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Effect of Corporate Social Responsibility on Financial Performance of Quoted Telecommunication Companies in Nigeria

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Abstract*- *This study examines the effect of corporate social responsibility on Financial Performance of quoted telecommunication companies in Nigeria. Ex-post Facto research design is adopted for this study which replied on secondary data. The data is analyzed using panel regression technique. The population of the study is made up of eight telecommunication companies in Nigeria While the sample size is two, over a ten years' period from 2013 to 2022. The regression results reveal important contrasts in the financial impact of CSR components. The significant positive relationship between donations and ROA supports the view that charitable giving. In contrast, the significant negative effect of social amenities on ROA suggests that such projects, though aligned with social expectations, may not generate immediate financial returns. The inferential analysis established a positive and statistically significant relationship between donations and financial performance (β = 687.45, p = 0.002), suggesting that charitable contributions enhance public goodwill and translate into improved operational outcomes. In contrast, social amenities had a significant but negative effect on ROA (β = –1256.95, p = 0.001), implying that while socially valuable, these projects may place financial strain on firms in the short term due to their capital-intensive nature. The study recommend that Strategic Alignment of CSR with Business Objectives: Telecommunication companies should align their donation strategies with business objectives to ensure measurable returns. Donations that are targeted toward sectors closely related to the firm's operations such as ICT in education or digital health may produce greater reputational and financial value.

Keywords:* *Corporate Social Responsibility Financial Performance, quoted telecommunication companies, Nigeria.

I. INTRODUCTION

Corporate Social Responsibility (CSR) has evolved from a peripheral philanthropic concern into a central element of modern corporate strategy, especially for firms operating in highly visible and socially engaged sectors. Since its emergence in the 1950s, CSR has undergone transformation, driven by increasing stakeholder pressure for transparency, ethical conduct, and social investment (Xie et al., 2019). For listed telecommunication companies in Nigeria, CSR represents not only a reputational tool but a strategic instrument that may enhance financial performance through stakeholder goodwill and sustainable development alignment.

In recent years, the telecom industry in Nigeria has intensified its CSR engagement, channeling considerable investments into donations and social amenities. These efforts are motivated by both ethical imperatives and business rationales. For instance, CSR donations directed at health, education, and disaster relief offer firms the opportunity to foster community trust and enhance their corporate image (Rajput et al., 2012). Similarly, provision of social amenities such as boreholes, ICT centers, and electrification projects can improve brand visibility and deepen market penetration, especially in underserved areas.

However, the effect of such CSR expenditures on financial performance remains the subject of debate. While some scholars argue that CSR imposes excessive costs on firms and diverts resources from core business operations (Mentor, 2016), others contend that strategic CSR leads to long-term profitability by strengthening customer loyalty and stakeholders' relationships (Yang et al., 2020). The lack of consensus on this relationship is particularly evident in developing economies like Nigeria, where firms operate under economic uncertainty, weak infrastructure, and shifting regulatory regimes.

The listed telecommunication companies, MTN Nigeria and Airtel Nigeria have notably institutionalized CSR in the form of structured donations and investments in public amenities. Yet, the financial outcomes of these initiatives are not universally agreed upon. For instance, while CSR-driven donations may improve brand equity and lead to revenue growth (Naik, 2020), overinvestment in social amenities without strategic alignment might yield negligible financial returns (Khurshid et al., 2017). Therefore, this study focuses on critically examining how donations and the provision of social amenities as key CSR strategies influence financial performance in Nigeria's listed telecom sector.

Despite widespread CSR adoption among Nigerian telecom firms, empirical evidence regarding its financial impact remains inconclusive. While companies like MTN and Airtel continue to increase CSR allocations, particularly in donations and social amenities, the justification for these outlays in terms of financial performance is not clearly established. Some scholars assert that these initiatives boost profitability through enhanced stakeholders' engagement, whereas others caution against the risk of CSR becoming a resource-draining activity with minimal financial payoff (Khurshid et al., 2017).

