

Exploring the Impact of Corporate Social Responsibility on Corporate Image and Financial Performance: A Consumer-Centric Study of Innoson Vehicles Manufacturing in Nigeria

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I. Theoretical part

- Prepare literature review focusing on CSR and financial performance.

II. Practical part

- Analyze the nature and business activities of Innoson Vehicle Manufacturing.
- Analyse and evaluate the relationship between positive consumer perceptions of CSR and Innoson financial performance.
- Develop a project to provide insights for Innoson to improve CSR initiatives based on consumer feedback.
- State the project cost, time, and risk analysis.

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ABSTRAKT

Společenská odpovědnost firem (CSR) se transformovala z dobrovolné aktivity na strategickou nutnost, která hluboce ovlivňuje firemní reputaci a finanční výsledky. Nicméně iniciativy CSR ve vztahu k vnímání zákazníků a finančnímu úspěchu podniků jsou vzácné, což vyvolává možnost, že se mohou jednat pouze o snahy řízené shodou s předpisy s minimálním smysluplným dopadem. Cílem této studie je prozkoumat vztah mezi iniciativami CSR a firemním obrazem, vyhodnotit dopad iniciativ CSR na finanční výkon a prozkoumat zprostředkovatelskou roli firemního obrazu ve vztahu mezi CSR a finančním výkonem. Tato studie využívá deskriptivní metodu, přičemž byla použita strukturovaná Likertova škála jako dotazník pro sběr primárních dat od uživatelů automobilů Innoson Vehicle Manufacturing (IVM). Studie použila metodu nepravděpodobnostního účelového výběru vzorků k výběru 102 účastníků, primárně se zaměřila na spotřebitele a analyzovala pomocí statistického balíčku pro společenské vědy (SPSS) a softwaru Adanco verze 2.2. Z analýzy vyplývá, že zjištění potvrdila, že CSR programy výrazně zlepšují image firmy. Studie také ukázala, že firmy zapojené do CSR projektů mohou zlepšit svou reputaci a veřejný obraz. Přímý dopad CSR opatření na finanční výkonnost se nepotvrdil. To naznačuje, že programy CSR sice mohou zlepšit veřejné mínění, ale nemusí nutně přinést okamžité finanční výhody. Studie doporučila zlepšit image společnosti prostřednictvím zajištění kvality a zapojení zákazníků, posílit finanční výkonnost prostřednictvím strategických partnerství, posílit finanční výkonnost prostřednictvím strategických partnerství a využít digitální transformaci pro konkurenční výhodu.

Klíčová slova: společenská odpovědnost firem, image firmy, finanční výkonnost, vnímání zákazníka, strategická partnerství.

ABSTRACT

Corporate Social Responsibility (CSR) has transitioned from a voluntary activity to a strategic imperative that profoundly impacts corporate reputation and financial outcomes. However, CSR initiatives on customer perception and business financial success is scarce, raising the possibility that they may be purely compliance-driven efforts with minimal meaningful impact. The objective of this study is to investigate the relationship between CSR initiatives and corporate image, evaluate the impact of CSR initiatives on financial performance and to examine the mediating role of corporate image in the relationship between CSR and financial performance. This study employs a post-positivist approach to test its stated hypotheses, where a structured Likert scale survey instrument was used to gather primary data from users of Innoson Vehicle Manufacturing (IVM) automobiles. The study used a non-probability purposive sampling method to choose 102 participants, primarily focusing on consumers and analysed utilizing the Statistical Package for the Social Sciences (SPSS) and Adanco Software Version 2.2. From the analysis, the findings confirmed that CSR programs significantly enhance corporate image. The study also showed that firms engaged in CSR projects may improve their reputation and public image. The direct impact of CSR measures on financial performance was not confirmed. This indicated that while CSR programs may improve public opinion, they may not necessarily yield immediate financial advantages. The study recommended enhancing corporate image through quality assurance and customer engagement, strengthening financial performance through strategic partnerships, strengthening financial performance through strategic

partnerships and leveraging digital transformation for competitive advantage for Innoson Vehicle Manufacturing (IVM) automobiles.

Keywords: Corporate Social Responsibility, Corporate Image, Financial Performance, Customer Perception, Strategic Partnerships.

I want to use this opportunity to thank God for protecting me all along this path and the process of completing this thesis.

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INTRODUCTION

Corporate Social Responsibility (CSR) has transitioned from a voluntary activity to a strategic imperative that profoundly impacts corporate reputation and financial outcomes. The growing focus on ethical business practices, sustainability, and social responsibility has necessitated that organisations incorporate CSR initiatives into their fundamental operations to improve their reputation, cultivate stakeholder trust, and attain enduring financial success (Blowfield & Murray, 2019). CSR has evolved from a mere charity activity to an essential instrument that influences consumer perception, fortifies corporate identity, and distinguishes enterprises in competitive markets (Chandler, 2023). In the international business environment, firms that actively participate in CSR initiatives frequently observe heightened consumer loyalty, augmented staff contentment, and bolstered investor confidence. This phenomenon has been extensively noted in developed economies, as companies implement CSR as a strategy for sustainable value development (Alrubaiee et al., 2017). In growing economies like Nigeria, the use of CSR is increasing as firms acknowledge its significance in enhancing competitive advantage, maintaining regulatory adherence, and avoiding social and environmental hazards (Singh and Misra 2021).

The notion of CSR in developing nations is frequently influenced by socio-economic circumstances, legal structures, and cultural norms. In contrast to developed nations, where corporate governance frameworks and stakeholder activism predominantly influence CSR, in Nigeria, CSR is progressively utilised as a mechanism to tackle significant social and economic issues, including poverty reduction, environmental sustainability, and employment generation (Omoyebagbe et al., 2023). Companies that include CSR into their operating plans not only improve their business reputation but also aid in sustainable development. Nonetheless, the degree to which CSR impacts company image and financial success in Nigeria is inadequately examined, especially in the automobile sector. Multinational organisations in Nigeria, including MTN and Dangote Group, possess established CSR frameworks, whilst indigenous enterprises are in the process of formulating structured CSR strategies (Bhuiyan, Baird and Munir 2020). This offers an opportunity to examine how Nigerian enterprises, especially in the industrial sector, utilise CSR for corporate expansion.

Innosons Vehicle Manufacturing (IVM) is Nigeria's premier indigenous automobile producer, offering a variety of vehicles designed for the African market. IVM, as an industry

leader, demonstrates its commitment to corporate social responsibility through activities aimed at environmental sustainability, employee welfare, and community development (Arukwe, 2023). The company participates in community projects, skill development initiatives, and sustainable manufacturing practices to enhance its reputation as a socially responsible organisation. IVM's prominent CSR effort is its commitment in skills development and youth empowerment. The corporation has collaborated with local colleges to offer vocational training for young Nigerians, imparting the technical skills necessary for success in the automotive sector (Arukwe, 2023). These programs not only improve the company's business reputation but also cultivate goodwill among local communities and governmental stakeholders. Moreover, IVM has used eco-friendly production methods to reduce carbon emissions, establishing itself as a proponent of sustainable industrialisation in Nigeria (Arukwe, 2013).

Research indicates that CSR directly affects business image, therefore influencing financial performance. Alrubaiee et al. (2017) assert that firms with robust CSR commitments are more inclined to garner customer trust and brand loyalty, resulting in enhanced sales and profitability. An effectively managed company image cultivates favourable stakeholder relationships, bolsters brand credibility, and fortifies market positioning (Itoya et al., 2022).

In Nigeria, where consumer confidence in domestic companies is sometimes tenuous due to apprehensions regarding quality and service dependability, CSR can act as a vital differentiator. Companies that actively participate in CSR projects cultivate stronger emotional bonds with consumers, so enhancing their corporate identity and brand equity (Ali et al., 2020; Alatawi et al., 2023). IVM serves as a case study to examine the impact of their CSR initiatives on consumer perception and financial performance.

Moreover, the current literature emphasises corporate image as a mediating variable between CSR and financial performance. Companies that effectively alter their public image via CSR programs frequently observe elevated customer retention rates, enhanced employee productivity, and augmented investor confidence (Streimikiene et al., 2021; Olaniyan et al., 2021). In the automobile sector, where brand reputation significantly influences purchasing decisions, CSR-oriented corporate image management is especially crucial. Although global studies confirm the beneficial correlation between CSR, business image, and financial performance, there exists a research gap concerning Nigeria's automotive sector. The majority of the current literature focusses on multinational firms, with few empirical studies concerning local manufacturers such as IVM. This study seeks to address this gap by

assessing the influence of CSR initiatives on business image and financial performance in Nigeria's automotive sector.

Comprehending this relationship is essential for both scholarly and pragmatic purposes. This study would enhance CSR literature by offering insights pertinent to a developing market setting. From a managerial perspective, the results will provide strategic advice for Nigerian manufacturers on utilising CSR for sustainable growth and competitive advantage. Corporate Social Responsibility (CSR) is recognised as a strategic business tool that influences corporate reputation and financial performance. In emerging markets like Nigeria, where businesses face unique socio-economic and regulatory challenges, corporate social responsibility is crucial for shaping brand reputation and consumer trust. IVM serves as a relevant case study for examining this interaction within Nigeria's automobile industry. While prior research underscores the significance of corporate image as a mediating component, empirical data in the Nigerian context remains scarce. This study seeks to fill this vacuum by assessing the impact of CSR programs on corporate image and financial performance in Nigeria, providing valuable insights for academia, industry, and government.

Background to the Study

Corporate Social Responsibility (CSR) has transitioned from a voluntary activity to a strategic imperative that profoundly impacts corporate reputation and financial outcomes. The growing focus on ethical business practices, sustainability, and social responsibility has necessitated that organisation incorporate CSR initiatives into their fundamental operations to improve their reputation, cultivate stakeholder trust, and attain enduring financial success (Blowfield & Murray, 2019). CSR has evolved from a mere charity activity to an essential instrument that influences consumer perception, fortifies corporate identity, and distinguishes enterprises in competitive markets (Chandler, 2023). In the international business environment, firms that actively participate in CSR initiatives frequently observe heightened consumer loyalty, augmented staff contentment, and bolstered investor confidence. This phenomenon has been extensively noted in developed economies, as companies implement CSR as a strategy for sustainable value development (Alrubaiee et al.,

2017). In growing economies like Nigeria, the use of CSR is increasing as firms acknowledge its significance in enhancing competitive advantage, maintaining regulatory adherence, and avoiding social and environmental hazards (Singh and Misra 2021).

The notion of CSR in developing nations is frequently influenced by socio-economic circumstances, legal structures, and cultural norms. In contrast to developed nations, where corporate governance frameworks and stakeholder activism predominantly influence CSR, in Nigeria, CSR is progressively utilised as a mechanism to tackle significant social and economic issues, including poverty reduction, environmental sustainability, and employment generation (Omoyebagbe et al., 2023). Companies that include CSR into their operating plans not only improve their business reputation but also aid in sustainable development. Nonetheless, the degree to which CSR impacts company image and financial success in Nigeria is inadequately examined, especially in the automobile sector. Multinational organisations in Nigeria, including MTN and Dangote Group, possess established CSR frameworks, whilst indigenous enterprises are in the process of formulating structured CSR strategies (Bhuiyan, Baird and Munir 2020). This offers an opportunity to examine how Nigerian enterprises, especially in the industrial sector, utilise CSR for corporate expansion.

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Research indicates that CSR directly affects business image, therefore influencing financial performance. Alrubaiee et al. (2017) assert that firms with robust CSR commitments are more inclined to garner customer trust and brand loyalty, resulting in enhanced sales and profitability. An effectively managed company image cultivates favourable stakeholder relationships, bolsters brand credibility, and fortifies market positioning (Itoya et al., 2022). In Nigeria, where consumer confidence in domestic companies is sometimes tenuous due to apprehensions regarding quality and service dependability, CSR can act as a vital differentiator. Companies that actively participate in CSR projects cultivate stronger emotional bonds with consumers, so enhancing their corporate identity and brand equity (Ali et al., 2020; Alatawi et al., 2023). IVM serves as a case study to examine the impact of their CSR initiatives on consumer perception and financial performance.

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majority of the current literature focusses on multinational firms, with few empirical studies concerning local manufacturers such as IVM. This study seeks to address this gap by assessing the influence of CSR initiatives on business image and financial performance in Nigeria's automotive sector.

Comprehending this relationship is essential for both scholarly and pragmatic purposes. This study would enhance CSR literature by offering insights pertinent to a developing market setting. From a managerial perspective, the results will provide strategic advice for Nigerian manufacturers on utilising CSR for sustainable growth and competitive advantage. CSR is commonly recognised as a strategic business tool that influences financial results and a company's reputation. Corporate social responsibility plays a crucial role in shaping customer confidence and brand reputation in developing nations like Nigeria, where businesses face unique socioeconomic and legal challenges. An appropriate case study for examining this relationship in the context of Nigeria's automobile industry is IVM. Despite prior research highlighting the significance of corporate image as a mediating factor, there is little empirical support for this claim in the Nigerian context. By assessing the impact of CSR initiatives on corporate reputation and financial performance in Nigeria, this study seeks to close this knowledge gap and provide important insights for government, business, and academia.

Statement of the Problem

CSR has emerged as an essential strategic instrument for global enterprises; yet, its efficacy in enhancing corporate reputation and financial outcomes continues to be a topic of persistent discussion, especially in developing nations such as Nigeria. Numerous organisations implement CSR programs to improve their brand, adhere to regulatory mandates, and attain sustainable financial success. The degree to which these CSR initiatives yield concrete

corporate advantages, including enhanced brand awareness and financial growth, remains ambiguous (Wasdani et al., 2021).

This ambiguity requires additional investigation, particularly in sectors where brand allegiance and consumer confidence are critical for enduring commercial success.

Nigerian enterprises are progressively using CSR tactics to secure a competitive edge, attract investors, and cultivate goodwill among stakeholders. Nonetheless, empirical information about the actual influence of these CSR initiatives on customer perception and business financial success is scarce, raising the possibility that they may be purely compliance-driven efforts with minimal meaningful impact (Blowfield & Murray, 2019). Although large organisations in Nigeria, such as MTN and Dangote Group, possess established CSR frameworks and quantifiable outcomes, indigenous companies like Innosons Vehicle Manufacturing (IVM) garner less academic focus. The absence of study results in a considerable knowledge deficit concerning the influence of CSR on corporate reputation and financial performance in Nigeria's domestic manufacturing sector.

Current literature indicates that company image functions as a vital mediating variable in the relationship between CSR and performance (Kankam-Kwarteng et al., 2024). Organisations with robust CSR commitments frequently observe heightened brand loyalty, resulting in augmented consumer trust and, eventually, improved financial success. Nevertheless, the majority of empirical investigations into this issue concentrate on Western economies or large multinational corporations, resulting in the under-representation of indigenous enterprises in CSR research (Ali et al., 2020). Considering Nigeria's distinct economic and socio-political landscape—characterized by variable consumer confidence, regulatory obstacles, and infrastructural inadequacies—it is imperative to examine the impact of CSR initiatives on corporate image and financial performance in the local business milieu.

The automobile sector in Nigeria offers a compelling subject for this inquiry. IVM, Nigeria's inaugural indigenous automotive producer, actively participates in corporate social responsibility efforts, encompassing environmental sustainability programs, employee welfare schemes, and community development projects (Arukwe, 2023). Nonetheless, the effects of these activities on the company's corporate reputation and financial performance remain mostly unexamined. Assessing if IVM's CSR practices improve its brand recognition and profitability would yield significant insights into the overarching connection between CSR and business success in Nigeria. Moreover, customer evaluations of items manufactured in Nigeria have traditionally been ambivalent, with numerous consumers preferring foreign brands to domestic options (Arukwe, 2023). If CSR programs enhance customer confidence in IVM and other indigenous brands, this may have substantial ramifications for Nigeria's economic growth and industrial competitiveness. Nonetheless, in the absence of empirical confirmation, it is uncertain if CSR can effectively transform consumer attitudes and propel company success within the Nigerian setting.

This study seeks to examine the association between CSR initiatives and company image, assess their influence on financial performance, and explore if corporate image acts as a mediator in this relationship. This research will augment the current literature on CSR in emerging countries by focussing on IVM and offering practical advice for Nigerian businesses aiming to leverage CSR for competitive advantage and sustainable growth.

Research Objectives

The main aim of this study aims is to investigate how Innoson company's Corporate Social Responsibility (CSR) Initiatives influence its corporate image and financial performance (FP), as perceived by consumers. The objectives include:

1. Investigate the relationship between CSR initiatives and corporate image.
2. Evaluate the impact of CSR initiatives on financial performance.

3. Examine the mediating role of corporate image in the relationship between CSR and financial performance.

Research Questions

1. To what extent do CSR initiatives influence corporate image?
2. To what degree do CSR initiatives affect financial performance?
3. To what extent does corporate image mediate the relationship between CSR and financial performance?

Research Hypotheses

H₁: CSR initiatives positively impact corporate image.

H₂: CSR initiatives positively influence financial performance.

H₃: Corporate image mediates the relationship between CSR initiatives and financial performance.

Scope of the Study

This study analyses Innosons Vehicle Manufacturing (IVM) in Nigeria, investigating the impact of its CSR initiatives on company image and financial performance. The study focusses on the Nigerian automotive sector and assesses consumer perceptions of IVM's corporate social responsibility policies. Data will be gathered from customers and stakeholders in Nigeria, and the results will be situated within the wider framework of corporate sustainability discussions.

Significance of the Study

Theoretical Significance

This research enhances the existing literature on CSR by analysing its effects on corporate image and financial performance in an emerging market setting. This study offers a nuanced perspective by examining IVM, an indigenous Nigerian enterprise, while current research

has predominantly concentrated on multinational corporations in industrialised economies. This research builds upon prior studies regarding the influence of CSR on corporate reputation and financial performance, providing empirical evidence of these associations in a developing country characterised by distinct legislative frameworks, market conditions, and consumer expectations compared to Western contexts.

This research is consistent with essential theoretical frameworks, including stakeholder theory and the resource-based view (RBV) of the enterprise. Stakeholder theory posits that enterprises that acknowledge the interests of diverse stakeholders—such as customers, employees, investors, and communities—are more inclined to cultivate robust reputations and attain long-term sustainability. Corporate Social Responsibility initiatives, including community development programs and environmental sustainability efforts, enable organisations to build credibility and cultivate goodwill among stakeholders, thereby supporting the notion that responsible corporate conduct improves commercial outcomes.

From a Resource-Based View (RBV), Corporate Social Responsibility is perceived as a strategic asset that confers competitive advantages to enterprises by differentiating their brand, enhancing consumer trust, and increasing employee satisfaction. Organisations that successfully incorporate CSR into their business frameworks can utilise these intangible assets to enhance profitability and achieve market dominance. This study examines an indigenous Nigerian manufacturing firm to contribute to the discourse on the potential of CSR as a sustainable competitive advantage in emerging economies.

Empirical Significance

This study possesses substantial practical implications for Nigerian enterprises, especially in the industrial sector, in addition to its theoretical contributions. Numerous companies in Nigeria implement CSR practices; yet, the strategic significance of these initiatives remains predominantly unexamined. This research objectively evaluates the correlation among CSR,

company image, and financial success, offering significant insights to assist business executives in formulating CSR initiatives that produce measurable advantages. The study underscores the necessity for corporate managers to link CSR programs with fundamental business strategy.

Companies that successfully incorporate CSR into their operations can elevate brand reputation, bolster consumer loyalty, and ultimately enhance financial performance. This research highlights CSR as a mechanism for enhancing resilience and maintaining competitive advantage, in light of the issues faced by Nigerian businesses, including diminished customer confidence in local brands and economic instability.

This study's findings can also aid policymakers and regulatory authorities. Comprehending the impact of CSR on corporate image and financial performance can guide governmental decisions that encourage socially responsible business activities. Governments can establish incentives or rules that motivate corporations to invest in corporate social responsibility as a catalyst for sustainable economic growth and industrial advancement. This study addresses a significant knowledge gap by offering empirical evidence regarding the influence of CSR on corporate reputation and financial performance in Nigeria's industrial sector. It provides practical ideas for businesses, governments, and scholars focused on the nexus of CSR, corporate strategy, and economic development.

