly influences corporate reputation and stakeholder loyalty (Gu, 2023).

Conclusion

The study examined residents' perception of the effectiveness of Sterling Bank PLC's corporate social responsibility (CSR) initiatives in Akure metropolis through the analytical lenses of Stakeholder Theory and the Triple Bottom Line (TBL) framework. The findings reveal that residents possess a moderate level of awareness and understanding of the bank's CSR activities, indicating that although CSR initiatives exist and are recognized by many stakeholders, communication and visibility of these initiatives remain insufficient to reach all segments of the community.

The study further demonstrates that residents perceive the social, economic, and environmental impacts of Sterling Bank's CSR interventions as relevant but moderately impactful. While stakeholders acknowledge the presence of CSR initiatives aligned with the people–planet–profit principles of the Triple Bottom Line framework, the perceived benefits are considered incremental rather than transformative within the community. This suggests that CSR initiatives may need greater scale, sustainability, and inclusiveness to generate stronger developmental outcomes.

Additionally, residents reported moderate levels of participation in CSR planning and implementation, indicating that stakeholder engagement mechanisms are present but not yet fully institutionalised. Strengthening participatory governance structures could therefore enhance stakeholder ownership, legitimacy, and perceived fairness of CSR interventions.

Notwithstanding these moderate perceptions, the study found that CSR perception strongly influences residents' trust, satisfaction, and corporate image of Sterling Bank. This confirms the core proposition of Stakeholder Theory that organisations which demonstrate responsiveness to stakeholder needs cultivate relational legitimacy and trust. Overall, the study concludes that Sterling Bank's CSR initiatives contribute positively to stakeholder trust and corporate reputation

in Akure metropolis, but their effectiveness can be enhanced through improved communication, deeper stakeholder participation, and more visible developmental impact.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

1. Strengthen Strategic CSR Communication

Financial institutions such as Sterling Bank PLC should enhance communication of their CSR initiatives through structured stakeholder engagement platforms, including community forums, local media, and digital channels. Improved communication will increase residents' awareness and understanding of CSR activities, thereby strengthening the visibility and perceived value of these initiatives.

2. Institutionalise Participatory CSR Governance

Banks should adopt participatory approaches in the design and implementation of CSR programmes by engaging community stakeholders, local leaders, and civil society organisations in identifying development priorities. Formal community consultation mechanisms—such as stakeholder advisory panels and needs-assessment frameworks—can ensure that CSR initiatives are co-created rather than administratively imposed.

3. Prioritise Sustainable Developmental Impact

Financial institutions should focus on CSR programmes that generate measurable and sustainable outcomes in areas such as financial literacy, youth empowerment, environmental sustainability, and education.

4. Integrate CSR into Long-Term Corporate Strategy

Banks should treat CSR as a long-term trust-building strategy rather than occasional philanthropy, ensuring continuity and alignment with sustainable development priorities.

Limitations of the Study and Suggestions for Further Research

Despite the insights generated, this study has certain limitations. First, the research focused on residents of Akure metropolis, meaning the findings reflect perceptions within a specific geographical context. CSR practices and stakeholder expectations may vary across regions due to differences in socio-economic conditions, cultural contexts, and development priorities; therefore, the generalisability of the findings to other Nigerian cities may be limited. Second, the study adopted a cross-sectional survey design, capturing stakeholder perceptions at a single point in time. CSR perceptions may evolve as organisations expand or modify their programmes, suggesting that longitudinal studies could provide deeper insights into how stakeholder views change over time. Third, the study relied primarily on self-reported data from community residents and did not include perspectives from other stakeholders such as bank employees, regulators, or CSR programme beneficiaries.

Future research should consider comparative multi-city studies, multi-stakeholder perspectives, and longitudinal or mixed-method approaches to better understand the long-term impact of CSR initiatives on trust, reputation, and community development.

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