Moreover, the CSR–financial performance nexus is often explored in general terms without isolating key CSR components like donations and infrastructure-related social amenities. This creates a research gap in understanding how each CSR element distinctly affects financial performance metrics such as Return on Assets (ROA), profit after tax, and dividend payout. Given that Nigerian telecommunication firms operate in capital-intensive environments with multiple financial pressures, the need to ascertain the actual financial returns from CSR investments becomes even more critical.

Thus, the core problem lies in determining whether CSR expenditures, specifically in the form of donations and social amenities translate into measurable financial performance gains or whether they remain largely symbolic gestures with limited economic justification. Addressing this ambiguity is essential for strategic CSR planning and accountability in Nigeria's telecom sector.

The main objective of the study is to critically investigate the effect of CSR on financial performance in Nigeria's telecommunication sector. The specific objectives are:

1. To examine the effect of CSR donations on the financial performance of quoted telecommunication companies in Nigeria.
2. To evaluate the effect of CSR investments in social amenities on the financial performance of quoted telecommunication companies in Nigeria.

The following null hypotheses were formulated for the study:

Hypothesis 1

Donations do not affect the financial performance of quoted telecommunication companies in Nigeria.

Hypothesis 2

Provision of social amenities do not affect the financial performance of quoted telecommunication companies in Nigeria.

II. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

This critically reviews the literature relevant to the relationship between CSR and financial performance, with specific focus on donations and the provision of social amenities. Emphasis is placed on how these CSR dimensions influence financial outcomes in the context of listed telecommunication companies in Nigeria. This structured approach enables a clearer understanding of where the existing literature stands, what it contributes, and how this study builds upon or diverges from it.

Concept of Corporate Social Responsibility (CSR)

Corporate Social Responsibility has evolved from a philanthropic concept into a more structured and strategic dimension of corporate governance. As defined by Hopkins (2014), CSR encompasses the ethical, social, and environmental responsibilities of firms. Marrewijk (2002) reinforces this by asserting that CSR is not only an ethical obligation but a fundamental strategy for building competitive advantage and securing long-term sustainability. In contemporary corporate environments, particularly in sectors like telecommunications, CSR is regarded as a key instrument for aligning business interests with societal expectations. However, Freeman (2016) argues that when CSR efforts are not aligned with operational strategy, they may lead to inefficiencies that erode shareholder value. This conflict between ethical obligation and financial prudence forms the backdrop for ongoing debates within CSR literature.

Donations are among the most visible expressions of CSR. They include monetary contributions to community projects, sponsorship of educational or health-related programs, and disaster relief initiatives. The literature presents mixed perspectives on the value of donations in enhancing financial performance. Coelho et al. (2023) view donations as a strategic tool that can improve brand image and stakeholder relationships. Similarly, Javed et al. (2020) found that donations targeting areas of community interest such as youth empowerment, maternal health, and public education can strengthen customer loyalty and improve market positioning. MTN Nigeria's sustained donations to education and health initiatives provide a relevant example of how CSR can reinforce public trust (This Day, 2023). However, Mentor (2016) cautions that poorly structured or excessive donations may divert resources from core operations, particularly when firms do not conduct cost-benefit analysis or align donations with measurable strategic goals. Transparency also emerges as a crucial factor. According to Jiang et al. (2006), donations only yield reputational and financial gains when they are reported clearly and their impact is publicly verifiable.

Social amenities are services and facilities that contribute to the quality of life, comfort and wellbeing of a community by supporting social, cultural and recreational needs. (E. A Journals).

In developing economies like Nigeria, the provision of social amenities is a critical component of CSR. These include investments in infrastructure such as roads, healthcare facilities, and schools, as well as environmental initiatives and access to potable water. Golrida et al. (2018) argue that such investments can enhance corporate legitimacy and improve relations with host communities. Wang and Tuttle (2014) posit that in underdeveloped regions, firms that bridge infrastructure gaps can earn regulatory goodwill, increase consumer trust, and ultimately generate stronger financial performance. MTN Foundation's intervention in health and education, and Airtel Nigeria's investments in community infrastructure illustrate how strategic social investments can shape public perception (This Day, 2023). However, Khurshid et al. (2017) question whether all such investments translate to immediate or tangible financial returns. They argue that while social amenities may improve long-term sustainability, they often represent high upfront costs, and returns are uncertain, especially when firms face capital constraints. In the telecommunication sector, which already demands significant investment in infrastructure, firms must assess whether additional CSR spending leads to stakeholder value or merely acts as a financial burden.