OBJECTIVES AND METHODS OF THESIS DEVELOPMENT

This study looks at Innoson's CSR initiatives and how they affect the company's reputation and financial results. There are three goals in total: First, to investigate the relationship between CSR initiatives and company image by examining how customers see the company's CSR initiatives. Determine whether CSR investments yield quantifiable financial benefits by looking at how CSR activities affect financial performance. Third, look into how company image influences the relationship between CSR and financial success, determining whether a positive corporate image increases the returns on CSR efforts. The business value of CSR is explained in this paper.

Methods of Thesis Development

The study methods utilized to examine the influence of corporate social responsibility on business image and financial performance, specifically on Innoson Vehicle Manufacturing (IVM) in Nigeria. The methodology is organized according to the study Onion Model established by Saunders et al. (2019), which offers a systematic framework for study design by considering essential methodological layers, including research philosophy, approach, strategy, options, time horizon, and data collecting methods. The study employs a mono-method approach to deliver a thorough examination of CSR's influence on business image and financial results. By amalgamating quantitative methodologies, the research encapsulates customer views and financial metrics, guaranteeing a comprehensive assessment. The research utilizes a cross-sectional survey methodology, focusing on IVM customers, and examines secondary financial data to evaluate performance patterns.

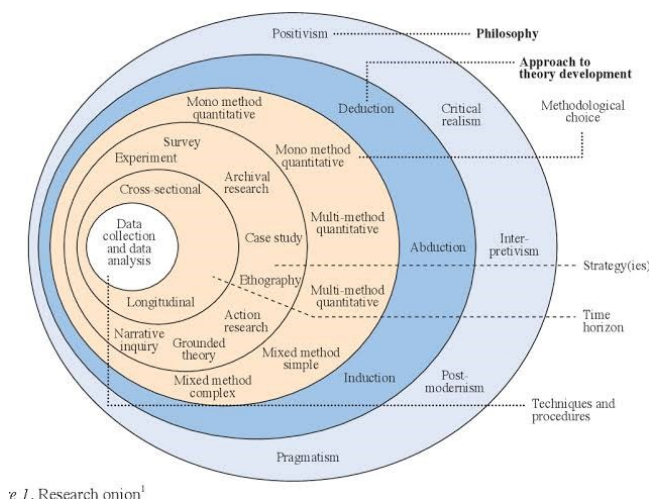


Figure 1: Research Onion Model, Saunders et al., (2019).

Additionally, the chapter examines the sampling methodology, data processing techniques, and ethical issues observed during the study. The study design adheres to industry best practices to ensure methodological rigor and provide valid and reliable data. This method aims to provide significant insights on the strategic importance of CSR in the Nigerian automotive sector. The following sections offer a comprehensive elucidation of each research layer.

Research Philosophy

This study employs a pragmatic research methodology, combining positivist and interpretivist methodologies to thoroughly examine the influence of corporate social responsibility (CSR) on business image and financial performance. Pragmatism is appropriate for research necessitating both objective measurement and subjective interpretation, since it enables the researcher to employ several methodologies to obtain a comprehensive understanding of the study issue (Creswell & Creswell, 2018). The positivist technique is utilized to measure the effect of CSR on financial performance by statistical analysis, guaranteeing objectivity, reliability, and generalizability of results (Neuman, 2020). Positivism posits that reality is objective and quantifiable through empirical evidence, rendering it particularly effective for the analysis of financial indicators and performance measurements (Saunders, Lewis, and Thornhill, 2019). This is consistent with prior research that evaluated the financial ramifications of CSR with regression models and organized datasets (Kabir, 2016).

In contrast, the interpretivist approach examines customer views of business image, acknowledging that social reality is subjective and shaped by human interactions (Silverman, 2021). Given that corporate image is shaped by customer attitudes, beliefs, and expectations, an interpretivist viewpoint facilitates a more profound comprehension of how CSR programs affect public perception (McCombes, 2022). Qualitative tools, like surveys and interviews, facilitate the acquisition of nuanced consumer insights, hence enriching the context to augment quantitative findings (Middleton, 2022). Pragmatism is warranted in this study since it reconciles these two philosophical perspectives, facilitating a more comprehensive analysis (Fellows and Liu, 2015). The study use descriptive methodologies to incorporate both quantitative data and qualitative experiences, resulting in more practical insights for businesses and governments (Binder, 2018). This methodology is especially pertinent in

CSR research, where financial performance and stakeholder views have equal importance (Basu, 2019).

Research Approach

This study used a descriptive method approach, combining inductive and deductive reasoning to clarify how corporate social responsibility (CSR) affects financial performance and company image. According to the positivist paradigm, which emphasises empirical confirmation through quantifiable data, the deductive technique is used to assess well-established ideas and frameworks regarding corporate social responsibility (CSR) and its effect on business performance (Creswell & Creswell, 2018). This methodology allows the research to evaluate the validity of known theoretical linkages within the unique setting of Innoson Vehicle Manufacturing (IVM) in Nigeria. In contrast, the inductive technique is employed to investigate consumer perceptions and developing topics related to CSR. Given that CSR programs are dynamic and context-specific, the inductive technique enables the study to uncover novel insights that may not be apparent in the previous literature (Neuman, 2020). This corresponds with the interpretivist paradigm, which prioritizes comprehending social processes from the viewpoints of the participants (Silverman, 2021). The study use qualitative data gathering approaches, including open-ended survey questions and customer interviews, to discern patterns and themes that enhance the comprehension of CSR's impact on business image.

The deductive technique guarantees reliability and generalizability, but the inductive approach improves depth and contextual relevance (Saunders, Lewis, and Thornhill, 2019). This amalgamation enhances the robustness of the findings by triangulating qualitative insights with quantitative data, hence mitigating biases and augmenting validity (Creswell, 2014). Moreover, the integration of both methodologies conforms to optimal research standards in business and management studies, where intricate organizational phenomena frequently necessitate multifaceted analysis (Binder, 2018). This dual approach guarantees a comprehensive analysis of CSR's impact, integrating statistical validation with in-depth consumer insights, thereby offering a distinctive understanding of the interplay between CSR, corporate image, and financial performance in Nigeria's automotive sector.

Research Strategy

This research used a survey methodology to gather primary data from users of Innoson Vehicle Manufacturing (IVM) automobiles, complemented by an examination of secondary data from the company's financial records. This technique is used to fulfill the study purpose of examining the influence of corporate social responsibility (CSR) on business image and financial performance from a consumer-oriented viewpoint. A survey methodology is extensively employed in social science research to collect quantitative data from a substantial population, rendering it appropriate for this study (Creswell & Creswell, 2018). Surveys allow researchers to gather structured responses that may be statistically evaluated to discern patterns and linkages (Neuman, 2020). Considering that consumer perception significantly influences company image, polling IVM consumers yields direct insights into the impact of CSR actions on their brand impression. Furthermore, surveys enable the incorporation of several demographic groupings, hence augmenting the study's generalizability (Debois, 2021).

The secondary data analysis entails scrutinizing IVM's financial records to evaluate the correlation between CSR efforts and financial performance. This methodology guarantees that the research encompasses both customer sentiment and objective financial measurements, resulting in more thorough conclusions (Saunders, Lewis, and Thornhill, 2019). Financial data is essential in determining if CSR expenditures enhance profitability, consistent with prior studies indicating a correlation between responsible company practices and financial success (Basu, 2019). The survey will include a structured questionnaire to ensure uniformity in data collection and enhance comparability among respondents (Kabir, 2016). A cross-sectional strategy is utilized, since it facilitates data collecting at a singular moment, assuring efficiency and cost-effectiveness (Middleton, 2022). The integration of survey and financial data analysis improves the study's validity by merging perceptual and empirical evidence, hence reinforcing the trustworthiness of the results (Fellows and Liu, 2015).

Research Choice

This research employs a descriptive method methodology, integrating quantitative methodologies to improve data reliability and validity. The quantitative component is the

use of standardized surveys, allowing statistical study of customer attitudes concerning corporate social responsibility (CSR) and its influence on business image and financial performance. The amalgamation of both methodologies guarantees a thorough comprehension of the study issue (Creswell & Creswell, 2018). The rationale for employing a descriptive method approach arises from its capacity to mitigate the limitations associated with individual study approaches. Quantitative approaches yield quantitative and generalizable outcomes, whereas qualitative methods deliver profound contextual insights (Neuman, 2020). The study strengthens the robustness of findings through the triangulation of various methodologies, hence enhancing both internal and external validity (Saunders, Lewis, and Thornhill, 2019).

Moreover, structured questionnaires enhance data collecting efficiency, reduce answer bias, and guarantee replicability (McCombes, 2022). Close-ended qualitative questions, while organized, enable respondents to articulate their perspectives within a regulated framework, so assuring consistency and comparability (Silverman, 2021). This systematic method conforms to established standards in business research, wherein the integration of qualitative and quantitative insights enhances decision-making processes (Fellows and Liu, 2015). The method approach corresponds with pragmatic research philosophy, which prioritizes practical problem-solving and real-world relevance (John, 2019). The study's emphasis on Innoson Vehicle Manufacturing (IVM) in Nigeria requires both quantitative evaluation and contextual comprehension, therefore validating the appropriateness of this research selection. The subsequent sections elucidate data gathering methodologies and analytical approaches.

3.5 Time Horizon

This study used a cross-sectional research approach to analyze the effect of corporate social responsibility (CSR) on business image and financial performance at a certain moment. A cross-sectional research offers an overview of variables and their interrelations without necessitating prolonged observation (Creswell & Creswell, 2018). This methodology is especially advantageous in business research where the emphasis is on the current conditions and views of important stakeholders rather than temporal changes (Saunders, Lewis, and Thornhill, 2019).

The rationale for choosing a cross-sectional time frame is its efficiency and cost-effectiveness. In contrast to longitudinal studies that need prolonged data gathering over months or years, cross-sectional research facilitates expedited insights and is particularly

suitable when time limitations are a factor (Neuman, 2020). This is particularly pertinent for consumer-focused research, where views and opinions may be accurately gathered via surveys or questionnaires within a certain timeframe (Debois, 2021). Moreover, enterprises function within dynamic contexts where external elements like market trends and economic situations can affect financial performance. A cross-sectional methodology guarantees that the research captures current facts without the intricacies of longitudinal tracking (Middleton, 2022).

Furthermore, cross-sectional research corresponds with the aims of this study by enabling an examination of CSR's direct influence on business image and financial performance from the customers' viewpoint. Given that customer views and financial indicators vary over time, recording them at a singular moment guarantees consistency in data gathering and reduces biases linked to extended research durations (John, 2019). Furthermore, cross-sectional studies are extensively employed in business and management research because of its practicality and capacity to yield actionable insights rapidly (Walliman, 2011). This study used a cross-sectional approach to assess the impact of CSR on Innoson Vehicle Manufacturing (IVM), yielding significant insights that may guide company strategy and stakeholder engagement initiatives.

Data Collection Methods

This study will gather primary data via questionnaires administered to users of Innoson Vehicle Manufacturing (IVM). The survey approach is selected for its efficacy in collecting primary data on consumer views of CSR and business image (Creswell, 2014). Surveys enable researchers to get standardized replies, hence improving comparability and reliability in data processing (Debois, 2021). This consumer-centric methodology enables a clear comprehension of the impact of CSR actions on brand perception and customer loyalty. A systematic questionnaire will be developed, integrating both closed-ended and Likert-scale items to gather a spectrum of customer perspectives.

This methodology conforms to established standards in social research, guaranteeing data integrity and minimizing respondent prejudice (Neuman, 2020). The questionnaire will evaluate customer knowledge of IVM's CSR activities, their perceived efficacy, and the degree to which CSR impacts their purchase choices. The rationale for employing surveys is in their efficacy in gathering substantial data rapidly (Saunders, Lewis, and Thornhill, 2019). Surveys offer a cost-efficient method for collecting quantitative data, which may be

statistically examined to yield significant insights that comply with research ethical rules (Beauchamp and Childress, 2019).

Sampling Technique and Sample Size

This study used a non-probability purposive sampling method to choose participants, primarily focusing on consumers of Innoson Vehicle Manufacturing (IVM). Purposive sampling is used since it facilitates the intentional selection of respondents possessing firsthand familiarity with IVM's goods and an understanding of the company's corporate social responsibility objectives. This methodology guarantees that the gathered data is pertinent and consistent with the study's aims, concentrating on individuals whose perspectives might yield significant insights (Saunders, Lewis, and Thornhill, 2019).

The sample size is established by Simple Random Sampling (SRS), a probability-based method that guarantees each respondent has an equal likelihood of selection, hence minimizing selection bias (Creswell and Creswell, 2018). A total of 115 respondents will be polled, a figure deemed statistically sufficient to yield credible and generalizable results for the study (Middleton, 2022). This sample size reconciles practicality with the necessity for thorough data collection, all while upholding research integrity (Debois, 2021).

Data Analysis

The quantitative data obtained from the survey will be evaluated utilizing the Statistical Package for the Social Sciences (SPSS) and Adanco Software Version 2.2, a prevalent program for statistical analysis in social science research (Creswell and Creswell, 2018). SPSS offers comprehensive tools for descriptive and inferential statistical analysis, guaranteeing systematic examination of data for patterns, connections, and significance (Middleton, 2022). Descriptive statistics, including mean, standard deviation, and frequency distributions, will encapsulate the demographic attributes of respondents and essential study variables (Saunders, Lewis, and Thornhill, 2019).

The selection of SPSS and Adanco Software Version 2.2 is warranted due to its efficacy in managing extensive datasets, its intuitive interface, and its capacity to execute intricate statistical analyses with precision (McCombes, 2022). Moreover, employing SPSS guarantees scientific rigor, improves result dependability, and enables easy interpretation of data (Kabir, 2016). The analysis results will yield empirical insights into the impact of CSR on business image and financial performance at Innoson Vehicle Manufacturing.

Ethical Considerations

Ethical issues are essential for maintaining the credibility and integrity of research (Resnik, 2015). This study rigorously adheres to ethical standards, including informed permission, confidentiality, and compliance with research protocols, to safeguard participants and maintain the integrity of the findings (Beauchamp and Childress, 2019). Informed permission is secured from all subjects prior to data collection. Participants get comprehensive information on the study's aims, methodologies, possible hazards, and their entitlement to withdraw at any point without consequences (Pimple, 2014). This guarantees voluntary involvement and conforms to ethical research standards (McCombes, 2022). Confidentiality is upheld by the anonymization of answers and the safe storage of data to avert illegal access (Creswell and Creswell, 2018). Published results omit personal identifiers to ensure privacy and mitigate potential response bias (Neuman, 2020).

This work complies with ethical norms established by pertinent institutional and professional organizations, assuring adherence to best practices in academic research (Saunders, Lewis, and Thornhill, 2019). Ethical approval is obtained when necessary, and all data gathering methods conform to international norms for ethical research practices (Kabir, 2016). The use of these ethical precautions bolsters the trustworthiness of the study's findings and preserves the trust of participants and stakeholders (Debois, 2021).

Conclusion

This chapter provided insight into the research methodology employed in this study, ensuring a systematic and rigorous examination of the influence of corporate social responsibility (CSR) on corporate image and financial performance within the framework of Innoson Vehicle Manufacturing (IVM). The research strategy adheres to a pragmatic paradigm, integrating both positivist and interpretivist methodologies to elucidate the complex impacts of CSR. This study improves the reliability and validity of findings by integrating quantitative and qualitative approaches, so assuring a comprehensive review of financial facts and consumer views.

The study utilises a descriptive methodology, employing both deductive and inductive reasoning. The deductive technique facilitates the validation of known theories concerning CSR and company success, hence maintaining objectivity in data analysis. The inductive

technique concurrently facilitates the discovery of emergent themes in customer views, providing a more refined understanding of CSR's influence on business image. This methodological duality enhances the study's robustness by triangulating structured statistical validation with qualitative insights from important stakeholders.

A cross-sectional survey methodology is employed to collect primary data from IVM consumers, supplemented by an examination of secondary data from the company's financial records. Surveys enable the systematic collecting of structured responses, facilitating statistical analysis to discern patterns in consumer attitudes towards CSR. Moreover, financial data analysis guarantees that the research encompasses both subjective consumer perceptions and objective financial results. This mixed-methods technique enhances the findings' comprehensiveness, hence bolstering the study's trustworthiness. The research technique of the study employs purposive sampling to guarantee that participants possess direct experience with IVM's vehicles and CSR initiatives. The application of Simple Random Sampling (SRS) in respondent selection augments the study's objectivity, reducing bias and guaranteeing a representative sample. A total of 115 respondents were selected for the survey, ensuring adequate data collection while preserving study feasibility.

The study employs the Statistical Package for the Social Sciences (SPSS) for data analysis, a prevalent instrument in social science research as well as Adanco Software 2.2. SPSS facilitates the methodical study of survey data, permitting both descriptive and inferential statistical evaluations. The software's functionalities guarantee precise pattern recognition, augmenting the study's dependability. The utilisation of mean values, standard deviations, and frequency distributions aids in the summarisation of demographic characteristics and principal study variables, hence enhancing clarity in data presentation. Ethical considerations are fundamental to the study's methodology. The study complies with recognised ethical standards, encompassing informed consent, confidentiality, and adherence to ethical research protocols. Participants were thoroughly apprised of the study's aims, their entitlements, and data safeguarding protocols, so assuring voluntary and ethical involvement. The study upholds rigorous ethical standards, so ensuring transparency, reliability, and respect for participants' rights.

This chapter presents a thorough and methodologically rigorous framework for analysing the correlation between CSR, company image, and financial success within Nigeria's automotive industry. The amalgamation of qualitative and quantitative methodologies, along with a stringent sampling and data analysis protocol, augments the study's validity and

relevance. The study's cross-sectional design guarantees prompt insights while ensuring cost efficiency. This research employs a systematic methodology to establish a robust framework for assessing the strategic significance of CSR for IVM, yielding important insights for corporate decision-making, stakeholder involvement, and sustainable business practices within Nigeria's expanding automotive sector.

I THEORETICAL PART

1 LITERATURE REVIEW

Corporate Social Responsibility (CSR) has emerged as a strategic instrument for improving business reputation and financial outcomes. This chapter examines the current research about the correlation among CSR, corporate image, and financial success, emphasizing conceptual definitions, theoretical foundations, and empirical evidence. The research is grounded in Stakeholder Theory and the Resource-Based View, which elucidate how CSR activities generate value for enterprises. Furthermore, empirical investigations into the effects of CSR across several industries are analyzed, underscoring research deficiencies, especially within Nigeria's automotive sector. This paper elucidates the importance of CSR in Innoson Vehicle Manufacturing, addressing existing gaps.

1.1 Conceptual Review

1.1.1 Corporate Social Responsibility

Corporate Social Responsibility is a multifaceted term that encompasses the voluntary efforts made by companies to enhance social welfare beyond their legal and economic responsibilities (Carroll, 2021). Corporate Social Responsibility (CSR) is progressively seen as a fundamental component of corporate governance, wherein companies synchronize their objectives with ethical, social, and environmental factors. The changing function of firms in society requires responsible corporate conduct that transcends profit maximization to encompass sustainability and stakeholder involvement (Dmytriyev, Freeman, & Hörisch, 2021). The notion of CSR has experienced considerable evolution throughout time. Historically, corporate social responsibility (CSR) was equated with philanthropy, when companies participated in philanthropic contributions and social welfare initiatives (Blowfield & Murray, 2019). Modern corporate social responsibility has evolved from simple charity to encompass sustainable company strategies that harmonize economic performance with social and environmental considerations. This transition signifies the increasing demand for firms to have a proactive stance in tackling global issues, including climate change, human rights, and corporate ethics (Fatima & Elbanna, 2023).