Concept of Financial Performance

Financial Performance refers to a company's ability to generate revenue, manage costs, and maintain profitability over time (IFRS). It can also be referred to a firm's ability to generate returns from its operational activities. Common measures include revenue, net profit, dividend payout, and return on assets. Sameer (2021) suggests that firms that are perceived as socially responsible may experience increased consumer loyalty, attract better talent, and enjoy reduced regulatory scrutiny all of which enhance financial outcomes. Wu et al. (2020) note that stakeholders are more likely to support firms whose values align with public interest. However, other scholars argue that the supposed link between CSR and financial performance is not automatic. Mohr et al. (2001) argue that consumer behavior is often price-driven and not necessarily influenced by CSR. This position is supported by Gielissen (2011), who finds that while customers may approve of CSR in principle, purchasing decisions are more strongly influenced by product quality and affordability. In such a scenario, the manager's decision to allocate corporate resources toward CSR may not yield the anticipated return, potentially harming shareholder value.

Empirical Review

Empirical studies have produced mixed evidence on the relationship between CSR and financial performance. These variations are influenced by methodological differences, sector-specific factors, and country-level economic conditions.

Sial et al. (2018) found that CSR positively influences financial performance in Chinese firms, particularly when embedded in strategic plans. However, the relationship is weakened when CSR is used merely for image management. Similarly, Nyeadi et al. (2018) reported that CSR in South African firms, especially those focused on governance and transparency, enhanced financial performance. Yet, social and environmental CSR activities showed less pronounced effects in certain industries. In India, Rajput et al. (2012) found a positive association between CSR and firm earnings. However, their reliance on sales revenue as a financial proxy has drawn criticism for overlooking efficiency metrics like return on assets.

Moore (2019), in a study on UK companies, observed a negative effect of CSR on short-term profitability. Zajkowski et al. (2019) reported that while CSR initiatives often lead to reputational gains, they may reduce liquidity and financial flexibility in the short term. Similarly, Lin et al. (2015) showed that CSR improved financial outcomes in environmentally sensitive industries but had limited impact in sectors with low environmental exposure.

In the Nigerian context, Daubry (2020) reported a positive relationship between CSR and financial performance in the oil and gas industry. Companies that invested in community infrastructure experienced fewer conflicts and enjoyed stronger regulatory support. However, Tijani et al. (2017), studying Nigerian banks, found no significant financial impact unless CSR activities were integrated into the firm's service offerings. Akinleye et al. (2017) found an insignificant negative relationship between CSR and profitability in five Nigerian firms, suggesting that without strategic alignment, CSR could become a financial liability.

Walker et al. (2019) focused on telecommunication firms across Africa and Latin America. They observed that CSR initiatives targeting digital inclusion and social investment improved brand equity and customer retention. MTN and Airtel exemplify this trend through investments in ICT education and infrastructure support. These findings support the view that CSR, when aligned with core business operations, contributes to financial success in the long term.

Theoretical Review

Stakeholder Theory

Stakeholder Theory, introduced by Freeman (1984), serves as a key foundation for understanding how CSR can influence financial performance. The theory advocates for the equitable treatment of all parties affected by a firm's operations, including employees, customers, investors, suppliers, and local communities. Freeman et al. (2016) argue that addressing stakeholders' concerns helps firms secure long-term survival and financial stability. This is particularly applicable to MTN and Airtel, which operate in a highly visible sector where public trust is essential. Investments in donations and public amenities reflect the companies' commitment to stakeholder interests and enhance legitimacy in the eyes of regulators and consumers. Boachie (2023) supports this view, suggesting that firms that fail to meet stakeholder expectations risk reputational damage, public criticism, and regulatory penalties. However, a challenge with Stakeholder Theory is balancing competing interests without compromising the firm's profitability. Too much emphasis on non-shareholder stakeholders can lead to excessive spending and resource misallocation (Freeman, 2016).

Social Contract Theory

Social Contract Theory offers a broader perspective on CSR by emphasizing the implicit agreement between business and society. Coelho et al. (2023) explain that firms derive legitimacy not only from legal compliance but from active contribution to societal welfare. Companies like MTN and Airtel fulfill this contract by investing in healthcare, education, and digital inclusion initiatives. Khurshid et al. (2017) add that failure to meet these societal expectations can erode public support and trigger backlash. Wolniak et al. (2021) further explain that community-focused CSR initiatives reflect principles of fairness and shared value, enhancing the firm's moral standing. However, this theory also has its limitations. The expectations it sets are often subjective and difficult to quantify. Mentor (2016) argues that the absence of concrete financial benchmarks in evaluating the social contract may lead firms to overextend their CSR commitments without measurable outcomes. Nevertheless, Social Contract Theory provides a normative justification for CSR and aligns well with stakeholder-driven governance models.

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III. METHODOLOGY

This study adopted the ex post facto research design to examine the relationship between corporate social responsibility components, specifically donations and the provision of social amenities and financial performance in listed telecommunication companies in Nigeria (Rohwer, 2022). The ex post facto design was considered most suitable because it relied heavily on secondary data without manipulating variables. CSR practices such as donations and infrastructure investment are not subject to experimental control and are often determined by corporate policy.

The advantage of this design lies in its ability to allow for the examination of relationships between naturally occurring variables, particularly in a real-world business context (Gupta, 2021). Since the study involved no direct manipulation of the CSR variables, it relied on documented financial reports and CSR disclosures issued by the selected companies. While ex post facto designs do not support causal inference in the strict sense, they offer a reliable basis for identifying consistent associations and trends over time. This makes them especially valuable in fields such as accounting and corporate governance, where control over variables is often impractical or unethical. The population of this study comprised eight listed telecommunication companies operating in Nigeria. However, due to the limited number of such companies that are publicly traded and consistently disclose CSR and financial data, the study purposively focused on two companies, MTN Nigeria and Airtel Nigeria. They were selected based on the availability of reliable and comprehensive data on CSR expenditures and financial performance for the period between 2013 and 2022.

The sampling technique was purposive and stratified. Purposive sampling enabled the selection of firms based on their relevance to the research objective, while stratification ensured that the two major dimensions of CSR donations and provision of social amenities were clearly represented in the data (Etikan et al., 2016). This dual approach enhanced the focus and relevance of the findings by eliminating noise from unrelated CSR activities.

The study relied exclusively on secondary data because the study required quantitative data collected from annual financial reports, CSR publications, and corporate disclosures by MTN Nigeria and Airtel Nigeria. Additional data were sourced from financial databases such as Bloomberg and the Nigerian Exchange Group. These data sources provided consistent, verifiable information on financial metrics such as revenue, profit after tax, and return on assets. CSR reports were obtained directly from company websites and included details on charitable donations, social development projects, and capital spent on community initiatives.

The data collection process was systematic and chronological. For each year between 2013 and 2022, the researcher extracted relevant figures related to CSR expenditures and financial performance. This included both direct CSR costs and associated financial outcomes such as dividend payout and return on assets. Triangulation was applied by cross-referencing data from different sources to ensure accuracy and reliability. When discrepancies were found, additional documents such as press releases or third-party evaluations were consulted to validate figures.

This study employed both independent and dependent variables. The independent variables were two components of CSR, donations and provision of social amenities while the dependent variable was financial performance, measured by return on assets.

Donations measured as the total annual monetary value of contributions to charitable causes, education, healthcare, or disaster relief efforts. These figures were extracted from CSR expenditure sections of annual reports.

Provision of Social Amenities measured by the total value of investments in infrastructure and public services such as schools, clinics, water facilities, and road projects. These were also derived from CSR sections of the company's annual reports or foundation disclosures.

Return on Assets (ROA) Calculated as net income divided by total assets. ROA was chosen because it reflects the efficiency with which a firm uses its assets to generate profit, offering a clear measure of financial performance relative to investment.