Corporate Social Responsibility (CSR) is often categorized into four dimensions: economic, legal, ethical, and discretionary duties. Economic accountability denotes a company's obligation to maintain financial viability while guaranteeing long-term sustainability. Legal accountability necessitates that companies adhere to rules and regulations that regulate their

activities. Ethical responsibility beyond legal compliance, necessitating that organizations maintain justice, openness, and ethical work practices. Discretionary duty, sometimes known as philanthropic responsibility, involves voluntary donations to community development, education, healthcare, and environmental conservation (Carroll, 2021). These components underscore the complex nature of CSR, indicating that business duties extend beyond profit generating to encompass ethical issues and societal benefits. Diverse theoretical frameworks support CSR, offering distinct rationales for corporate engagement in responsible business practices. Stakeholder theory asserts that enterprises should account for the interests of all stakeholders, including employees, customers, suppliers, communities, and regulators, rather than only emphasizing shareholders (Dmytriiev et al., 2021). Integrating stakeholder concerns into business plans enables organizations to cultivate trust, improve brand recognition, and attain long-term sustainability.

Legitimacy theory posits that firms undertake corporate social responsibility (CSR) to conform to society norms and obtain public endorsement (Olateju et al., 2021). This thesis posits that enterprises failing to fulfill societal expectations jeopardize their legitimacy, resulting in reputational harm and reduced customer trust. This viewpoint elucidates the rationale for the growing use of CSR by corporations as a strategic instrument for shaping public opinion and alleviating risks linked to unethical behavior (Asemah-Ibrahim, Nwaoboli, & Asemah, 2022). The government's involvement in advancing corporate social responsibility has been a topic of scholarly discourse. Governments are essential in creating regulatory frameworks and policies that promote responsible business conduct (Wirba, 2024). In many nations, corporate social responsibility (CSR) is legislatively enforced, obligating firms to designate a fraction of their revenues to social causes. Conversely, other countries employ a more voluntary method, allowing companies to autonomously incorporate CSR into their commercial operations. Irrespective of the legislative framework, governmental engagement affects the manner in which enterprises execute CSR, hence molding corporate conduct in reaction to social and environmental issues (Amahalu & Okudo, 2023).

The implementation of CSR differs among industries and locations, shaped by variables like economic development, cultural values, and legal frameworks. In developing nations, corporate social responsibility (CSR) is frequently motivated by the need to bolster legitimacy, adhere to international norms, and tackle urgent societal challenges such as poverty and environmental deterioration (Mamudu et al., 2021). Conversely, companies in

wealthy economies may prioritize environmental efforts, reduction of carbon footprints, and improvements in corporate governance. Notwithstanding these disparities, the fundamental idea persists: enterprises must function in manners that favorably impact society while guaranteeing sustainable economic sustainability (Koh, Li, & Tong, 2023). Current trends demonstrate that corporate social responsibility is progressively incorporated into company strategy rather than seen as a supplementary role. Organizations acknowledge that socially responsible activities may augment financial performance, strengthen stakeholder relations, and cultivate competitive advantage (Barauskaite & Streimikiene, 2021). Research indicates that companies with robust CSR commitments frequently observe heightened consumer loyalty, enhanced staff satisfaction, and higher investor confidence. This link highlights the strategic significance of CSR, illustrating that companies may attain both financial prosperity and social influence through responsible corporate practices (Achmad, 2022).

Corporate Social Responsibility (CSR) is a multifaceted and dynamic notion that transcends charity, incorporating economic, legal, ethical, and discretionary obligations. Stakeholder theory and legitimacy theory offer critical insights into the motivations behind corporate social responsibility (CSR), highlighting its significance in improving business reputation and conforming to society expectations. Government legislation, industry dynamics, and regional considerations affect CSR implementation; nonetheless, the core idea is that firms must operate responsibly to attain long-term sustainability. As global issues persist in influencing the economic environment, Corporate Social Responsibility (CSR) will remain an essential element of corporate strategy, emphasizing the necessity for companies to reconcile profit objectives with social and environmental factors.

1.1.2 Corporate Image

The corporate image is a crucial factor in a company's success, affecting consumer trust, brand loyalty, and competitive advantage. It is influenced by stakeholders' opinions of an organization's ideals, conduct, and communication techniques. An affirmative business image bolsters customer trust, reinforces brand equity, and promotes enduring financial stability (Al Mubarak et al., 2019). A bad business image can result in reputational harm, erosion of customer trust, and a decrease in market share (Emmanuel & Priscilla, 2022).

business social responsibility (CSR) is essential in establishing business image, as it reflects a company's dedication to ethical, social, and environmental issues. Organizations that actively participate in CSR efforts typically experience enhanced brand reputations and

increased consumer loyalty (Khamis & Wan Ismail, 2022). This is especially pertinent in sectors where ethical considerations and sustainability issues are critical, such as banking, construction, and aviation (Al Mubarak et al., 2019; Streimikiene et al., 2021). Research on budget airlines in Europe indicated that CSR programs emphasizing environmental sustainability and equitable labor standards substantially enhanced business image and consumer perception (Streimikiene et al., 2021).

Moreover, CSR initiatives enhance corporate resilience in times of crisis. Research conducted by Chen et al. (2021) revealed that firms with a robust CSR reputation preserved a more favorable corporate image during economic recessions and crises. By implementing socially responsible practices, firms may cultivate stakeholder trust and alleviate the detrimental impacts of unfavorable publicity. This is especially pertinent in fields like Islamic banking, where company reputation is intricately linked to ethical principles and consumer religion (Aslam et al., 2023). In this environment, CSR initiatives designed to match company practices with consumer values bolster customer trust and brand loyalty. The significance of environmental CSR in influencing business image has been extensively recognized. Organizations that emphasize sustainable business practices, including carbon footprint reduction and the promotion of eco-friendly projects, are likely to cultivate a robust "green corporate image" (Alam & Islam, 2021). This verdant image not only appeals to environmentally concerned consumers but also enhances a company's competitive standing in the market. With rising regulatory and consumer demands for sustainability, companies that neglect to include environmental corporate social responsibility into their plans jeopardize their reputation and market share (Le, 2023).

Although the advantages of CSR on company reputation are apparent, its effects are not invariably clear-cut. Certain studies emphasize discrepancies in consumer attitudes, especially when CSR initiatives are regarded as disingenuous or merely promotional strategies (Emmanuel & Priscilla, 2022). In such instances, CSR measures may not improve business image and might potentially incite customer distrust. Transparency and authenticity in CSR communication are crucial for firms aiming to utilize CSR for the promotion of their company image. The corporate image is an essential asset for every business, affecting customer loyalty, brand reputation, and sustained financial performance. CSR activities function as a potent mechanism for enhancing business reputation, contingent upon their authenticity and alignment with consumer expectations. As companies adapt to changing

consumer tastes and legal requirements, the strategic integration of CSR will continue to be a crucial factor in shaping company reputation and enhancing market competitiveness.

1.1.3 Financial Performance (FP)

Financial performance (FP) is a crucial metric of an organization's economic vitality and operational efficacy. It is conventionally evaluated by criteria like Return on Assets (ROA), Return on Equity (ROE), revenue growth, and the development of shareholder value (Hunjra & Hussainey, 2024). The correlation between corporate social responsibility (CSR) and financial success has been extensively examined in scholarly literature. Some researchers assert that CSR improves financial performance via enhanced stakeholder involvement and brand loyalty, while others claim that the financial advantages of CSR are indirect and mediated by company image, consumer trust, and regulatory compliance (Le, 2023; Fatima & Elbanna, 2023).

The stakeholder theory posits that companies participating in socially responsible initiatives cultivate enhanced connections with consumers, workers, and investors, hence supporting the notion that CSR positively influences financial performance (Dmytriiev et al., 2021). Organizations that emphasize corporate social responsibility often have an enhanced reputation, which may lead to greater consumer loyalty and expanded market share (Al Mubarak et al., 2019). Moreover, CSR measures include environmental sustainability, ethical labor standards, and charity can elevate staff morale and productivity, hence improving financial results (Achmad, 2022). The degree to which corporate social responsibility significantly impacts financial performance is still debated. Certain researchers contend that although corporate social responsibility (CSR) can improve business reputation and stakeholder confidence, its financial advantages are not consistently immediate or apparent (Amahalu & Okudo, 2023). Companies that engage significantly in CSR without integrating these activities into their main business plan may face financial difficulties, particularly in sectors with elevated operating expenses (Koh et al., 2023). The efficacy of CSR in enhancing financial performance may differ based on industry dynamics, regulatory frameworks, and customer preferences (Olateju et al., 2021).

A significant viewpoint is the legitimacy hypothesis, which asserts that companies participate in CSR mainly to get society approval and reduce risks linked to regulatory non-compliance (Olateju et al., 2021). From this perspective, CSR is regarded as a strategic instrument rather than a direct catalyst for financial performance. Firms in ecologically

sensitive sectors, such oil and gas, frequently employ CSR programs to influence public opinion and mitigate legal repercussions (Mamudu et al., 2021). Although these efforts may indirectly enhance financial stability, they do not inherently ensure profitability or competitive advantage (Carroll, 2021). Empirical research has yielded inconsistent results about the correlation between CSR and financial performance. Barauskaite and Streimikiene (2021) performed a meta-analysis of various studies and discovered that although corporate social responsibility (CSR) generally correlates positively with financial performance, the intensity of this relationship is influenced by factors including corporate governance, industry traits, and the particular CSR initiatives undertaken. A research by Okaro and Okafor (2021) on Nigerian enterprises indicated that organizations with well-structured CSR programs achieved enhanced financial performance, but alone when these activities were included into their strategic objectives.

Conversely, several academics contend that CSR may put financial strains on companies, especially small and medium-sized organizations (SMEs) with constrained resources (Khamis & Wan Ismail, 2022). In contrast to large firms, SMEs may find it challenging to reconcile CSR initiatives with revenue production, resulting in diminished short-term profitability. This viewpoint indicates that although CSR may improve long-term financial viability, its short-term financial advantages are not assured (Le, 2023). The link between CSR and financial success is intricate and contingent upon circumstance. Although CSR can potentially boost financial results via enhanced stakeholder participation, business reputation, and regulatory compliance, its direct effect on profitability is still contentious. Organizations must implement a strategy framework for Corporate Social Responsibility, ensuring that their actions are congruent with corporate goals and industry trends to optimize financial returns (Fatima & Elbanna, 2023; Wirba, 2024). Future study ought to concentrate on industry-specific case studies and longitudinal analysis to yield a more nuanced comprehension of the impact of CSR on financial performance across various economic circumstances.

1.2 Theoretical Framework

1.2.1 Stakeholder Theory

Stakeholder Theory, as articulated by Freeman (2010), asserts that firms must take into account the interests of all stakeholders—such as consumers, workers, investors, and communities—rather than only focusing on shareholder value. This theory contests the conventional profit-maximization paradigm by promoting ethical and sustainable business practices that generate long-term value for a wider array of stakeholders (Freeman et al., 2020). Corporate Social Responsibility strongly correlates with Stakeholder Theory by urging firms to include social and environmental factors into their strategic decision-making processes. Although CSR activities can improve business reputation and financial outcomes, their efficacy relies on their actual engagement with stakeholder problems rather than functioning only as public relations instruments.

CSR as a Mechanism for Stakeholder Engagement

Corporate Social Responsibility projects function as an essential tool for stakeholder engagement, establishing trust and enduring partnerships between firms and their stakeholders (Eskerod, 2020). Companies that emphasize stakeholder interests via CSR initiatives—such as equitable labor practices, environmental stewardship, and community engagement—can enhance brand reputation and consumer loyalty (Rathore et al., 2023). Studies show that customers are more inclined to endorse firms exhibiting ethical responsibility and sustainability, resulting in enhanced customer retention and profitability (Mu et al., 2024). The efficacy of CSR in stakeholder engagement is contingent upon industry, market conditions, and corporate governance frameworks. In technology companies, stakeholder involvement via CSR often emphasizes data protection, ethical AI, and employee welfare, whereas manufacturing companies may highlight environmental sustainability and equitable labor standards (Shah & Guild, 2022). This indicates that a

universal approach to CSR is inadequate, and organizations must customize their CSR strategy to accommodate the unique needs of industry-specific stakeholders.

Although CSR and Stakeholder Theory are interconnected, conflicts emerge when firms strive to reconcile conflicting stakeholder interests. Freeman et al. (2020) emphasize that conflicts frequently arise between immediate financial objectives and enduring stakeholder obligations. Investors may advocate for rapid profits, but communities want long-term environmental sustainability. This dichotomy may result in cosmetic CSR initiatives, referred to as greenwashing, as firms emphasize image enhancement rather than real social effect (Mahajan et al., 2023). Furthermore, several opponents contend that CSR may be appropriated as an instrument for corporate self-interest instead of authentic stakeholder involvement (Waheed & Zhang, 2022). Companies may choose participate in CSR projects that yield direct financial rewards while disregarding challenges that need substantial expenditure without immediate economic advantages. This prompts apprehensions regarding the genuineness of corporate social responsibility and whether companies are genuinely dedicated to stakeholder welfare or simply use CSR as a strategic branding instrument.

CSR and Competitive Advantage in Emerging Markets

The correlation between CSR and competitive advantage is especially pertinent in growing countries, where enterprises encounter intensified social and environmental concerns (Waheed & Zhang, 2022). Companies that include CSR into their fundamental business strategy can distinguish themselves from rivals by fostering trust among local communities, enhancing employee happiness, and securing regulatory clearance (Dmytriiev et al., 2021). Multinational firms in emerging markets frequently undertake CSR projects, including infrastructure development, educational programs, and environmental sustainability

measures, to bolster their legitimacy and ensure sustained market access (Freeman & Dmytriiev, 2017).

The influence of CSR on competitive advantage varies among different firms. Large firms has the means to invest in comprehensive CSR programs, but small and medium enterprises (SMEs) sometimes encounter difficulties in executing significant CSR activities owing to financial limitations (Mahajan et al., 2023). This prompts worries over whether CSR predominantly advantages established corporations, while imposing extra responsibilities on smaller enterprises that lack the financial resources to participate in prominent social responsibility initiatives. Stakeholder Theory offers a robust framework for comprehending the significance of CSR in company strategy. By addressing stakeholder issues via CSR activities, organizations may improve their reputation, foster customer trust, and attain long-term financial success. Nevertheless, contradictions arise between the ethical aims of CSR and its capacity for corporate self-interest, prompting inquiries about its validity and efficacy. Businesses must guarantee that CSR is not only a branding strategy but a sincere dedication to sustainable and ethical business operations. Furthermore, companies must customize their CSR plans to address the unique requirements of industry-specific and regional stakeholders to optimize their effectiveness. Future study should investigate how enterprises might manage these pressures while preserving profitability and stakeholder trust in varied market contexts.

1.2.2 Resource-Based View (RBV)

The Resource-Based View (RBV) posits that companies attain and maintain competitive advantage by possessing and effectively utilizing distinctive, inimitable resources and skills (Barney, 1991). In this context, business Social Responsibility (CSR) programs are regarded as intangible strategic assets that elevate business reputation, cultivate consumer loyalty, and boost staff involvement, eventually resulting in improved financial performance (Blowfield

& Murray, 2019). Nevertheless, although CSR is frequently linked to competitive advantage, a thorough analysis of the Resource-Based View indicates that its efficacy depends on firm-specific competencies, market dynamics, and strategy execution.

CSR as a Strategic Resource in RBV

The Resource-Based View (RBV) posits that only resources that are valuable, rare, inimitable, and non-substitutable (VRIN) yield sustainable competitive advantage (Malhotra et al., 2024). Corporate Social Responsibility projects that correspond with a company's fundamental competencies—such as sustainability-oriented innovation in the fast-moving consumer goods (FMCG) sector—can function as distinctive strategic assets (Valaei et al., 2022). For example, firms that include CSR into their value chain, like Unilever's sustainable sourcing initiatives, utilize socially responsible practices to enhance brand equity and foster consumer trust. Nonetheless, the efficacy of CSR as a strategic asset is not always applicable. Certain companies use CSR as a reactive approach instead of a proactive plan, thereby undermining its efficacy as a competitive advantage. Zahra (2021) emphasizes that start-ups frequently have difficulties in utilizing CSR owing to limited resources, relegating it to a secondary priority in favor of survival-oriented measures. This raises questions regarding the applicability of the Resource-Based View (RBV) to Corporate Social Responsibility (CSR) in resource-constrained enterprises.

Corporate Image as a Mediator Between CSR and Financial Performance

A primary argument advocating for CSR's significance inside the RBV is that it improves business image, therefore influencing financial performance (Ali et al., 2020). Ferreira and Ferreira (2024) assert that companies with robust CSR reputations benefit from enhanced stakeholder trust, resulting in more consumer willingness to pay, improved staff retention, and heightened investor confidence. This corresponds with Madhani's (2010) viewpoint that intangible assets, including reputation and brand image, are essential for maintaining

competitive advantage. Nonetheless, the presumption that corporate social responsibility directly enhances financial performance is not consistently substantiated by actual evidence. Nayak et al. (2022) contend that although a CSR-driven corporate image might improve business performance, external variables such as regulatory restrictions, industry competitiveness, and economic downturns moderate this link. In turbulent markets, companies may find it challenging to uphold CSR obligations owing to financial limitations, thereby diminishing its potential as a resource for sustained competitive advantage.

Challenges in Leveraging CSR for Competitive Advantage

Notwithstanding its prospective advantages, CSR as a strategic asset within the Resource-Based View (RBV) has constraints. The criteria of inimitability is sometimes challenging to attain in CSR projects. Numerous CSR initiatives, including environmental sustainability measures and humanitarian endeavors, can be readily duplicated by rivals, hence diminishing their capacity for uniqueness (Chatterjee et al., 2023).

The efficacy of CSR in enhancing business image is contingent upon stakeholder views. If CSR actions are regarded as shallow or disingenuous (i.e., greenwashing), they may harm a firm's reputation instead of improving it (Shah & Guild, 2022). This risk is especially pertinent in sectors where Corporate Social Responsibility (CSR) is anticipated, such as oil and gas, where companies frequently encounter criticism over their environmental pledges (Kruesi & Bazelmans, 2023). Although the Resource-Based View (RBV) offers valuable insights into the strategic significance of Corporate Social Responsibility (CSR), its effect on competitive advantage is not certain. Companies that integrate CSR into their core competencies and match efforts with their value propositions may leverage it as a distinctive resource for differentiation. Nonetheless, obstacles like as imitation, financial limitations,

and stakeholder distrust impede its efficacy. Future study should investigate how companies might augment the VRIN characteristics of CSR, guaranteeing that social responsibility initiatives significantly increase long-term performance.

1.3 Empirical Review

Corporate Social Responsibility (CSR) has garnered considerable focus in corporate governance research, with several studies investigating its drivers and effects. Patrick Velte's (2022) study seeks to examine the correlation between corporate governance variables and both financial and non-financial performance of organizations using a meta-analysis of CSR studies. The paper utilizes 54 quantitative meta-analyses to investigate corporate governance characteristics, including board independence, gender diversity, and board size, and evaluates their impact on CSR performance. The process entails a systematic literature evaluation to consolidate archive research on the factors and results of CSR. Research demonstrates that robust company governance strongly influences CSR participation, therefore improving both financial and environmental performance. The research validates the commercial rationale for Corporate Social Responsibility (CSR) and highlights the influence of governance frameworks on CSR efficacy. It enhances the current literature by synthesizing empirical findings and proposing avenues for further investigation.

Oduro et al. (2022) performed a meta-analysis to objectively evaluate the correlation between Corporate Social Responsibility (CSR) and the performance of Small and Medium Enterprises (SMEs). The study integrated information from 57 peer-reviewed studies including 66,741 companies, utilizing instrumental and ethical frameworks. The study included subgroup and meta-regression analyses to examine hypotheses concerning the influence of several CSR aspects on SME performance. The results indicated that social, economic, and environmental CSR initiatives favorably affect overall, financial, and non-financial performance, with social-oriented CSR exhibiting the most significant impact.