This variable operationalization was informed by existing literature including Berman et al. (2017), Bala et al. (2017), & Oboreh & Arukahora (2021), who emphasized the suitability of these metrics in analyzing CSR impact in emerging markets.

The study employed both descriptive and inferential statistical tools to analyze the collected data. Descriptive statistics were used to summarize the trends in CSR spending and financial performance over the ten-year period. Inferential statistics, specifically correlation and regression analysis, were used to examine the relationship between the CSR components and return on assets.

Correlation analysis helped to determine whether a linear relationship existed between CSR spending and financial outcomes. Regression analysis provided deeper insight by estimating the strength and direction of the impact that donations and social amenities had on financial performance. The analysis was conducted using the Statistical Package for the Social Sciences (SPSS), which provided reliable computational accuracy and facilitated the application of relevant statistical models.

By combining these techniques, the study was able to assess not only whether CSR spending correlated with better financial outcomes but also the extent to which these relationships were statistically significant. This method allowed for a more nuanced and evidence-based evaluation of CSR effectiveness in the Nigerian telecommunication industry.

Table 1: Variable table

Variable	Proxy	Definition	Measurement	Sources
Independent	Gifts and Donations (GD)	This is the amount of gifts and donations by the firm expressed in monetary terms	Cost of Gifts and Donations.	Bala, Hung, & Matthew (2017)
Independent	Provision of Social Amenities (PSA)	The total number of activities carried out by the firm to nurture and protect the environment as expressed in monetary terms	Cost of Provision of social Amenities	Makni, Claude, & Ridha (2017)
Dependent	ROA	Return on Asset	Net Income/Net Assets	Berman, Phillips and Wicks (2017)

IV. RESULTS AND DISCUSSIONS

This presents, analyses, and discusses the relationship between CSR-driven donations and social amenities and the financial performance of quoted telecommunications companies in Nigeria, focusing on MTN Nigeria and Airtel Nigeria over the period 2013 to 2022. The presentation of data is organized into two main tables to capture key CSR activities like donations and social amenities across the years for both firms. These CSR metrics are then analyzed in relation to financial performance indicators (primarily Return on Assets, revenue, and net profit), with inferential analysis highlighting statistical relationships. Finally, findings are critically discussed in light of the literature reviewed.

Table 2: Donations by MTN and Airtel (2013–2022)

Year	MTN Nigeria (₦)	Airtel Nigeria (₦)
2013	350,000,000	Not Specified
2014	1,294,000,000	260,000,000
2015	350,000,000	380,000,000
2016	Included in CSR total	480,000,000
2017	741,000,000	198,000,000
2018	781,000,000	Not Specified
2019	Not Specified	671,000,000
2020	Not Specified	1,550,000,000
2021	Over 1.7 Billion	245,000,000
2022	Nearly 2 Billion	245,400,000

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Source: Researcher's compilation from MTN Nigeria Annual Report (2013–2022); MTN foundation CSR Report (2013-2022); and Researcher's compilation from Airtel Annual Report and Airtel Nigeria Disclosures and Secondary data from Nigerian Stock Exchange (NSE) filings.

Table 1 revealed that MTN consistently allocated substantial funds to donations throughout the review period, with significant increases in 2014 and during the post-pandemic years (2021–2022). Airtel's highest donation was recorded in 2020 during its COVID-19 interventions. The pattern suggests that both firms used donations as a strategic CSR tool, particularly in years marked by national emergencies or high visibility events.

Table 3: Provision of Social Amenities by MTN and Airtel (2013–2022)

Year	MTN Nigeria (₦)	Airtel Nigeria (₦)
2013	500,000,000	Not Specified
2014	Not Itemized	180,000,000
2015	210,000,000	210,000,000
2016	Included in CSR total	Not Specified
2017	330,000,000	120,000,000
2018	350,000,000	Not Specified
2019	Not Specified	427,000,000
2020	Not Specified	Not Specified
2021	Included in CSR total	150,000,000 (estimated)
2022	Included in CSR total	131,200,000

Source: Researcher's compilation from MTN Nigeria Annual Report (2013–2022); MTN foundation CSR Report (2013-2022); and Researcher's compilation from Airtel Annual Report and Airtel Nigeria Disclosures and Secondary data from Nigerian Stock Exchange (NSE) filings.