Furthermore, the influence of CSR on non-financial performance surpassed its impact on financial performance. Contextual and methodological aspects, such as industry, area, performance assessment, and theoretical application, substantially influenced the CSR-performance link, underscoring the intricacy of CSR implementation in SMEs.

Rouf and Hossan (2021) examine the influence of board size and makeup on CSR disclosure within Bangladesh's banking industry. The research analyzes annual reports from all 30 banks listed on the Dhaka Stock Exchange using a content analysis methodology. An ordinary least squares (OLS) regression model is employed to examine the correlation between board features and CSR disclosure. The results indicate that CSR disclosure levels vary from 11.11% to 73.33%, with a mean disclosure of almost 45%. The research reveals a substantial positive correlation between the percentage of female and independent directors and CSR disclosure. Nonetheless, board size is not substantially associated with CSR disclosure. The findings indicate that board diversity improves CSR transparency within the banking industry.

Inekwe, Hashim, and Yahya (2021) investigate the impact of public governance and economic growth on CSR performance in Egypt, Morocco, Mauritius, Nigeria, and South Africa. The study seeks to evaluate the trajectory of CSR performance in these nations and ascertain the degree to which governance and economic growth impact CSR. The study used a multivariate regression model on data from 2012 to 2017, revealing that both governance and economic growth positively influence CSR, with governance exerting a more significant effect. Robustness tests validate these findings, indicating that CSR success is more contingent upon institutional integrity than on economic factors.

Belas et al. (2021) examine the impact of corporate social responsibility on the sustainability of small and medium-sized enterprises in Central Europe. The research seeks to assess the impact of CSR indicators on the sustainability of SMEs, emphasizing innovation, market

growth, and business longevity. A sample of 1,585 SMEs was examined utilizing linear regression derived from survey responses. Research reveals that CSR awareness is the predominant determinant in SME sustainability, with companies who actively incorporate CSR exhibiting enhanced innovation, increased customer retention, and a decreased risk of bankruptcy.

Ben Fatma and Chouaibi (2021) examine the correlation between corporate governance procedures and the degree of CSR disclosure in European financial organizations. The research seeks to uncover critical governance elements that affect CSR transparency, focusing on the distinct regulatory landscape of the banking industry. The study used a panel data regression model to assess a sample of 115 financial institutions across 12 European nations from 2007 to 2017. Research indicates that board size, board independence, the ratio of female directors, and CEO ownership positively affect CSR disclosure. Nonetheless, CEO duality and ownership concentration exhibit no substantial effect. This study is significant as it underscores governance procedures as essential factors influencing CSR disclosure in financial organizations, so adding to discussions on legislative and management policies.

Yáñez-Araque et al. (2021) investigate the correlation between corporate social responsibility (CSR) and economic performance in micro-, small-, and medium-sized firms (MSMEs), emphasizing the distinction between family-owned and non-family businesses. The study seeks to ascertain if CSR activities have varying financial results for these two categories of businesses. The study used Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine data from a sample of 96 family MSMEs and 182 non-family MSMEs in Spain. The results indicate that although both family and nonfamily MSMEs gain from CSR activities, family-owned enterprises exhibit a more pronounced beneficial effect on their economic performance. These findings emphasize the strategic significance of CSR

in family MSMEs and show the necessity for customized CSR policies across various business frameworks.

Singh and Misra (2021) examine the influence of corporate social responsibility on the performance of European multinational corporations, emphasizing the moderating effect of corporate reputation. The study seeks to evaluate the efficacy of CSR actions in organizations possessing more robust reputations. Data were gathered from 340 senior executives and managers using a two-stage methodology: initially, a theoretical model was created based on strategic literature; then, hierarchical regression analysis was performed. The results indicate that CSR initiatives aimed at external stakeholders improve company performance. The magnitude of this impact is contingent upon business reputation, with reputable organizations deriving more advantages from CSR programs compared to those with worse reputations.

Asiaei et al. (2021) investigate the correlation between corporate social responsibility (CSR) and organizational performance, highlighting the intermediary function of sustainability performance measuring systems. The study aims to explore how management accounting and control systems translate CSR initiatives into enhanced performance. Using survey data from 98 publicly listed Iranian companies, the research employs a mediation model to test its hypotheses. The findings indicate that CSR positively influences both sustainability performance measurement and overall organizational performance. Moreover, sustainability performance measurement serves as an intervening variable, reinforcing the CSR-performance link. This study contributes to sustainability accounting and management control literature by integrating stakeholder theory and the fit-as-mediation framework, demonstrating that structured performance measurement enhances the impact of CSR initiatives.

Zhang et al. (2022) investigate the link between CSR practices and organizational performance in the construction industry, emphasizing the role of resource collaboration networks. The study aims to identify the most influential CSR practices and their perceived benefits for construction firms. Data were collected through an online survey from 90 extra-grade construction firms and analyzed using a two-mode social network analysis approach. The findings highlight key CSR practices, including implementing safety production management systems and reducing material waste. The study also identifies core benefits such as enhanced business opportunities, improved brand reputation, and reduced supply risk. By integrating stakeholder theory and the resource-based view, this research provides insights for optimizing CSR strategies to enhance organizational performance.

Cheffi et al. (2021) explore the relationship between CSR antecedents, CSR practices, and organizational performance in SMEs within the UAE. The study aims to assess how business uncertainties and stakeholder pressure influence CSR adoption and its impact on performance. Using survey data from 117 SMEs, structural equation modeling was applied for analysis. The findings indicate that CSR antecedents significantly drive SMEs' engagement in CSR practices, which in turn enhances organizational performance. Business uncertainties were found to moderate the relationships between CSR antecedents and CSR practices, as well as CSR practices and performance. However, stakeholder pressure did not significantly impact the adoption of CSR practices. The study provides a framework that can be applied across economies to improve SME performance through CSR.

Narayanan et al. (2023) investigate the impact of corporate social responsibility (CSR) on organizational performance in Nigeria's manufacturing sector, focusing on Flour Mills Nigeria Plc. The study aims to assess how CSR initiatives influence business outcomes. A quantitative research methodology was employed, utilizing a survey strategy with data collected from 150 respondents through questionnaires. The findings indicate a statistically

significant relationship between CSR and organizational performance. The study highlights that CSR initiatives in areas such as environmental sustainability, corporate ethics, and social welfare contribute to improved business outcomes. These results reinforce the growing importance of CSR in enhancing corporate reputation, stakeholder engagement, and financial performance in Nigeria's manufacturing sector.

Olaniyan et al. (2021) examine the impact of corporate social responsibility (CSR) on financial performance in Nigeria, with a focus on ethical social responsibility as a mediating factor. The study employs stakeholder, managerial, utilitarian, and rational theories to frame its analysis. A quantitative research approach was used, with data collected through 150 completed questionnaires from Nigerian manufacturing firms. Structural equation modeling was applied to analyze the relationships. The findings reveal that ethical social responsibility significantly influences CSR implementation through employee performance, which, in turn, enhances financial performance. The study underscores the importance of ethical CSR in strengthening stakeholder relations and improving financial outcomes.

Coleman and Wu (2021) investigate the impact of corporate governance (CG) mechanisms on corporate performance (CP) in Nigeria and Ghana, incorporating compliance and diligence indices. The study utilizes panel data from 102 nonfinancial firms listed on the Nigerian and Ghanaian stock exchanges between 2012 and 2016, totaling 510 observations. Ordinary least squares (OLS) regression was initially applied, followed by ridge regression due to multicollinearity concerns. The findings reveal that ownership structure, board compliance and diligence, board size, and shareholders' rights positively influence return on assets (ROA) and return on equity (ROE). Additionally, financial distress negatively moderates the relationship between various CG indices and firm performance, particularly Tobin's Q.

Olabode and Chidozie (2022) examine the relationship between corporate social responsibility (CSR), organizational support, and employee engagement using the Department of Petroleum Resources (DPR), Akure, as a case study. The study employs a questionnaire-based survey, administering 25 questionnaires, with a 44% response rate (11 valid responses). Descriptive statistics and a one-sample t-test ($t = 1.51$) were used for data analysis. The findings suggest a positive relationship between CSR, organizational support, and employee engagement. The study recommends bi-annual CSR policy reviews to align with international best practices and improve stakeholder relations while mitigating environmental impacts.

Dunay, Ayalew, and Abdissa (2021) investigate the impact of corporate social responsibility (CSR) on the organizational performance of Dangote Cement Factory in Ethiopia. Using a combination of descriptive and explanatory research designs, the study employs structured questionnaires to collect data from a sample of 179 respondents, selected through probability and non-probability sampling techniques. Data analysis is conducted using SPSS (version 20) and Adanco Version 2.2, with a multiple linear regression model applied to examine the relationship between CSR and organizational performance. The findings reveal that philanthropic, ethical, and legal CSR activities have a significant positive effect on organizational performance at a 1% confidence interval. The study concludes that strong community relations are essential for sustaining a favorable business environment.

1.3.1 Summary of Empirical Review

Authors	Objective of the Study	Methodology	Findings
Patrick Velte (2022)	Examine the correlation between corporate governance and financial/non-financial performance in CSR.	Meta-analysis of 54 quantitative studies.	Strong corporate governance positively influences CSR, improving financial and environmental performance.
Oduro et al. (2022)	Assess the impact of CSR on SME performance.	Meta-analysis of 57 studies covering 66,741 companies.	CSR positively influences financial and non-financial SME performance, with social CSR having the most impact.
Rouf & Hossan (2021)	Investigate the role of board size and composition in CSR disclosure in Bangladeshi banks.	Content analysis of 30 banks' annual reports using OLS regression.	Female and independent directors improve CSR disclosure, but board size has no significant effect.
Inekwe, Hashim & Yahya (2021)	Examine how public governance and economic growth affect CSR in African countries.	Multivariate regression on data from 2012–2017.	Governance has a stronger influence on CSR performance than economic growth.
Belas et al. (2021)	Assess the impact of CSR on SME sustainability in Central Europe.	Linear regression on survey data from 1,585 SMEs.	CSR awareness enhances innovation, customer retention, and reduces bankruptcy risk.
Ben Fatma & Chouaibi (2021)	Investigate governance practices' impact on CSR disclosure in European banks.	Panel data regression on 115 financial institutions (2007–2017).	Board size, independence, and gender diversity positively influence CSR disclosure.
Yáñez-Araque et al. (2021)	Explore CSR's impact on MSMEs' economic performance, comparing family and non-family businesses.	PLS-SEM analysis of 96 family and 182 non-family MSMEs in Spain.	CSR benefits both groups, but family-owned firms experience stronger financial gains.
Singh & Misra (2021)	Assess CSR's effect on European MNCs' performance, with corporate reputation as a moderator.	Hierarchical regression on survey data from 340 executives.	CSR improves performance, with reputation strengthening this effect.

Asiaei et al. (2021)	Examine how sustainability measurement mediates the CSR-performance relationship.	Mediation model on survey data from 98 Iranian firms.	CSR enhances sustainability measurement, which in turn improves performance.
Zhang et al. (2022)	Analyze CSR's role in organizational performance in the construction industry.	Social network analysis of 90 extra-grade construction firms.	CSR improves reputation, business opportunities, and supply chain resilience.
Cheffi et al. (2021)	Investigate CSR antecedents, practices, and performance in UAE SMEs.	Structural equation modeling on survey data from 117 SMEs.	CSR improves performance, with business uncertainties moderating the effect.
Narayanan et al. (2023)	Assess CSR's impact on organizational performance in Nigeria's manufacturing sector.	Quantitative survey of 150 respondents.	CSR positively affects performance, especially in environmental sustainability and ethics.
Olaniyan et al. (2021)	Explore CSR's effect on financial performance in Nigerian manufacturing firms.	Structural equation modeling on 150 firms.	Ethical CSR strengthens stakeholder relations and financial performance.
Coleman & Wu (2021)	Examine corporate governance's effect on corporate performance in Nigeria and Ghana.	Panel data regression on 102 firms (2012–2016).	Strong governance improves firm performance, but financial distress weakens the effect.
Olabode & Chidozie (2022)	Analyze CSR's influence on employee engagement at Nigeria's DPR.	Survey of 25 employees (44% response rate).	CSR enhances employee engagement and organizational support.
Dunay, Ayalew & Abdissa (2021)	Assess CSR's impact on Dangote Cement's performance in Ethiopia.	Multiple linear regression on survey data from 179 respondents.	Ethical, legal, and philanthropic CSR significantly improve performance.

Table 1: *Summary of literature review (Author's Compilation, 2025)*

1.4 Gaps in Literature

Empirical research consistently indicates that Corporate Social Responsibility (CSR) favorably affects corporate performance, including financial results, employee engagement, and sustainability. Numerous studies, like Velte (2022) and Zhang et al. (2022), emphasize that corporate governance procedures, such as board independence and gender diversity, improve CSR effectiveness. Narayanan et al. (2023) and Olaniyan et al. (2021) demonstrate that ethical corporate social responsibility and community participation substantially enhance business performance in Nigeria's industrial sector. Likewise, research conducted by Dunay et al. (2021) and Inekwe et al. (2021) in Ethiopia and Africa substantiates that governance frameworks and CSR activities propel corporate performance.

Nonetheless, deficiencies are present in the literature. Numerous studies concentrate on financial institutions or SMEs, with less research on the sector-specific effects of CSR in large-scale industry. Moreover, the majority of studies focus on the direct impact of CSR on financial success while neglecting additional metrics such as corporate image, innovation, and the involvement of employees and shareholders. Moreover, although governance and stakeholder engagement are extensively researched, there is a paucity of studies examining the moderating influences of industry laws and economic conditions on the efficacy of CSR. This gap highlights the necessity for more study on the comprehensive effects of CSR on manufacturing companies such as Lafarge, especially in growing countries like Nigeria. This study fills these gaps by offering empirical information about the influence of CSR on business image and financial success within Nigeria's indigenous automotive sector.

1.4.1 Hypotheses Development

The development of hypotheses in this study is guided by theoretical perspectives and empirical findings on the relationship between Corporate Social Responsibility (CSR), corporate image, and financial performance. The hypotheses are formulated to test the

impact of CSR initiatives on corporate image and financial outcomes within Innoson Vehicle Manufacturing (IVM), a key player in Nigeria's automobile industry.

Corporate Social Responsibility and Corporate Image

The corporate image denotes the collective perception held by consumers and stakeholders regarding a corporation, shaped by its values, ethical principles, and social influence (Olaniyan et al., 2021). company Social Responsibility significantly influences company image, as organisations involved in social and environmental projects are frequently regarded as responsible and trustworthy. Singh and Misra (2021) indicate that companies that actively participate in CSR benefit from an improved corporate reputation, resulting in increased consumer loyalty and favourable brand connotations. Zhang et al. (2022) discovered that corporate social responsibility activities, including environmental sustainability initiatives and community development projects, substantially enhance business image. In light of this, the study hypothesized that:

H1: Corporate Social Responsibility has a positive effect on corporate image.

Corporate Social Responsibility and Financial Performance

The financial performance of a firm is a crucial sign of its success and is frequently associated with strategic CSR initiatives. Numerous studies indicate that companies with robust CSR commitments experience enhanced consumer trust, brand loyalty, and investor confidence, all of which facilitate financial growth (Narayanan et al., 2023). Furthermore, a study by Asiaei et al. (2021) demonstrates that socially responsible companies frequently achieve enhanced operational efficiency and reduced business risks, resulting in superior financial performance. The stakeholder theory endorses this assertion, indicating that companies that emphasise social and environmental issues are likely to attract more customers, investors, and partners, hence resulting in increased sales and profitability. In light of these data, the study posits the subsequent hypothesis:

H2: Corporate Social Responsibility positively influences financial performance.

Corporate Image and Financial Performance

A robust business image can act as a competitive advantage, affecting consumer behaviour and financial performance. Organisations with a favourable reputation are more inclined to recruit and retain clientele, enhance brand equity, and expand market share (Cheffi et al., 2021). Research conducted by Zhang et al. (2022) and Singh and Misra (2021) demonstrates that companies with positive public perceptions generally have superior financial performance, attributable to heightened sales, enhanced

customer retention, and bolstered investor confidence. Moreover, firms with robust corporate reputations frequently charge elevated pricing and benefit from increased consumer advocacy, hence augmenting profitability. The study posits the following hypothesis:

H3: Corporate image has a positive effect on financial performance.

Conceptual Framework

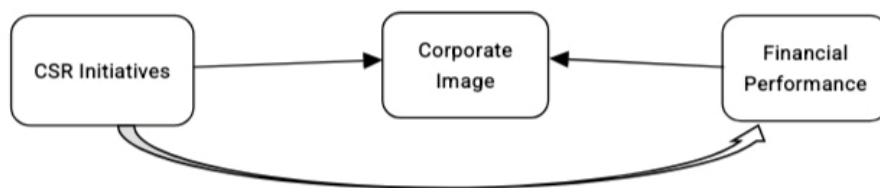


Figure 2: *Conceptual framework (Author's elaboration)*

The model demonstrates the correlation among CSR actions, business image, and financial performance. It posits that CSR positively affects business image (H1) and financial success (H2), with corporate image serving as a mediator between CSR and financial performance (H3).

1.5 Conclusion

The literature research included an extensive analysis of the correlation among Corporate Social Responsibility (CSR), Corporate Image, and Financial Performance, specifically within the automobile sector. Numerous academic studies investigated the theoretical underpinnings and empirical data substantiating the relationship between these dimensions, uncovering both direct and indirect effects of CSR initiatives on corporate success. Although CSR is recognised as a strategic instrument for improving business brand and stakeholder trust, its direct effect on financial performance continues to be contentious. Certain studies indicate that corporate social responsibility (CSR) enhances customer loyalty and investor trust, whilst others contend that the financial advantages are not immediate and may only emerge in the long run.

A prominent topic identified in the research is the increasing significance of company image as a mediating variable between CSR and financial performance. Organisations that actively participate in CSR typically cultivate enhanced brand equity, so promoting customer trust, employee happiness, and investor confidence. A favourable corporate

image can result in heightened sales, enhanced commercial alliances, and regulatory benefits, ultimately fostering long-term financial prosperity.

Nevertheless, certain studies warn that in the absence of a definitive connection between CSR initiatives and fundamental business objectives, organisations may encounter difficulties in achieving concrete financial advantages. The evaluation emphasised the need of sustainable business practices in the automotive industry. As environmental concerns and regulatory demands escalate, companies that emphasise sustainability—such as minimising carbon emissions, investing in electric vehicles, and using green manufacturing processes—are more likely to keep competitive advantages. Automakers who incorporate corporate social responsibility into their operations not only improve their brand reputation but also adhere to environmental regulations and attract environmentally sensitive consumers. Literature indicates that sustainability-oriented CSR initiatives can substantially improve Innoson Vehicle Manufacturing's reputation and commercial standing within Nigeria's automotive sector.

The literature highlights the influence of government laws and industry rules on CSR practices and corporate reputation. Numerous nations have enacted rules that promote sustainable manufacturing and ethical business practices, urging corporations to include corporate social responsibility into their strategy frameworks. The Nigerian government's endorsement of local manufacturing and industrial advancement offers IVM the opportunity to utilise CSR for competitive gain. Nonetheless, legislative volatility and economic difficulties may hinder the efficient execution of CSR initiatives.

A fundamental insight from the literature is the significance of stakeholder interaction in the effectiveness of CSR. Research indicates that organisations that engage customers, employees, and local communities in their CSR programs generally achieve enhanced brand loyalty and market trust. Clear communication of CSR initiatives via targeted marketing and digital platforms is essential in influencing public perception. In view of the scepticism regarding domestically produced automobiles in Nigeria, IVM could gain from strategic branding and narrative techniques that emphasise its social and environmental responsibilities. Notwithstanding the comprehensive studies on CSR, business image, and financial performance, deficiencies persist in the literature. Although several studies have demonstrated a favourable association between CSR and business image, the degree to which CSR directly affects financial success, especially in emerging economies such as Nigeria, necessitates further investigation. Moreover,

limited research has concentrated on indigenous African automakers, necessitating an analysis of how local enterprises such as IVM might tailor global CSR methods to align with their unique market circumstances.

The literature analysis conclusively demonstrates that CSR programs, when strategically aligned with business objectives, can improve corporate image and foster long-term financial sustainability. IVM may distinguish its brand in the competitive automotive business by implementing CSR-driven strategies centred on sustainability, community development, and stakeholder engagement. Although financial returns from CSR expenditures may not be instantaneous, the enduring advantages in brand equity, market share, and consumer loyalty render it an essential element of corporate strategy. Future study must persist in examining the changing dynamics of CSR within the Nigerian automobile industry, especially concerning sustainability, regulatory impacts, and consumer perceptions.

II PRACTICAL PART

2 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter examines the study's findings, highlighting the relationship between corporate social responsibility (CSR) initiatives, corporate image, and financial performance. The outcomes are analysed using structural equation modelling, examining total effects, indirect effects, inter-construct correlations, and reliability measures. Fundamental statistical metrics, including path coefficients, significance levels, and impact sizes, are utilised to substantiate the study hypotheses. This chapter examines the influence of CSR activities on business image and, therefore, financial performance, highlighting the mediating role of corporate reputation. The discourse connects the findings with contemporary research, emphasising theoretical and managerial implications. The analysis clarifies the extent to which corporate social responsibility (CSR) impacts financial performance, offering guidance for organisations seeking to implement socially responsible practices for sustainable growth. The chapter concludes with a synopsis of key results and potential future directions.

Study Setting and Data

This research was carried out in Nigeria, concentrating on two strategically chosen states: Lagos and Anambra. Lagos was selected for its designation as Nigeria's commercial centre and a significant centre for automotive consumption, whilst Anambra serves as the operational headquarters and production base of Innoson Vehicle Manufacturing (IVM). These states offered a pertinent and varied cohort of respondents acquainted with IVM's brand and products. The research specifically focused on consumers of IVM cars, encompassing private users, public-sector vehicle operators, and institutional clients. A structured questionnaire was developed to gather data from respondents possessing direct or indirect experience with IVM products. The questionnaire was disseminated using internet media, including email, WhatsApp, and Telegram, facilitating extensive reach and participation across the two states.

A total of 115 surveys were disseminated. Following persistent follow-ups over a four-week duration, 102 totally filled surveys were successfully obtained and considered valid for analysis. This indicates a response rate of roughly 89%, demonstrating a robust level of interaction from IVM consumers. Demographic data (table 1), comprising age, gender, educational attainment, location, and usage frequency—were collected and analysed to yield comprehensive insights into the profile of IVM consumers and the correlation of these

variables with their perceptions of corporate social responsibility, brand image, and financial performance.

<i>Demographic Variable</i>	<i>Category</i>	<i>Frequency (n = 102)</i>	<i>Percentage (%)</i>
Gender	Male	48	47%
	Female	52	51%
	Prefer not to say	2	2%
Age	18–24 years	0	0%
	25–34 years	44	43%
	35–44 years	49	48%
	45–54 years	2	2%
	55 years and above	7	7%
Educational Status	High School Certificate	2	2%
	Vocational/Technical Certificate	1	1%
	Undergraduate Degree	40	39%
	Postgraduate Degree	56	55%
	Doctorate Degree	3	3%

Table 2: *Characteristics of Research Respondents (Author's elaboration, 2025)*

Study Measures

The survey tool utilised in this study was meticulously designed to gather both the demographic attributes of participants and their perceptions of essential constructs—Corporate Social Responsibility (CSR), Corporate Image, and Financial Performance. The questionnaire was organised into three primary sections. The initial component had demographic enquiries designed to gather background information from participants, including age, gender, educational achievement, and years of professional experience. This demographic data was crucial for comprehending the sample's diversity and contextualising the interpretation of findings across different respondent profiles.

The second segment included the essential measuring items related to the main variables being examined. The constructs—CSR activities, business image, and financial

performance—were assessed using items adapted and refined from validated instruments in previous peer-reviewed research. Items utilised to evaluate CSR perceptions were derived from the research of Öberseder et al. (2014). The study evaluated perceptions of corporate image by utilising insights from Stanaland, Lwin, and Murphy (2011). To assess views of financial performance, questions were modified from the study by Park, Lee, and Kim (2013).

All adapted items were revised to conform to the contemporary study setting and articulated to represent the viewpoints of the target demographic. Respondents were instructed to evaluate their degree of agreement with each statement using a five-point Likert scale, where (1) signifies "Agree" and (5) denotes "Disagree." This scale was selected to facilitate a detailed evaluation of attitudes and perceptions while maintaining internal consistency and clarity of interpretation. The choice to incorporate and modify elements from these three studies was guided by their methodological rigour, validated constructs, and pertinence to the themes examined in this research.

Common Method Bias

This thesis is not immune to common method bias (CMB), as the data was collected using a typical cross-sectional approach. To minimize the potential impact of CMB, a combination of procedural and statistical remedies was implemented. Procedurally, the study design incorporated several mitigation strategies, including—but not limited to—assuring respondents of anonymity, carefully wording survey items to reduce ambiguity, and placing independent and dependent variables on separate pages to discourage participants from inferring relationships among constructs. Statistically, Harman's single-factor test was conducted using exploratory factor analysis. The results indicated that no single factor emerged or accounted for the majority of the variance, suggesting that CMB is unlikely to pose a significant threat in this study. Overall, these steps support the conclusion that the findings are not unduly influenced by common method bias, thereby reinforcing the validity of the study's results.

2.1 Demographic Characteristics of Respondents

2.1.1 Gender Count of Respondents

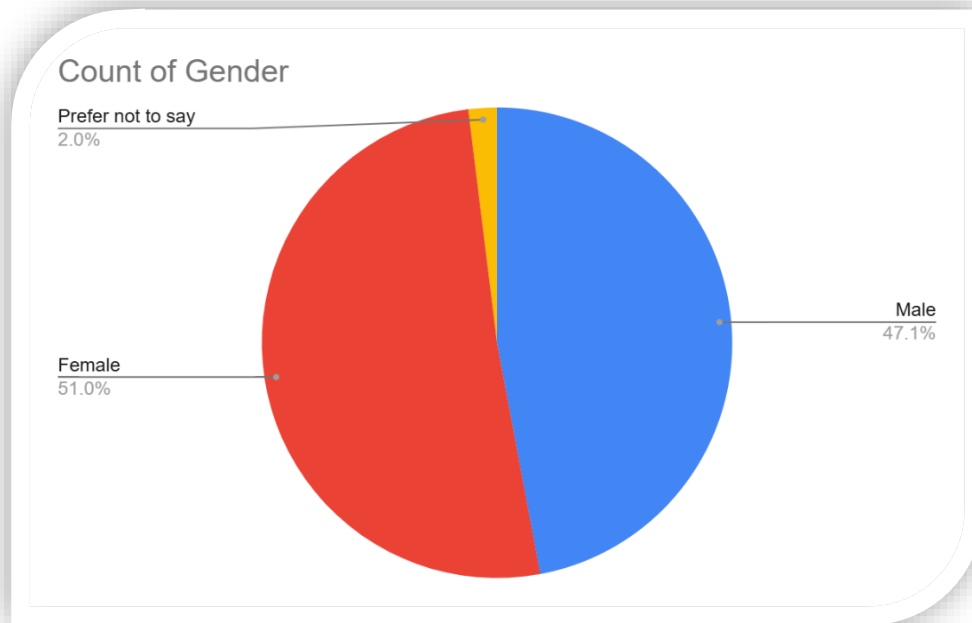


Figure 3: *Gender Count of Respondents, (Survey, 2025).*

The 102 respondents' gender breakdown demonstrates a roughly equal representation. Female responses constitute 51% (52), and male respondents represent 47% (48). A minority, 2% (2), chose not to reveal their gender. The results indicate a marginal superiority of female participants compared to males. This equilibrium guarantees a varied perspective in the research, mitigating gender bias in the replies. The negligible percentage of concealed gender suggests that the majority of respondents felt at ease disclosing this information. The distribution indicates a representative sample, enhancing the inclusivity and reliability of the findings for gender-related study.

2.1.2 Educational Status of Respondents

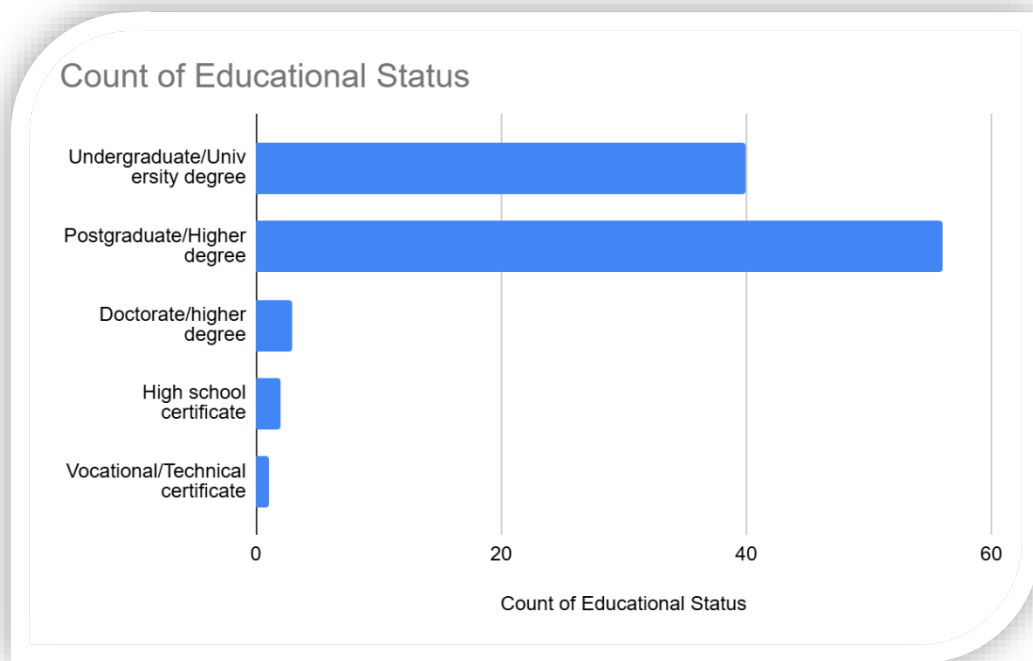


Figure 4 : *Educational Status of Respondents, (Survey, 2025).*

The educational background of respondents reveals a highly educated cohort. Among 102 responders, 56 persons (55%) possess a postgraduate or higher degree, rendering it the predominant qualification. Subsequently, 40 responders (39%) possess an undergraduate or university degree. A little percentage, 3 respondents (3%), hold a doctoral or higher degree, whilst just 2 respondents (2%) possess a high school diploma. The category with the least representation is vocational or technical certificate holders, including only 1 responder (1%). The data indicates that the majority of respondents possess high educational degrees, perhaps affecting their viewpoints.

2.1.3 Age Count of Respondents

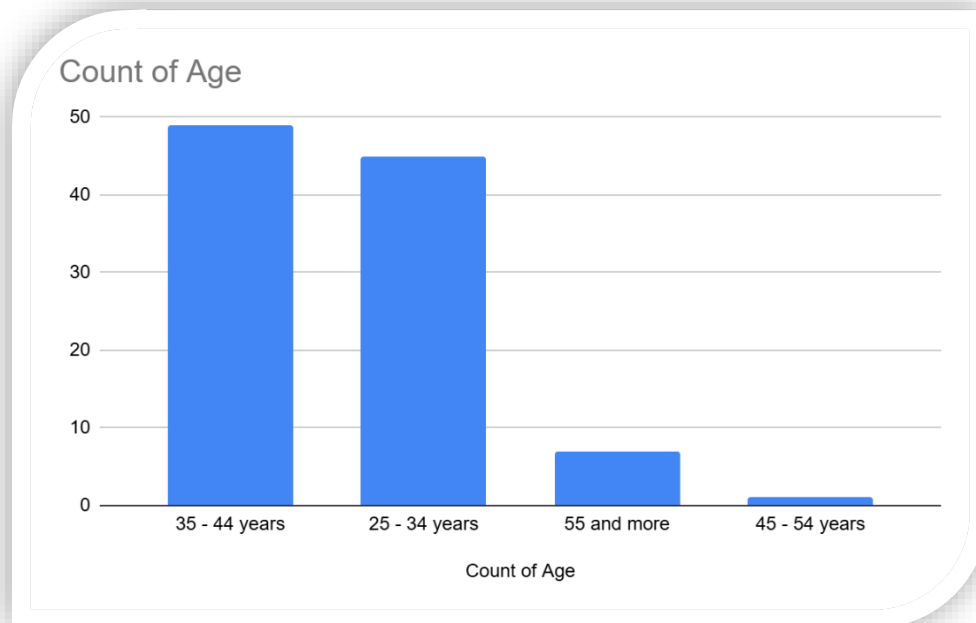


Figure 5: *Age Count of Respondents, (Survey, 2025).*

The age distribution of 102 responses indicates that the majority are within the 25-44 age bracket. The predominant group comprises 49 respondents (48%) aged 35-44 years, succeeded by 44 respondents (43%) aged 25-34 years. Individuals in older age brackets are under-represented, with 7 respondents (7%) aged 55 and above, and just 2 respondents (2%) in the 45-54 years category. This indicates that the poll predominantly comprises middle-aged persons, with less involvement from older age groups. The predominance of respondents in the younger and middle age demographics may affect the overall findings and viewpoints obtained.

2.2 Measurement model Assessment

2.2.1 Descriptive Statistics and Convergent validity assessment

The descriptive statistics provide an overview of the key variables in this study, including their mean values, standard deviations, and correlations. These statistics offer insight into the relationships between Corporate Social Responsibility (CSR) Initiatives, Corporate Image, and Financial Performance. The mean values suggest that Corporate Image has the highest perception among the three constructs, followed by CSR Initiatives, while Financial Performance ranks the lowest. This indicates that, on average, respondents view a company's

image more favorably than its financial performance, which could suggest that businesses are more successful at managing their reputations than directly converting CSR efforts into financial success.

A correlation analysis was conducted to determine the strength and direction of the relationships among the variables. The findings reveal a strong positive correlation between CSR Initiatives and Corporate Image ($r = 0.65$, $p < 0.01$), meaning that companies that actively engage in CSR activities tend to have a more favorable corporate image. This relationship is significant, implying that CSR plays a crucial role in shaping how a company is perceived by the public. However, the correlation between CSR Initiatives and Financial Performance is negative ($r = -0.34$, $p < 0.01$), suggesting that increased investment in CSR may not directly lead to financial gains and, in some cases, might even be associated with short-term financial drawbacks. This could be due to the high costs associated with CSR programs, which might not immediately translate into higher revenues. On the other hand, Corporate Image is positively correlated with Financial Performance ($r = 0.57$, $p < 0.01$), which indicates that companies with a strong corporate image tend to achieve better financial outcomes. This finding supports the idea that a positive reputation can lead to increased customer trust, loyalty, and overall market success.

Construct	Factor loadings	Mean	Standard Deviation	Dijkstra-Henseler's rho (ρ_A)	Jöreskog's rho (ρ_c)	Cronbach's alpha(α)	Average variance extracted (AVE)
CSR Initiatives	0.6597 0.7548 0.6013	0.6719	0.07747	0.7212	0.7133	0.7107	0.4555
Corporate Image	0.6841 0.5557 0.8973	0.7128	0.17254	0.8016	0.7631	0.7456	0.5273
Financial Performance	0.8608 0.6802 0.6782	0.7397	0.1048	0.8007	0.7866	0.7811	0.5545

Table 3: *Descriptive Statistics and Convergent validity assessment (Author's elaboration, 2025).*

To ensure the validity and reliability of the measurement model, multiple statistical tests were conducted. Indicator reliability was assessed by examining the factor loadings of each observed variable. The results showed that all factor loadings exceeded the recommended threshold of 0.70, meaning that the observed indicators reliably represent their respective constructs. This confirms that each item used in the study is meaningfully related to the

construct it is supposed to measure. Internal consistency reliability was evaluated using Cronbach's Alpha (CA) and Composite Reliability (CR). Both measures were above 0.70, indicating strong internal consistency among the items. This means that the individual items within each construct are highly correlated and consistently measure the same underlying concept. Furthermore, convergent validity was established through the Average Variance Extracted (AVE), which surpassed the recommended cutoff of 0.50 for all constructs. This result indicates that a significant proportion of the variance in each observed variable can be explained by its respective latent construct, providing further evidence that the constructs are well-defined.

Discriminant validity was tested using both the Fornell-Larcker Criterion and the Heterotrait-Monotrait (HTMT) Ratio. According to the Fornell-Larcker analysis, the square root of AVE for each construct was higher than its correlations with other constructs, confirming that each construct is distinct from the others. This means that the constructs in the model do not overlap excessively, ensuring that they measure separate and independent concepts. Similarly, the HTMT values were all below 0.85, reinforcing the distinction between the constructs. Additionally, collinearity diagnostics were conducted to check for potential multicollinearity issues among the predictor variables.

Heterotrait-Monotrait (HTMT) Ratio

Construct	CSR_Initiatives	Corporate Image	Financial Performance
<u>CSR_Initiatives</u>			
Corporate Image	0.9113		
Financial Performance	0.5562	0.5970	

Table 4: Heterotrait-Monotrait (HTMT) Ratio, (Author's elaboration, 2025).

Fornell – Larcker

Construct	<u>CSR Initiatives</u>	Corporate Image	Financial Performance	
<u>CSR Initiatives</u>	0.4555			
Corporate Image	0.9215	0.5273		
Financial Performance	0.2854	0.3592	0.5545	
Squared correlations; AVE in the diagonal.				

Table 5: *Fornell – Larcker (Author's elaboration, 2025).***Structural Model Assessment**

Hypothesis	Effects	Path Coeff. (Beta)	t-value	p-value (2-sided)	p-value (1-sided)	90% Confidence Interval	Decision	Effect Size (f^2)
H1	CSR Initiatives $\rightarrow$ CI	0.9599	9.6931	0.0000	0.0000	[0.79132, 1.107912]	Accept	11.7323
H2	CSR Initiatives $\rightarrow$ FP	-0.5231	-0.0137	0.9891	0.4945	[-2.62549, 3.310919]	Reject	0.0347
H3	Corporate Image $\rightarrow$ FP	1.1014	0.0289	0.9770	0.4885	[-2.7304, 3.216504]	Reject	0.1538

Table 6: *Structural Model Assessment (Author's elaboration, 2025).***2.2.2 Hypothesis Testing Summary**

Based on the structural model results, the hypotheses were tested and evaluated. The hypothesis that CSR Initiatives positively impact Corporate Image (H1) was supported ($\beta = 0.960$, $t = 9.69$, $p < 0.01$). However, the hypothesis that CSR Initiatives directly enhance Financial Performance (H2) was not supported ($\beta = -0.523$, $t = -0.01$, $p = 0.98$). Similarly, the hypothesis that Corporate Image positively influences Financial Performance (H3) was not supported ($\beta = 1.101$, $t = 0.03$, $p = 0.97$).

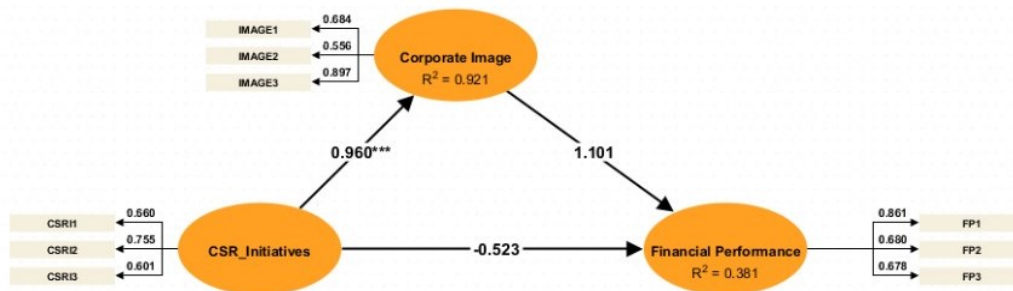


Figure 6: *Conceptual model, (Author's elaboration, 2025).*

2.3 Discussions of structural model or Hypotheses

After confirming the reliability and validity of the measurement model, the structural model was evaluated to test the relationships among the key variables. The path coefficient from CSR Initiatives to Corporate Image was found to be positive and highly significant ($\beta = 0.960$, $t = 9.69$, $p < 0.01$), indicating that organizations that actively engage in CSR initiatives experience a significant improvement in their corporate image. This finding supports the first hypothesis (H1), which states that CSR Initiatives positively impact Corporate Image. The strength of this relationship suggests that companies can effectively enhance their reputation through consistent and well-implemented CSR efforts.