Table 2 indicated that MTN maintained consistent investment in community infrastructure, often through its Foundation, with notable spending in 2013, 2017, and 2018. Airtel's investment in social amenities increased steadily between 2015 and 2019, reflecting its shift toward rural empowerment and ICT infrastructure projects. Though MTN's figures were occasionally merged into broader CSR totals, the trend reflects a long-term orientation toward public development goals.

Descriptive Analysis

Table 4: Profitability of listed Telecommunication Companies in Nigeria. Correlation matrix of CSR variable.

Variable	Donations	Social Amenities	Profit
Donations	1.000	-0.083	0.652
Social	-0.083	1.000	0.842
Profit	0.653	0.842	1.000

The descriptive data indicate that both companies consistently prioritized CSR, particularly in education, health, and community development. MTN recorded higher levels of spending overall, with notable surges during years of national relevance such as election periods and the pandemic. Airtel's CSR strategy appeared more community-specific and reactive, with targeted donations during high-need periods such as the COVID-19 outbreak.

In terms of financial outcomes, both companies recorded improvements in ROA over time. The years with heightened CSR spending, particularly 2020–2022, coincided with some of the most stable performance periods for both firms. This relationship supports the proposition that CSR may influence corporate efficiency and profitability.

Inferential Analysis

This section evaluates the effect of corporate social responsibility, specifically donations and provision of social amenities, on the financial performance of MTN and Airtel Nigeria using regression analysis. The analysis is grounded on secondary data spanning from 2013 to 2022.

Regression analysis was employed to determine the magnitude and significance of the relationship between the CSR components and return on assets (ROA), the chosen proxy for financial performance.

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Table 5: Regression Results – CSR and Financial Performance

CSR Variable	Coefficient (₦)	Std Error	t-Statistic	p-Value	Interpretation
Donations	687.45	172.55	3.984	0.002	Positive and statistically significant
Social Amenities	–1256.95	302.57	-4.154	0.001	Negative and statistically significant

Source: Author's regression analysis from MTN and Airtel data (2013–2022)

Interpretation of Results

The regression results reveal that both donations and the provision of social amenities have statistically significant effects on financial performance. Specifically, donations show a positive and significant relationship with return on assets, suggesting that when MTN and Airtel increase their donations to sectors such as health, education, and youth empowerment, their financial performance improves correspondingly. The p-value of 0.002 indicates strong evidence against the null hypothesis, confirming that donations significantly influence financial performance.

In contrast, social amenities show a significant but negative coefficient (–1256.95) with a p-value of 0.001. This implies that while companies heavily invest in infrastructure and community-based amenities, such as boreholes, ICT centers, and public schools, the immediate financial return may be diminished. The negative coefficient could reflect the substantial costs involved in large-scale social infrastructure projects, which may not translate into short-term profitability.

However, the significance of both variables confirms that CSR efforts whether yielding immediate returns or long-term goodwill have a measurable effect on the financial health of firms. These findings suggest that donations, when well-targeted and consistent, can act as a strategic investment, strengthening brand loyalty and customer retention. Social amenities, although resource-intensive, contribute to legitimacy and stakeholder trust, which are crucial for long-term operational stability.

This outcome aligns with Wang and Tuttle (2014) and Javed et al. (2020), who assert that CSR-related donations improve company performance by enhancing public image and customer loyalty. The findings also support Coelho et al. (2023), who affirm that sustained social investments may initially burden profitability but generate positive externalities in stakeholder engagement.

Discussion of Findings

The regression results reveal important contrasts in the financial impact of CSR components. The significant positive relationship between donations and ROA supports the view that charitable giving, when strategic and consistent, can yield measurable returns. This aligns with Wang and Tuttle (2014) and Javed et al. (2020), who argue that CSR-driven donations foster customer trust, boost brand visibility, and ultimately enhance firm value.