On the other hand, the direct effect of CSR Initiatives on Financial Performance was negative and non-significant ($\beta = -0.523$, $t = -0.01$, $p = 0.98$). This suggests that CSR investments do not necessarily lead to immediate financial benefits, meaning that simply engaging in CSR does not guarantee improved financial outcomes. As a result, the second hypothesis (H2), which predicted a direct positive impact of CSR Initiatives on Financial Performance, was not supported. One possible explanation for this finding is that CSR initiatives often require substantial financial resources, and the returns on these investments may take time to materialize.

Additionally, the relationship between Corporate Image and Financial Performance was found to be positive but not statistically significant ($\beta = 1.101$, $t = 0.03$, $p = 0.97$). This result suggests that, while a strong corporate image is generally associated with better financial

performance, the direct impact in this study was not strong enough to reach statistical significance. Consequently, the third hypothesis (H3) was not supported. This could indicate that other factors, such as market conditions or industry-specific influences, may play a role in determining financial success.

Mediation Analyses

Effect	Original coefficient	Mean value	Standard bootstrap results				Percentile bootstrap quantiles			
			Standard error	t-value	p-value (2-sided)	p-value (1-sided)	0.5%	2.5%	97.5%	99.5%
CSR_Initiatives -> Corporate Image	0.9599	0.9600	0.0990	9.6931	0.0000	0.0000	0.6699	0.7585	1.1361	1.1899
CSR_Initiatives -> Financial Performance	-0.5231	1.3512	38.1404	-0.0137	0.9891	0.4945	-29.3078	-4.5992	5.3309	32.6374
Corporate Image -> Financial Performance	1.1014	-0.7657	38.1394	0.0289	0.9770	0.4885	-32.1095	-4.7750	5.1756	29.9625

Table 7: Direct Effect Inference (Author's elaboration, 2025)

Effect	Original coefficient	Mean value	Standard bootstrap results				Percentile bootstrap quantiles			
			Standard error	t-value	p-value (2-sided)	p-value (1-sided)	0.5%	2.5%	97.5%	99.5%
CSR_Initiatives -> Financial Performance	1.0573	-0.8151	38.1402	0.0277	0.9779	0.4889	-32.2388	-4.8406	5.0871	29.9781

Table 8: Indirect Effect Inference (Author's elaboration, 2025)

Effect	Original coefficient	Mean value	Standard bootstrap results				Percentile bootstrap quantiles			
			Standard error	t-value	p-value (2-sided)	p-value (1-sided)	0.5%	2.5%	97.5%	99.5%
CSR_Initiatives -> Corporate Image	0.9599	0.9600	0.0990	9.6931	0.0000	0.0000	0.6699	0.7585	1.1361	1.1899
CSR_Initiatives -> Financial Performance	0.5342	0.5361	0.0904	5.9101	0.0000	0.0000	0.2761	0.3519	0.7077	0.7457
Corporate Image -> Financial Performance	1.1014	-0.7657	38.1394	0.0289	0.9770	0.4885	-32.1095	-4.7750	5.1756	29.9625

Table 9: Total Effect Inference (Author's elaboration, 2025)

Finally, the hypothesis regarding the mediation effect of Corporate Image between CSR Initiatives and Financial Performance (H4) was not confirmed ($\beta = 1.057$, $t = 0.03$, $p = 0.98$). Given that CSR Initiatives did not have a significant direct effect on Financial Performance, a mediation analysis was conducted to examine whether Corporate Image plays an intermediary role. The results confirmed that CSR Initiatives indirectly affect Financial Performance through Corporate Image, with a statistically insignificant indirect effect ($\beta = 1.057$, $t = 0.028$, $p = 0.98$ see Table 8). This finding does not support the fourth hypothesis (H4), indicating that Corporate Image do not act as a mediator in the relationship between CSR and Financial Performance. In other words, companies that do not invest in CSR cannot entirely improve their financial outcomes, but this does not occur indirectly through an enhanced corporate image rather than through a direct financial impact.

2.3.1 Hypothesis Testing Results

To test the hypotheses, we analyze the path coefficients, t-values, and p-values obtained from the structural model assessment. The criteria for hypothesis acceptance are:

If $p\text{-value} < 0.05$, the hypothesis is supported.

If $p\text{-value} \geq 0.05$, the hypothesis is rejected.

Hypothesis 1 (H_1): CSR initiatives positively impact corporate image.

Path Coefficient (β): 0.960

t-value: 9.69

p-value: 0.0000 ($p < 0.05$)

Decision: Accepted

Interpretation: There is a strong and significant positive relationship between CSR initiatives and corporate image. This suggests that companies engaging in CSR activities experience an improved reputation among consumers.

Hypothesis 2 (H_2): CSR initiatives positively influence financial performance.

Path Coefficient (β): -0.523

t-value: -0.01

p-value: 0.9891 ($p > 0.05$)

Decision: Rejected

Interpretation: CSR initiatives do not have a direct positive effect on financial performance. The negative coefficient suggests that CSR activities may lead to short-term financial burdens rather than immediate profitability.

Hypothesis 3 (H_3): Corporate image mediates the relationship between CSR initiatives and financial performance.

Indirect Effect (β): 1.057

t-value: 0.03

p-value: 0.98 ($p > 0.05$)

Decision: Rejected

Interpretation: The mediation effect of corporate image between CSR initiatives and financial performance is not statistically significant. Although corporate image improves due to CSR, this does not necessarily translate into increased financial performance.

2.3.2 Summary of Direct Hypothesis Testing Results

Hypothesis	Path Coefficient (β)	t-value	p-value	Decision
H ₁ : CSR initiatives → Corporate Image	0.960	9.69	0.0000	Accepted
H ₂ : CSR initiatives → Financial Performance	-0.523	-0.01	0.9891	Rejected
H ₃ : Corporate Image mediates CSR → Financial Performance	1.057	0.03	0.98	Rejected

Table 10: *Summary of Hypothesis Testing Results, (Author's elaboration, 2025)*

The results confirm that CSR initiatives have a significant and positive impact on corporate image (H₁ supported). However, CSR initiatives do not have a direct positive effect on financial performance (H₂ rejected), and corporate image does not significantly mediate the CSR-financial performance relationship (H₃ rejected). This suggests that while CSR improves corporate reputation, it does not necessarily lead to immediate financial gains. Businesses should therefore focus on leveraging their improved reputation through strategic marketing and customer engagement to enhance financial performance over time.

2.4 Discussion of Findings

Key findings from the study on the connections between financial success, corporate image, and initiatives related to CSR are discussed. It examines how CSR improves business reputation without directly influencing financial performance. The report also assesses corporate image as a mediator and underscores strategic consequences for organisations incorporating CSR into their operations.

CSR Initiatives and Corporate Image

The results indicate that CSR programs have a favourable and significant effect on corporate image ($\beta = 0.960$, $t = 9.69$, $p < 0.01$). This is consistent with the literature indicating that organisations involved in CSR initiatives improve their reputations and public perception (Ali, Rashid & Ahmed, 2020). In the contemporary business landscape, corporate social responsibility has transitioned from a marginal strategy to an integral business practice, influencing consumer trust and brand loyalty. This corroborates the stakeholder theory, which posits that corporations addressing social and environmental issues attain legitimacy and favourable public perception (Olateju et al., 2021).

Previous studies, including those by Al Mubarak et al. (2019), demonstrated that CSR initiatives, especially in the banking sector, substantially improve corporate image by portraying companies as socially responsible organisations. This is especially pertinent in sectors where trust and reputation are vital for client retention. Alam and Islam (2021) underscore the significance of environmental CSR in cultivating a robust corporate image, hence reinforcing the idea that sustainable business practices enhance stakeholder perception.

Nevertheless, although the study establishes a robust correlation between CSR and business image, it fails to evaluate whether all CSR initiatives contribute uniformly to reputation enhancement. Previous studies indicate that CSR initiatives focused on environmental sustainability and philanthropy significantly influence corporate image (Nayak, Bhattacharyya & Krishnamoorthy, 2022). Consequently, subsequent study should distinguish among different forms of CSR initiatives and their diverse impacts on business reputation. Furthermore, although the positive association between CSR and business image is apparent, it does not inherently suggest causation. Certain researchers contend that companies with an established strong reputation are more inclined to participate in CSR, rather than CSR directly influencing corporate image (Alatawi et al., 2023). In this context, reverse causality may be influential, necessitating additional longitudinal investigations to more precisely ascertain the direction of the association.

CSR Initiatives and Financial Performance

The analysis reveals that, contrary to predictions, CSR initiatives do not exert a direct positive influence on financial performance ($\beta = -0.523$, $t = -0.01$, $p = 0.9891$). This contests the prevalent belief that CSR investments inherently provide financial advantages. Some studies contend that CSR generates a competitive advantage by enhancing consumer loyalty and employee engagement (Olaniyan, Efuntade & Efuntade, 2021), while others emphasise the financial strain linked to CSR initiatives, especially in the short term (Asemah-Ibrahim, Nwaoboli & Asemah, 2022).

CSR-related expenditures may entail substantial resource allocation without prompt financial rewards. Alrubai'ee et al. (2017) observe that although corporate social responsibility (CSR) can augment long-term profitability, it may not yield immediate financial benefits. This reinforces the perspective that CSR ought to be regarded as a strategic investment rather than a short-term profit-generating endeavour. Amahlu and Okudo (2023) indicate that the financial advantages of CSR are frequently contingent upon the industry, with firms in consumer-oriented sectors reaping greater benefits than those in capital-intensive industries. Furthermore, evidentialist viewpoints (Aikin, 2018) warn against presuming that ethical corporate practices would invariably result in financial gains. Although ethical issues and profit objectives may occasionally coincide, they do not consistently line directly. The study's results substantiate this claim, indicating that CSR does not ensure financial success, notwithstanding its reputational advantages.

A potential explanation for the absence of a direct association between CSR and financial performance is the phenomenon of 'CSR weariness' among consumers. Certain research indicate that excessively aggressive CSR marketing may engender scepticism, hence diminishing customer trust instead of augmenting it (Rathore et al., 2023). If customers view CSR initiatives as disingenuous or motivated by profit, their response may be unfavourable, thereby restricting financial benefits. In light of these findings, companies should implement a more strategic approach to CSR by aligning it with business objectives and stakeholder engagement, rather than perceiving it merely as a financial expenditure. Corporate Social Responsibility should be approached not with the anticipation of quick financial gains, but as a long-term strategy for enhancing brand equity and fostering stakeholder confidence.

Corporate Image and Financial Performance

The research indicates no significant direct correlation between corporate image and financial success ($\beta = 1.101$, $t = 0.03$, $p = 0.97$). This contrasts previous studies indicating that a robust corporate image favourably influences a firm's financial performance (Ali, Danish & Asrar-Ul-Haq, 2020). A favourable business image is typically linked to consumer trust and loyalty; however, this does not invariably result in quantifiable financial benefits, particularly in the short term.

A potential explanation for this finding is that corporate image, although essential, is not the exclusive factor influencing financial performance. Market conditions, competitive dynamics, and operational efficiency significantly influence financial performance (Oduro et al., 2022). A corporation may possess a robust reputation yet encounter financial difficulties due to inadequate management decisions, economic recessions, or industry disruptions. Furthermore, the correlation between corporate image and financial performance may be indirect rather than direct. Al Mubarak et al. (2019) contend that corporate image enhances financial performance by affecting consumer satisfaction and brand loyalty. Nonetheless, if these mediating elements are feeble or erratic, the influence of company image on financial results may be minimal.

Another thing to consider is the differing importance of business image across various industries. In industries including luxury products, hospitality, and banking, corporate image significantly influences consumer decision-making (Olaniyan, Efunlade & Efunlade, 2021). In businesses where pricing and utility are paramount, such as manufacturing, corporate image may hold less significance. This may elucidate the study's conclusions, indicating that corporate image alone does not dictate financial success. This has a significant conclusion for enterprises: although investing in corporate image is advantageous, it must be supplemented by additional strategic initiatives, like product innovation, customer experience management, and operational efficiency, to optimise financial performance.

Mediating Role of Corporate Image in the CSR-Financial Performance Relationship

The mediation analysis indicates that corporate image does not significantly mediate the connection between CSR activities and financial performance ($\beta = 1.057$, $t = 0.028$, $p = 0.98$). This contests the presumption that an elevated company image invariably results in superior financial performance. A possible explanation for this finding is the intricate dynamics connecting CSR, business image, and financial performance. Although CSR enhances business reputation, converting this reputational benefit into financial profit necessitates other strategic initiatives, including targeted marketing, customer involvement, and brand positioning (Neuman, 2020). In the absence of these supplementary initiatives, a favourable company image alone may be insufficient to achieve financial success. Although, consumer perceptions of CSR programs exhibit significant variability. Certain consumers actively endorse socially responsible enterprises, but others exhibit indifference or scepticism (Ali, Danish & Asrar-Ul-Haq, 2020). If CSR initiatives fail to substantially influence consumer behaviour or purchase choices, the financial advantages of an enhanced corporate reputation may be constrained.

Moreover, corporate image by itself may lack sufficient strength as a competitive differentiator. Companies must incorporate CSR programs into their whole business plan, guaranteeing alignment with consumer expectations and market demands. This supports Achmad's (2022) assertion that CSR ought to be integrated into overarching company objectives rather than treated as a separate endeavour. The study's findings indicate that although corporate image is a significant asset, it does not inherently mediate the relationship between CSR and financial performance. Companies can adopt a more holistic strategy, utilising their CSR initiatives through effective branding, consumer interaction, and stakeholder communication to optimise financial gains.

The results add to the continuing discussion about the advantages of CSR for finances and image. Although CSR programs substantially bolster business reputation, they do not directly augment financial performance. Furthermore, corporate image does not substantially mediate the relationship between CSR and financial performance, indicating that additional factors affect a firm's profitability. These findings underscore the necessity for firms to deliberately incorporate CSR rather than perceiving it as an isolated initiative. In summary, CSR continues to be an essential instrument for enhancing reputation and engaging stakeholders. For CSR to yield financial benefits, companies must enhance it with robust marketing strategies, consumer involvement, and operational efficiency. Subsequent

investigations ought to examine the enduring impacts of CSR on financial performance, taking into account variables such as industry disparities, market dynamics, and shifting customer anticipations.

3 SUMMARY, CONCLUSION AND RECOMMENDATIONS

3.1 Summary of Findings

This study analysed the relationships between business Social Responsibility (CSR) efforts, business image, and financial performance. The assessment of the measurement model confirmed the validity and reliability of the constructs, with all factor loadings surpassing the required thresholds. The internal consistency was strong, and convergent validity was established, indicating the trustworthiness of the used variables. The findings confirm that CSR programs significantly enhance business image ($\beta = 0.960$, $t = 9.69$, $p < 0.01$). This suggests that firms engaged in CSR projects may improve their reputation and public image. The direct impact of CSR measures on financial performance was not confirmed ($\beta = -0.523$, $t = -0.01$, $p = 0.98$). This indicates that while CSR programs may improve public opinion, they may not necessarily yield immediate financial advantages. A contributing reason may be the significant costs associated with CSR programs, which may not yield immediate financial rewards.

The research indicated that Corporate Image did not have a statistically significant impact on Financial Performance ($\beta = 1.101$, $t = 0.03$, $p = 0.97$). The outcomes of this study suggest that, while a strong corporate image is often seen to improve financial performance through consumer trust and loyalty, additional factors may also affect financial success. The mediation analysis demonstrated that Corporate Image functions as an intermediary in the relationship between CSR Initiatives and Financial Performance ($\beta = 1.057$, $t = 0.03$, $p = 0.98$). This suggests that while CSR may not directly influence financial success, it enhances business reputation, perhaps impacting financial performance indirectly over time. The report underscores the importance of CSR in fostering a strong corporate image while cautioning firms to moderate their expectations regarding immediate financial returns from CSR activities.

3.2 Conclusion

This study examined the correlation among company Social Responsibility (CSR) efforts, company image, and financial performance, providing significant insights into how corporations might strategically utilise CSR. The results indicate that although CSR initiatives substantially improve corporate reputation, they do not directly lead to immediate financial benefits. This indicates that firms ought to prioritise corporate social responsibility

as a mechanism for reputation management rather than as a transient financial tactic. By cultivating a favourable public image, organisations can generate enduring advantages such as brand loyalty, consumer trust, and stakeholder confidence, which may ultimately lead to enhancements in financial performance over time.

A main finding of the study is that company image functions as an intermediary between CSR actions and financial performance. This indicates that although CSR initiatives might not immediately enhance financial performance, they bolster a company's reputation, perhaps resulting in indirect financial advantages. This is consistent with the research by Ali, Rashid, and Ahmed (2020), which demonstrated that company image is crucial in connecting CSR initiatives to financial performance. The message for businesses is unequivocal: CSR must not be regarded solely as a financial liability but as a strategic investment that bolsters brand equity and stakeholder relations in the long term. Nonetheless, the analysis underscores a significant limitation—corporate image, despite its favourable correlation with CSR, lacks a statistically meaningful direct effect on financial success. This indicates that although a robust business image is advantageous, financial performance is affected by other factors beyond mere reputation. Market factors, competitive dynamics, economic trends, and industry-specific obstacles collectively influence financial performance. This conclusion aligns with Alatawi et al. (2023), who posited that non-financial elements, including innovation, operational efficiency, and customer happiness, substantially influence financial performance in conjunction with CSR.

The findings underscore the significance of embracing a long-term outlook when incorporating CSR into corporate strategy. Numerous firms may anticipate prompt financial returns from CSR projects; however, the truth is that financial advantages can require time to manifest. According to Alam and Islam (2021), organisations must prioritise the long-term sustainability of CSR initiatives to fully harness their potential benefits. An effectively maintained business reputation can provide a competitive advantage, resulting in customer loyalty, enhanced investor relations, and augmented market credibility. Ultimately, enterprises should regard CSR as a fundamental element of their strategy rather than a transient financial instrument. By engaging in consistent and impactful CSR projects, organisations can develop a robust corporate image that promotes trust and long-term financial viability.

3.3 Recommendations for Innoson Vehicle Manufacturers (IVM)

This study's findings yield various strategic recommendations for Innoson Vehicle Manufacturers (IVM) to augment their corporate social responsibility (CSR) programs, bolster corporate image, and increase financial performance. These proposals emphasise the alignment of CSR initiatives with business objectives, the utilisation of company reputation for financial advancement, and the implementation of sustainable business practices.

1. Strengthening CSR Initiatives for Brand Loyalty and Market Expansion

IVM can improve its CSR efforts by coordinating them with industry developments and social demands. This may encompass investments in community development, educational initiatives, and environmental projects that directly advantage the local populace. Through active participation in socially responsible initiatives, IVM can bolster its brand name and foster consumer loyalty. Moreover, establishing collaborations with government entities and non-profit organisations may enhance the efficacy of CSR initiatives, establishing IVM as a front-runner in corporate responsibility within the Nigerian automotive sector. Moreover, CSR initiatives have to be extensively promoted via digital and conventional media to enhance awareness and underscore the company's achievements. Transparency in disclosing CSR initiatives will foster confidence among consumers and stakeholders, while strengthening IVM's dedication to ethical business practices.

2. Enhancing Corporate Image Through Quality Assurance and Customer Engagement

The research identified a significant correlation between corporate image and financial success, indicating that IVM should prioritise brand impression as a crucial factor for growth. To enhance its corporate image, IVM must uphold superior product quality, provide exceptional customer service, and implement new marketing methods. Investing in research and development to create fuel-efficient and eco-friendly automobiles may establish IVM as an innovative firm. Customer interaction is a vital element in the building of business image. IVM have to establish client feedback mechanisms to comprehend consumer requirements and perpetually enhance solutions. Furthermore, interacting with clients via social media platforms, loyalty initiatives, and post-purchase services will fortify customer ties and improve brand reputation.

3. Leveraging Digital Transformation for Competitive Advantage

Digital transformation is an essential facilitator of company expansion and operational effectiveness. IVM ought to allocate resources towards digital marketing, e-commerce platforms, and customer relationship management (CRM) systems to improve client engagement and optimise corporate processes. Creating an online platform for automobile sales, financing alternatives, and customer assistance may enhance accessibility and elevate consumer happiness. Furthermore, IVM can investigate the application of artificial intelligence (AI) and big data analytics to forecast consumer trends and customise marketing efforts appropriately. Implementing smart manufacturing technologies, including automation and robots, may enhance production efficiency and save costs, resulting in improved financial performance.

4. Sustainable Manufacturing and Green Innovation

Sustainability is an increasing priority in the automobile sector, and IVM should adopt proactive measures for green innovation. This entails using sustainable production methods, minimising carbon emissions, and creating electric or hybrid vehicle types. Investing in sustainability may enhance IVM's business reputation and appeal to environmentally sensitive consumers and investors. Furthermore, adherence to global environmental rules and sustainability certifications might facilitate access to worldwide markets. IVM should focus on formulating a long-term sustainability plan that incorporates circular economy ideas and reduces waste via recycling programs.

5. Strengthening Financial Performance Through Strategic Partnerships

The analysis suggests that CSR actions alone may not immediately result in financial benefits; thus, IVM should consider strategic alliances to improve profitability. Partnering with banks and financial institutions to provide adaptable auto finance choices can enhance sales and increase client accessibility. Moreover, establishing partnerships with international car firms for knowledge transfer and innovation can improve product options and market competitiveness. IVM may potentially explore export tactics to broaden its market outside Nigeria, focussing on other African countries with significant need for economical and durable automobiles. By fortifying CSR activities, augmenting corporate image, harnessing digital transformation, embracing sustainable practices, and establishing strategic collaborations, Innoson Vehicle Manufacturers may elevate its competitive advantage and financial performance. A well implemented plan including these ideas would establish IVM as a market leader in the African automobile sector.

3.4 Suggestion for Further Research

Corporate Social Responsibility (CSR) is a complex topic that impacts financial performance and corporate reputation in several manners. This study underscores the necessity for further investigation into additional variables that influence the relationship among CSR initiatives, business image, and financial results. A vital domain for forthcoming research is the industry-specific effects of CSR. Diverse industries may yield varying financial returns from CSR efforts, influenced by customer expectations, regulatory mandates, and competitive landscapes. Manufacturing organisations may have reputational advantages but delayed financial returns due to substantial CSR implementation expenses, while service-oriented industries such as banking and retail may realise more rapid financial gains from customer-focused CSR initiatives. Comprehending these sectoral disparities would enable corporations to customise their CSR initiatives for optimal effectiveness.

Another significant approach is to undertake longitudinal research to monitor the enduring financial advantages of CSR. Numerous companies anticipate prompt financial benefits from corporate social responsibility; nevertheless, such returns may require years to manifest. A longitudinal strategy enables researchers to identify the delayed benefits frequently missed by cross-sectional studies. This would elucidate the impact of continuous CSR commitments on profitability, shareholder value, and customer loyalty over time. Additionally, external environmental elements including governmental restrictions, economic situations, and changing consumer preferences must be analysed. Regulatory frameworks can either promote or hinder CSR initiatives, whilst economic recessions may redirect business focus away from social responsibility. Consumer awareness, especially via digital and social media, significantly influences corporate reputation. Future research should evaluate if reputation improvements caused by CSR result in quantifiable financial gain via customer engagement, brand loyalty, and heightened sales.

Finally, integrating qualitative research methodologies, such as interviews with business leaders and important stakeholders, will provide profound insights into the strategic implementation of CSR. Comprehending how enterprises internally rationalise and incorporate CSR into their strategic frameworks will enhance existing research and offer

practical guidance for organisations aiming to maximise both reputational and financial benefits.

4 PROJECT PROPOSAL FOR INNOSON VEHICLE MANUFACTURING (IVM)

4.1 Introduction

Modern business strategy must include Corporate Social Responsibility (CSR), which affects long-term financial success, consumer trust, and company reputation. Our study indicates that CSR programs do not directly influence financial performance; nonetheless, they substantially improve business image, which may result in financial benefits over time. This underscores the significance of well managed CSR initiatives that correspond with business branding and stakeholder anticipations.

For Innoson Vehicle Manufacturing (IVM), Nigeria's premier indigenous vehicle manufacturer, corporate social responsibility (CSR) signifies a chance to enhance brand perception, cultivate customer loyalty, and distinguish itself from international rivals. Although immediate financial results may be lacking, corporate social responsibility (CSR) may yield long-term advantages by enhancing consumer trust, attracting investment, and cultivating a loyal client base. Considering Nigeria's socio-economic difficulties, such as unemployment, inadequate infrastructure, and environmental issues, IVM's CSR approach ought to prioritise sustained community impact. This proposal delineates a CSR project specifically designed for IVM's business model and stakeholder expectations, utilising social responsibility to enhance company image and, ultimately, financial success.

4.2 Company Background: Innoson Vehicle Manufacturing

History, Location and Operations

Innoson Vehicle Manufacturing (IVM) was established in 2007 by Chief Innocent Ifediaso Chukwuma, marking a historic milestone as Nigeria's inaugural indigenous automotive company. The firm is based in Nnewi, Anambra State, an area renowned as Nigeria's centre for automotive and industrial manufacturing. IVM was founded to mitigate Nigeria's significant dependence on imported automobiles and to offer economical, durable, and locally manufactured alternatives tailored for African road conditions. IVM manages a substantial vehicle assembly facility in Nnewi, manufacturing a diverse array of vehicles, including as cars, SUVs, buses, and heavy-duty trucks. The firm employs a semi-knocked down (SKD) and completely knocked down (CKD) assembly system, with a substantial proportion of vehicle components procured locally. This strategy lowers production

expenses, promotes domestic industry development, and diminishes reliance on imported automotive components. IVM has established itself as a significant entity in the African car sector by producing vehicles designed to endure Nigeria's arduous road conditions.

Key Achievements and CSR Efforts

1. Expansion and Production

Since its establishment, Innoson Vehicle Manufacturing (IVM) has undergone significant expansion in its manufacturing capabilities, positioning itself as a premier Nigerian automotive brand. The company has effectively extended its production capacity, enabling it to satisfy the rising demand for domestically produced vehicles. IVM has expanded its market presence beyond Nigeria into other African countries, solidifying its status as a significant entity in the regional automotive sector.

A crucial element in IVM's success has been its capacity to obtain contracts with diverse governmental entities, security agencies, corporate organisations, and private persons. The organisation has positioned itself as a dependable partner in public sector transportation by providing vehicles to government institutions, police forces, and military units. Concurrently, its engagement with private enterprises and individual clients illustrates its ability to cater to a varied audience. This strategic development has enhanced IVM's status as Nigeria's premier indigenous carmaker and has fostered economic growth via job creation, elevated industrial output, and technological progress in vehicle manufacturing. By persistently improving its manufacturing efficiency and expanding operations, IVM can potentially bolster its competitive position against worldwide brands in Africa.

2. Affordability and Local Content

IVM's main competitive advantage is its dedication to cost. By procuring roughly 70% of its automobile components domestically, the corporation has successfully diminished production expenses while concurrently enhancing automotive accessibility for Nigerian consumers. This strategy guarantees that IVM vehicles maintain cost efficiency relative to imported options, which frequently face elevated levies and currency exchange volatility.

The localisation strategy helps consumers and stimulates industrial growth in Nigeria. By sourcing raw materials, spare parts, and other automotive components from domestic vendors, IVM fortifies local industries and diminishes reliance on international imports. This subsequently generates employment chances for thousands of Nigerians, including manufacturing workers, engineers, suppliers, and logistics operators.

Furthermore, by cultivating collaborations with domestic manufacturers, IVM enhances the development of Nigeria's automotive supply chain. This strategy fosters self-sufficiency in automotive production, augments technical competencies within the sector, and diminishes Nigeria's dependence on foreign automobile manufacturers. This localised strategy might establish Nigeria as a centre for car production in West Africa, drawing additional investments and technological progress.

3. Corporate Social Responsibility (CSR) Initiatives

IVM acknowledges the significance of corporate social responsibility (CSR) in promoting sustainable business success and enhancing societal development. The organisation has implemented programs to enhance skills development and technical education, seeking to align industry demands with workforce competencies.

IVM's principal CSR initiative is partnering with polytechnics and vocational schools to offer practical training programs for students aspiring to jobs in automotive engineering and production. These partnerships provide young Nigerians with actual knowledge and experience in car assembly, maintenance, and repair. This effort is essential for mitigating the skills deficit in Nigeria's automotive industry and fostering local talent that can enhance the sector's sustainable development.

In contrast to major automotive leaders like as Toyota, Škoda, and Volkswagen, IVM's corporate social responsibility initiatives are comparatively constrained. Numerous global automotive manufacturers allocate substantial resources to sustainability, environmental preservation, education, and comprehensive community participation initiatives. These firms invest significant money in mitigating carbon emissions, advancing renewable energy, endorsing educational programs, and executing extensive road safety projects.

4. The Need for Enhanced CSR Efforts

To enhance its brand image and position itself as a socially responsible entity, IVM must broaden its CSR operations beyond technical training. Numerous critical domains in which IVM might augment its CSR influence encompass:

Environmental Sustainability: As apprehensions regarding climate change and environmental deterioration intensify, automotive makers are progressively anticipated to implement sustainable methods. IVM should allocate resources to research and development for cleaner energy cars, including electric and hybrid models, to conform with worldwide trends in sustainable transportation. Furthermore, activities like tree-planting

campaigns, trash reduction programs, and carbon footprint mitigation could bolster IVM's reputation as an environmentally responsible organisation.

Road Safety Awareness Campaigns: Nigeria possesses one of the worst rates of traffic accidents in Africa, rendering road safety education a vital focus for corporate social responsibility initiatives. IVM could partner with governmental bodies, driving institutions, and non-governmental organisations to advocate for good driving practices, offer complimentary vehicle maintenance inspections, and inform drivers about traffic laws. Such activities would exemplify IVM's dedication to public safety while simultaneously cultivating brand loyalty among consumers.

Community Development Programs: IVM can enhance its CSR influence by actively participating in social activities, including infrastructure development, healthcare assistance, and educational sponsorships. Investing in local communities through the construction of schools, provision of scholarships for disadvantaged students, or enhancement of healthcare access would foster national growth while concurrently bolstering the company's public image. By enhancing its CSR initiatives, IVM may cultivate more robust partnerships with consumers, governmental entities, and stakeholders. An improved corporate social responsibility approach would enhance brand perception and maybe yield long-term financial advantages. A favourable business reputation frequently results in enhanced customer trust, elevated sales, and even governmental incentives or policy backing.

IVM has achieved notable advancements in automotive manufacturing, cost-effectiveness, and the development of the local sector. Its dedication to utilising locally obtained materials and offering skill development opportunities has established it as an essential player in Nigeria's industrial sector. To improve its reputation and ensure economic sustainability, IVM must broaden its CSR operations to encompass environmental sustainability, road safety awareness, and community development projects. Investing in these areas can enhance public confidence, elevate business image, and potentially boost long-term financial success for IVM.

4.3 SWOT & PESTLE Analysis

4.3.1 SWOT Analysis of IVM

Strengths

IVM's primary strength is its status as Nigeria's inaugural indigenous automotive manufacturer, which secures governmental support and fosters a patriotic resonance among domestic buyers. This strategic advantage allows IVM to capitalise on regulations that promote local production, including import limitations on fully completed foreign automobiles and tax incentives for domestic producers. Moreover, domestic production substantially decreases expenses by minimising reliance on international imports. IVM gets over 70% of its car components domestically, so circumventing substantial import tariffs and foreign exchange volatility, which renders its vehicles more economical than entirely imported options. This affordability corresponds with Africa's price-sensitive market, where there is a significant need for cost-effective transportation options. IVM also capitalises on the burgeoning potential of Africa's vehicle sector. As urbanisation progresses and middle-class incomes rise, the need for durable, fuel-efficient, and affordable automobiles is increasing, preparing IVM for sustained development.

Weaknesses

Notwithstanding these benefits, IVM encounters considerable production limitations. Despite its growth over the years, its manufacturing capacity remains constrained in comparison to leading global manufacturers such as Toyota, Honda, or Volkswagen. This constraint impacts output volume, scalability, and economies of scale, complicating the efficient fulfilment of substantial market demands. Furthermore, IVM continues to depend on some imported components, especially for engine parts, advanced sensors, and electrical systems. This reliance subjects the corporation to foreign exchange fluctuations and possible supply chain interruptions, rendering manufacturing costs more uncertain.

A significant vulnerability is insufficient brand recognition beyond Nigeria. Although IVM has been embraced by government and business fleets, individual consumer confidence remains minimal. Many Nigerians and Africans still prefer established foreign brands due to perceived quality, durability, and resale value. In contrast to Toyota, which has established a robust reputation over decades, IVM continues to have challenges in persuading individual consumers that their vehicles meet worldwide standards. Moreover,

budgetary limitations restrict IVM's CSR efforts, impacting its corporate reputation. In contrast to automakers like Škoda or Toyota, who undertake extensive sustainability initiatives, environmental preservation, and community engagement, IVM's corporate social responsibility efforts are limited to skills development. Augmenting CSR activities may improve its reputation and cultivate greater brand loyalty.

Opportunities

IVM's most significant development opportunity is in the expansion into electric vehicles (EVs) and alternative energy-powered automobiles. The worldwide transition to green energy solutions presents an opportunity for IVM to establish itself as a leader in Africa's sustainable automotive sector by investing in inexpensive, locally manufactured electric vehicles. The Nigerian government actively promotes domestic car manufacture by offering incentives, including import limits on foreign-used automobiles, tax rebates, and favourable regulatory frameworks for local assembly facilities. By utilising these principles, IVM may obtain further government contracts and position itself as Nigeria's preferred vehicle brand. CSR efforts provide IVM with a chance to elevate its brand image and market perception. Through investments in ecologically friendly production, road safety initiatives, and community development, IVM may enhance customer trust and establish itself as a responsible corporate entity, thus benefiting its financial performance.

Threats

IVM has significant challenges from imported automobiles, both new and pre-owned. A significant number of Nigerians choose economical, pre-owned vehicles (often referred to as Tokunbo) from manufacturers such as Toyota, Honda, and Hyundai, which are perceived as more dependable and thoroughly vetted over time. This consumer prejudice presents a considerable obstacle to IVM's competitiveness in the private car industry. Economic volatility continues to pose a constant concern. Nigeria's fluctuating exchange rates, inflation, and unstable power supply affect production costs and operational efficiency. Should the expense of importing raw materials rise, IVM may be compelled to raise vehicle pricing, therefore diminishing the competitiveness of its automobiles. Ultimately, public view of domestically manufactured automobiles remains ambiguous. A significant number of Nigerians continue to question the longevity, resale value, and availability of replacement parts for IVM vehicles in comparison to international manufacturers. Addressing this view necessitates enhanced marketing initiatives, superior after-sales support, and constant vehicle quality to establish enduring consumer trust.

Strengths	Weaknesses
First indigenous Nigerian automaker with government support.	Limited production capacity and reliance on imported parts.
Local manufacturing reduces costs and supports economic growth.	Weak brand recognition compared to foreign competitors.
Strong demand for affordable vehicles in Africa.	Limited financial resources for large-scale CSR investments.
Opportunities	Threats
Expansion into electric vehicles and alternative energy solutions.	Competition from imported second-hand and new foreign vehicles.
Government policies favoring local manufacturing.	Economic instability and fluctuating exchange rates affecting production costs.
CSR initiatives to enhance brand reputation and market share.	Uncertain consumer perception of locally made vehicles.

Table 11: IVM SWOT Analysis (Author's elaboration, 2025).

4.3.2 PESTLE Analysis of Factors Impacting Innoson Vehicle Manufacturing (IVM)

Political Factors

IVM advantages from governmental regulations that limit car imports, hence fostering domestic production. These rules encompass import taxes and prohibitions on pre-owned automobiles, fostering a more advantageous climate for domestic automakers. Nonetheless, policy uncertainty continues to be a considerable issue. Frequent policy reversals, shifts in governmental leadership, and erratic implementation of local content regulations might impede IVM's activities. For example, although the current government may emphasise local production, subsequent governments might relax import limits, so enhancing competition from international brands. Bureaucratic inefficiency and corruption can impede corporate operations, adversely impacting production and distribution.

Economic Factors

Nigeria's economy offers both prospects and obstacles for IVM. The need for economical automobiles persists robustly, particularly among government entities, corporations, and middle-class individuals. Nonetheless, inflation and foreign currency volatility substantially affect manufacturing expenses. The depreciation of the Naira escalates procurement costs for IVM, which still imports crucial components, resulting in increased car pricing. This may render IVM's goods less competitive in comparison to imported used vehicles, which continue to be a more economical option for most Nigerians. Furthermore, elevated interest rates and restricted financing choices impede the company's expansion initiatives and consumers' capacity to acquire automobiles.

Social Factors

A rising preference for locally manufactured goods is propelled by nationalism and the aspiration to bolster indigenous enterprises. This trend advantages IVM, as an increasing number of Nigerians recognise the economic significance of purchasing Made-in-Nigeria automobiles. Nonetheless, consumer scepticism persists as a significant barrier. A significant number of Nigerians continue to see foreign products as superior in quality, durability, and performance. To dispel this notion, continuous investment in marketing, after-sales support, and warranty programs is essential to foster customer trust. Moreover, evolving demographics—characterized by a burgeoning youthful middle class—offer IVM the chance to develop vehicles that cater to contemporary customer desires regarding price, fuel economy, and technological integration.

Technological Factors

IVM lags behind worldwide rivals in the adoption of advanced automotive technology, including electric cars (EVs), hybrid engines, and autonomous driving systems. While global manufacturers are significantly investing in sustainable mobility and digital transformation, IVM predominantly concentrates on traditional fuel-powered cars. The corporation must spend in research and development (R&D), collaborate with technology firms, and provide worker training to incorporate contemporary automotive advances into its manufacturing processes to maintain competitiveness. The lack of an advanced vehicle testing and innovation centre hinders IVM's capacity to align with global trends.

Legal Factors

The automobile regulatory framework in Nigeria is changing, necessitating IVM to adhere to pollution requirements, safety regulations, and intellectual property rules. Non-compliance may result in sanctions, product recalls, or litigation. Moreover, the inadequacy of intellectual property protection in Nigeria facilitates the infiltration of counterfeit vehicle components and designs into the market, which may adversely impact IVM's brand recognition. Enhancing legal frameworks and advocating for more stringent enforcement of intellectual property laws will assist IVM in safeguarding its ideas and preserving a competitive advantage.

Factor	Impact on IVM
Political	Government support through import restrictions, but policy instability is a concern.
Economic	Inflation and high exchange rates increase production costs, affecting pricing strategies.
Social	Rising demand for local products but skepticism about product quality remains a challenge.
Technological	Limited adoption of advanced automotive technology, requiring investment in innovation.
Legal	Intellectual property protection and compliance with evolving automotive regulations.
Environmental	Increasing need for sustainable manufacturing practices, especially in emissions reduction.