In contrast, the significant negative effect of social amenities on ROA suggests that such projects, though aligned with social expectations, may not generate immediate financial returns. This outcome reflects Khurshid et al. (2017) and Mentor (2016), who found that large-scale CSR initiatives often produce long-term value that may not be immediately reflected in profitability. It also suggests that companies should balance social investments with financial strategy, ensuring that CSR spending does not compromise operational liquidity.

The significance of both variables also reinforces Stakeholder Theory as articulated by Freeman et al. (2016). By addressing community needs and enhancing social welfare, firms secure their social license to operate and reduce regulatory risks. MTN and Airtel have successfully built public trust by addressing systemic challenges such as digital exclusion, rural underdevelopment, and educational inequity.

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Moreover, Social Contract Theory is equally validated. The implicit societal agreement that firms must contribute to public welfare is evident in the consistent investments by both MTN and Airtel, even in economically challenging periods. Coelho et al. (2023) argue that such actions strengthen corporate legitimacy and create stable operating environments. Nonetheless, the negative coefficient of social amenities implies that companies must be deliberate in the scope, scale, and sustainability of CSR infrastructure projects. Excessive or poorly managed spending, though socially desirable, can undermine short-term financial efficiency.

The descriptive analysis revealed that both companies consistently invested in CSR activities throughout the study period. MTN Nigeria demonstrated higher CSR spending, particularly through its Foundation, with a focus on education, healthcare, and community development. Airtel Nigeria, though with relatively lower expenditure, made targeted investments in school infrastructure, digital inclusion programs, and pandemic relief.

Donations were found to increase steadily across most years, especially in periods of social or national concern such as elections or health emergencies. Likewise, the provision of social amenities remained a visible aspect of both companies' CSR portfolios, reflecting their long-term commitment to public welfare and stakeholder engagement.

The inferential analysis established a positive and statistically significant relationship between donations and financial performance ($\beta = 687.45$, $p = 0.002$), suggesting that charitable contributions enhance public goodwill and translate into improved operational outcomes. In contrast, social amenities had a significant but negative effect on ROA ($\beta = -1256.95$, $p = 0.001$), implying that while socially valuable, these projects may place financial strain on firms in the short term due to their capital-intensive nature.

V. CONCLUSION AND RECOMMENDATIONS

Based on the findings, the study concludes that corporate donations, when strategic and transparent, contribute positively to the financial performance of listed telecommunication firms in Nigeria. These activities strengthen corporate image, improve stakeholder relationships, and support customer loyalty, all of which enhance firm performance.

However, provision of social amenities, though critical for long-term sustainability and social legitimacy, may not yield immediate financial benefits. The negative but significant impact on ROA suggests that infrastructure-oriented CSR requires careful planning and long-term vision. These projects are essential for fulfilling social obligations and meeting stakeholder expectations, but they must be aligned with the firm's financial capabilities and strategic goals to avoid resource strain.

The study confirms that CSR is not merely a philanthropic exercise but a strategic tool that must be approached with financial prudence and long-term planning. Donations and social investments both play important but distinct roles in the performance trajectory of firms. While one enhances visibility and brand equity, the other builds community trust and operational resilience.

In light of the findings, the following recommendations are made:

1. Strategic Alignment of CSR with Business Objectives: Telecommunication companies should align their donation strategies with business objectives to ensure measurable returns. Donations that are targeted toward sectors closely related to the firm's operations such as ICT in education or digital health may produce greater reputational and financial value.
2. Moderation in Infrastructure-Based CSR Projects: Firms should moderate the scale of infrastructure-based CSR initiatives. While valuable to the public, large-scale social amenities can burden financial performance if not properly budgeted or phased. Project planning should consider both social impact and financial sustainability.
3. CSR Impact Assessment and Transparency: Both MTN and Airtel should enhance the visibility of their CSR reporting through consistent documentation and third-party impact assessments. Transparent reporting not only improves credibility but also allows stakeholders

to understand how CSR spending translates into social and financial outcomes.

4. Regulatory Incentives for Effective CSR: Policymakers and regulatory bodies should consider providing incentives such as tax reliefs for companies that demonstrate verifiable and impactful CSR investments. This would encourage more strategic and sustained private sector involvement in national development efforts.

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