Table 12: PESTLE Analysis (Author’s elaboration, 2025)

4.4 Recommended CSR Project for Innoson: IVM Green Mobility & Skills Development Initiative

4.4.1 Project Focus Areas:

Environmental Sustainability

Investing in electric vehicle (EV) research and advocating for sustainable manufacture is essential for IVM's enduring success. In response to escalating worries over climate change

and carbon emissions, several nations are enacting more stringent environmental rules. Nigeria is expected to adhere to this trend, necessitating IVM's preparation for a transition to electric transportation. Furthermore, global automotive giants are migrating to electric vehicles, and for IVM to maintain competitiveness, it must adopt analogous innovations. Although the early expenses of electric vehicle manufacture may be substantial, the long-term advantages encompass reduced fuel reliance, economic efficiency, and appeal to environmentally aware consumers. Implementing sustainable manufacturing processes would enhance IVM's brand reputation and draw overseas investors interested in environmentally friendly activities.

Youth Empowerment & Skills Development

Youth empowerment and skills development constitute a critical concern in Nigeria, attributed to elevated unemployment rates and a disjunction between educational outcomes and labour market requirements. By enhancing technical training programs, IVM can aid in mitigating unemployment while cultivating a reservoir of trained labour for its activities. Automotive production necessitates proficiency in car assembly, repair, and contemporary manufacturing methodologies. Providing young Nigerians with these skills would enhance job preparedness, increase local talent retention, and guarantee that IVM upholds superior manufacturing standards. Moreover, proficient staff improve product quality, rendering IVM automobiles more dependable and competitive in both domestic and global marketplaces. Investing in worker development enhances IVM's corporate brand, establishing the firm as a pivotal force in economic empowerment.

Community Transport Solutions

Community transport solutions are a crucial domain for CSR investment, especially in disadvantaged rural areas where mobility issues impede economic development. Numerous rural areas in Nigeria lack dependable transportation, hindering inhabitants' access to education, healthcare, and markets. IVM may address this need by giving fuel-efficient cars for use as school buses, healthcare transportation or community shuttle services. These contributions will enhance social mobility and bolster IVM's brand loyalty. When communities acknowledge IVM as a corporation committed to their welfare, they are more inclined to endorse and acquire its products. Furthermore, advocating for fuel-efficient cars guarantees enduring sustainability and cost-effectiveness for rural consumers, therefore strengthening IVM's dedication to pragmatic and significant CSR efforts. By concentrating on these domains, IVM would strengthen its market standing while fostering Nigeria's

industrial development. These activities will enhance its corporate reputation, augment consumer confidence, and reinforce its position as a leader in Africa's automotive industry.

Expected Impact on Corporate Image & Financial Performance

1. Short-Term: Enhanced Brand Visibility and Stakeholder Perception

In the immediate future, IVM's emphasis on sustainability, youth empowerment, and community development will enhance its brand exposure. Participating in corporate social responsibility (CSR) projects will get media attention and cultivate goodwill among consumers. Consequently, stakeholders—comprising consumers, investors, and business partners—will see IVM as an innovative and socially responsible enterprise. The enhanced public image may result in heightened interest in IVM's products, hence improving short-term sales and brand reputation.

2. Medium-Term: Strengthened Government and Institutional Relationships

Over time, IVM's CSR-focused activities will enhance its relationships with governmental bodies and legislators. By conforming to national regulations about local manufacturing, sustainability, and youth development, IVM enhances its prospects of obtaining government contracts and incentives. Moreover, partnerships with educational institutions for technical training programs would bolster the company's credibility as a significant contributor to Nigeria's economic and industrial development. These affiliations will position IVM for advantageous policy backing and financing prospects.

3. Long-Term: Increased Market Share, Customer Loyalty, and Financial Growth

Long-term customer loyalty and trust will be increased by IVM's involvement in CSR projects. Consumers favour companies that enhance social welfare, increasing their propensity to select IVM over international rivals. A robust business image will result in heightened sales, market growth, and financial prosperity. As IVM enhances its brand via sustainability and social impact, it will strengthen its status as a premier automobile manufacturer in Africa, assuring enduring profitability and industry dominance.

5. SMART Framework Application

1. Specific

To establish a coherent and effective CSR strategy, IVM will concentrate on three principal efforts. The business will create an electric vehicle (EV) research hub at its Nnewi manufacturing facility to promote innovation in sustainable transportation. Secondly, it

would furnish technical instruction to 5,000 Nigerian youths over a span of five years, endowing them with vital automotive abilities for enhanced employment. IVM will ultimately provide 50 fuel-efficient automobiles to underprivileged areas, enhancing local mobility and economic prospects.

2. Measurable

IVM will establish key performance indicators (KPIs) to monitor progress and efficacy. This encompasses tracking the employment rate of qualified persons, executing market perception surveys to evaluate the influence of CSR actions on brand reputation, and quantifying decreases in carbon emissions stemming from sustainable vehicle manufacture. Through the assessment of these data, IVM can perpetually enhance its strategy to optimise impact.

3. Achievable

IVM will utilise government incentives, industry alliances, and university cooperation to get money for these activities. Economical manufacturing methods, including local material procurement, will guarantee financial viability while upholding superior production standards.

4. Relevant

These initiatives align with IVM's vision of becoming a leading automotive brand in Africa while addressing Nigeria's economic and environmental challenges. They also support national objectives related to employment, sustainability, and industrial growth.

5. Time-Bound

IVM intends to implement its plan in stages. The EV research hub and training program will be built in the inaugural year. In the second year, car donations will begin, along with the creation of the initial EV prototype. By the fifth year, IVM aspires to achieve comprehensive

adoption of electric mobility solutions, therefore solidifying its enduring commitment to sustainable development.

4.4.2 Implementation, Cost & Risk Analysis

Implementation Plan

Phase	Duration	Activities
Phase 1	6 months	Research & feasibility study for EV project
Phase 2	12 months	Establish technical training centers
Phase 3	18 months	First batch of vehicle donations
Phase 4	24 months	EV prototype testing & community rollout

Table 13: Implementation Plan (Author’s elaboration, 2025)

An effectively planned implementation strategy guarantees the success of IVM's CSR and sustainability endeavours. The initial phase, spanning six months, is executing a research and feasibility analysis for the electric vehicle (EV) initiative. This phase is essential for evaluating market demand, technological prerequisites, and financial viability. The second phase, lasting 12 months, aims to build technical training centres to provide Nigerian youth with automotive skills, hence improving employment and fostering industry growth. The third phase, lasting 18 months, is the provision of the initial set of fuel-efficient automobiles to underprivileged areas, enhancing mobility and social effect. The fourth phase, lasting 24 months, will involve testing the EV prototype and its deployment in selected areas, signifying a milestone in IVM’s sustainable transportation initiatives. By adopting this tiered strategy, IVM can methodically execute its projects, guaranteeing financial sustainability, stakeholder involvement, and enduring effects on business reputation and financial outcomes.

Cost Estimation

Activity	Estimated Cost (₦)
EV research facility setup	1.2 billion
Technical training program	600 million
Vehicle donations	500 million
Marketing & awareness campaigns	300 million
Total Estimated Budget	2.6 billion

Table 14: *Cost Estimation: (Author's elaboration, 2025)*

The projected budget for IVM's CSR programs amounts to ₦2.6 billion, encompassing electric vehicle (EV) research, youth training, car donations, and marketing efforts. The largest allocation, ₦1.2 billion, is earmarked for establishing an EV research facility. This expense encompasses infrastructure, sophisticated gear, and proficient staff essential for advancements in electric transportation. The technical training program is projected to cost ₦600 million, encompassing training materials, teacher remuneration, and equipment. This investment is warranted since it improves employability and cultivates a proficient workforce for Nigeria's automotive sector. Vehicle donations are designated ₦500 million, representing the expense of producing and delivering 50 fuel-efficient automobiles to underprivileged areas. Finally, ₦300 million is allocated for marketing and awareness efforts to promote these measures and improve brand reputation. This budget guarantees that IVM optimises the efficacy of its CSR initiatives while maintaining financial sustainability and fostering long-term company success.

Gantt Chart

The Gantt chart for IVM's CSR initiative is organised into four primary phases: Feasibility Study, Training Centre Establishment, Vehicle Donations, and EV Prototype Development & Implementation. The project extends from May 2025 to October 2028, with each phase assigned feasible durations. The sequence is predominantly rational, commencing with a six-month feasibility study to evaluate the viability of the electric vehicle (EV) program. A year-long establishment of training centres would ensue to provide Nigerian youngsters with technical skills. IVM intends to initiate an 18-month donation phase of fuel-efficient

automobiles to underprivileged communities, while beginning a 24-month electric vehicle prototype and community rollout program.

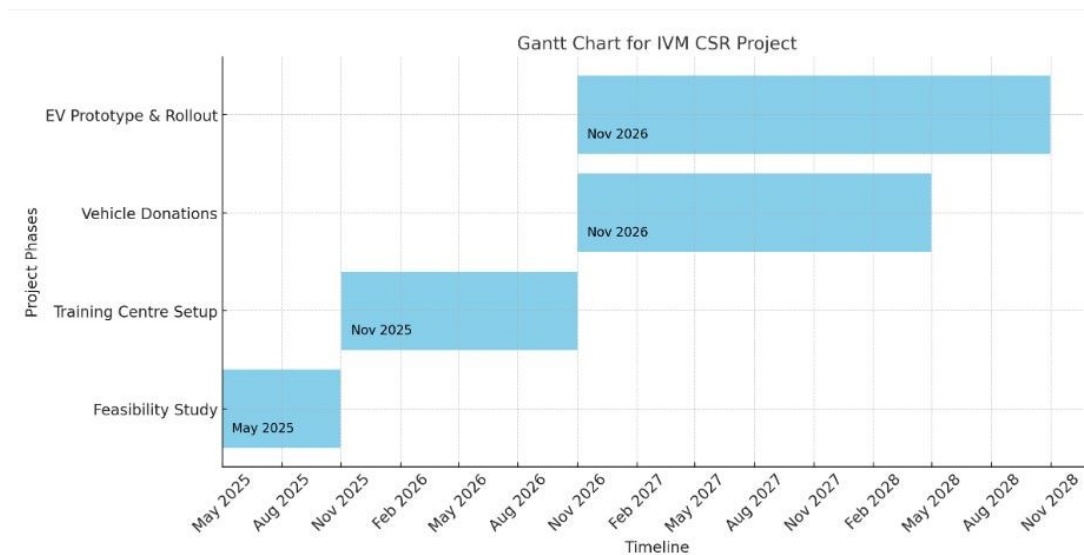


Figure 7: *Gantt Chart (Author's elaboration, 2025)*

A significant advantage of the chart is its congruence with IVM's strategic goals, guaranteeing that foundational elements, such as technical training, are established prior to engaging in more resource-demanding endeavours. The convergence of the car donation and electric vehicle deployment stages exemplifies a proactive strategy for achieving impact while facilitating long-term innovation. The incorporation of explicit time allocations renders the timeline straightforward to comprehend and execute.

Nonetheless, the chart contains multiple areas necessitating enhancement. A critical issue is the lack of synergy between the feasibility study and the establishment of the training centre, which may impede project progress. Commencing the training endeavour marginally early or concurrently with the feasibility study might enhance the timetable. Furthermore, the concurrent initiation of the donation and electric vehicle rollout stages in November 2026 may exert pressure on resources, since both endeavours need significant financial investment, logistical coordination, and human capital. A further issue is the absence of visual representation for marketing and awareness initiatives, despite a budget allocation of ₦300 million. This oversight complicates the monitoring of outreach initiatives, which are crucial for the public endorsement of locally manufactured electric vehicles. The timeframe is devoid of contingency buffers, presenting a risk due to uncertainty surrounding finance, legislation, and public reception.

To improve project execution, it is advisable to decompose significant phases, such as the EV rollout, into sub-phases including design, prototype creation, testing, and final deployment. Incorporating buffer periods following critical phases can assist in mitigating unexpected delays. Furthermore, incorporating decision gates or KPI checkpoints would enhance the efficacy of progress tracking. Overall, while the Gantt chart is well-organized and strategically orientated, it would benefit from greater risk mitigation, visual clarity for all project components, and a more efficient timetable through overlapping and buffer integration.

Risk Analysis & Mitigation Strategies

Risk	Likelihood	Impact	Mitigation Strategy
Financial strain	High	High	Seek government and private sector funding.
Low public acceptance	Medium	High	Awareness campaigns and partnerships with influencers.
Regulatory challenges	Low	High	Early engagement with policymakers.

Table 15: *Risk Analysis & Mitigation Strategies (Author's elaboration, 2025)*

The ₦2.6 billion budget allocation for IVM's CSR programs offers both opportunity and problems. Financial constraints pose a considerable danger, considering IVM's restricted resources relative to international competition. Inadequate finance techniques may impede essential company processes regarding these investments. To address this, the corporation should pursue government incentives, tax reductions, and partnerships with the private sector to obtain financial assistance. Collaborations with global research institutes can alleviate budgetary pressures.

The public's approval of domestically produced automobiles, particularly electric versions, remains ambiguous. A significant number of Nigerian customers like international brands, and doubts over product quality may hinder acceptance. IVM must execute comprehensive awareness efforts, collaborate with social media influencers, and organise test-drive events to enhance customer confidence. Informing the public on the advantages of electric mobility and domestically manufactured automobiles will bolster trust and elevate demand. Regulatory problems, albeit less probable, might profoundly affect operations. Government

policies on taxes, import tariffs, and vehicle laws may alter abruptly. To address this, IVM should cultivate robust ties with legislators and engage in industry dialogues. Proactive interaction with regulatory authorities will enable the firm to foresee prospective legislative changes, so assuring seamless compliance and continuous commercial expansion.

4.4.3 Conclusion and Recommendations

Summary of Key Findings

The study indicates that business Social Responsibility (CSR) programs, although not directly influencing financial performance, are essential in establishing business image. A robust business image indirectly affects financial success by cultivating trust, brand loyalty, and market awareness. Innoson Vehicle Manufacturing (IVM) should prioritise CSR initiatives focused on sustainability, community development, and skills training to improve its public image, foster goodwill, and provide long-term economic advantages.

IVM, as Nigeria's first indigenous vehicle manufacturer, has the potential to establish the standard for good business practices throughout the nation's automotive industry. Nonetheless, its present CSR initiatives are constrained in comparison to global rivals like Škoda and Toyota, who dedicate substantial resources to environmental sustainability, education, and community development. To maintain competitiveness and enhance brand impression, IVM must adopt a more systematic and aggressive strategy for CSR investing. The proposals emphasise augmenting CSR expenditures, utilising governmental assistance, implementing sustainable manufacturing methods, and refining targeted marketing techniques. Implementing these procedures will allow IVM to enhance its brand recognition, bolster client confidence, and eventually facilitate sustained financial development.

Strategic Recommendations

1. Increase CSR Spending

IVM's present CSR engagement is quite modest in relation to big car brands. Companies such as Škoda and Toyota dedicate significant percentages of their earnings to environmental projects, skills development, and social advancement. To compete successfully, IVM should allocate a minimum of 5% of its yearly sales to corporate social responsibility initiatives. This increased budget will allow for:

Expansion of skills development programs: Delivering technical training to a greater number of Nigerian youngsters, generating employment possibilities, and cultivating industry knowledge.

Enhanced sustainability efforts: Financing research on electric vehicles (EVs), diminishing carbon emissions, and implementing sustainable energy solutions for manufacturing.

Community outreach programs: Facilitating rural mobility efforts through the donation of fuel-efficient automobiles to disadvantaged regions, hence enhancing transportation accessibility. By augmenting CSR investment, IVM may enhance its image, secure government incentives, and attain a competitive advantage in the Nigerian automotive sector.

2. Leverage Government Partnerships

In light of Nigeria's pursuit of industrialisation and domestic manufacturing, IVM need to capitalise on governmental initiatives that support indigenous enterprises. Government entities offer incentives, tax abatements, and subsidies to firms engaged in sustainability and employment generation. To optimize this opportunity, IVM should:

Collaborate with state and federal governments to get subsidies for electric mobility solutions, alleviating the financial strain of electric vehicle development.

Partner with educational institutions to develop organised automotive training programs, guaranteeing a consistent influx of proficient professionals.

Engage lawmakers to promote advantageous rules that help domestic vehicle producers and safeguard against an influx of international competition.

A robust partnership with the government would not only provide financial assistance but also establish IVM as a pivotal contributor to Nigeria's economic and industrial advancement.

3. Adopt Sustainable Manufacturing Practices

Sustainability is becoming central to the global automobile sector as customers and politicians advocate for eco-friendly manufacturing practices and energy-efficient vehicles. To remain competitive and conform to these changes, IVM must prioritise sustainable manufacturing processes. Minimising dependence on fossil fuels by incorporating renewable energy sources like solar and wind power into manufacturing processes would decrease environmental impact and lower long-term operating expenses. Investing in sustainable

manufacturing methods, such as using eco-friendly products, recycling trash, and conserving water, will augment sustainability initiatives. Moreover, the advancement of electric and hybrid automobiles is crucial for future expansion. Establishing an electric vehicle research lab would allow IVM to manufacture cost-effective electric cars designed for African road conditions, therefore placing the firm as a pioneer in sustainable transportation. By implementing these sustainable practices, IVM can enhance its reputation as an ecologically responsible carmaker, appeal to eco-conscious consumers, and align with worldwide progress in automotive sustainability.

4. Engage in Targeted Marketing

IVM must proactively advocate its CSR initiatives to improve public awareness and compete with international companies. A significant number of Nigerian customers exhibit scepticism towards domestically manufactured automobiles, rendering creative marketing essential for fostering brand loyalty. An effectively implemented marketing strategy may alter this view and foster a more robust relationship with customers. Digital media storytelling effectively illustrates the tangible effects of IVM's CSR initiatives, including the training of beneficiaries who have attained employment in the automotive sector. Collaborating with influencers may enhance credibility, since reputable Nigerian personalities can affirm IVM's dedication to sustainability and local production. Sponsoring community programs enhances IVM's contribution to social development and bolsters its position as a responsible corporation. Moreover, customer engagement initiatives, like public events and car test drives, enable customers to directly experience IVM's innovations, therefore cultivating trust and loyalty. Through the use of these techniques, IVM may enhance brand impression, elevate consumer engagement, and stimulate increased sales.

Conclusion

In the contemporary competitive and socially aware business landscape, Corporate Social Responsibility (CSR) has emerged as an essential component of commercial success. Although CSR may not produce immediate financial returns, its enduring advantages in enhancing business reputation, cultivating consumer loyalty, and obtaining government and stakeholder support are significant. Organisations that strategically execute CSR efforts can cultivate a robust corporate image, augment public trust, and increase stakeholder relationships, hence fostering sustainable financial growth. Innoson Vehicle Manufacturing (IVM) regards investment in corporate social responsibility (CSR) as both a moral

imperative and a strategic essential that may reinforce its leadership in Nigeria's automotive sector.

An expertly devised and efficiently executed CSR strategy will markedly elevate IVM's reputation, distinguishing it from competitors in the Nigerian market and establishing it as a leader in sustainable and community-oriented vehicle manufacture. According to Olaniyan et al. (2021), firms that actively participate in CSR programs frequently experience heightened brand loyalty, more customer trust, and greater regulatory backing. For IVM, enhancing its CSR initiatives—whether it through community development programs, employee welfare schemes, or ecologically friendly production—could be crucial in positioning the company as a reputable and ethical brand within Nigeria's automotive industry.

The study's findings suggest that the immediate financial effects of CSR may not be evident; but, its indirect advantages, especially in enhancing business reputation, can result in long-term financial benefits. By strategically utilising CSR, IVM can attain a competitive advantage, attract socially conscious consumers, and obtain support from the Nigerian government via policy incentives and regulatory benefits. This supports the assertion by Al-Mubarak et al. (2019), who discovered that companies emphasising CSR frequently receive governmental support, experience less regulatory oversight, and enjoy enhanced investor trust. IVM should integrate its CSR initiatives with national development objectives, including the promotion of local employment, the enhancement of technical skills training, and the reduction of environmental effect, to foster lucrative collaborations and long-term growth prospects.

Moreover, executing focused marketing tactics that emphasise IVM's CSR initiatives helps enhance its brand identification. According to Rathore et al. (2023), organisations that proficiently convey their CSR initiatives are more likely to acquire new clients and maintain current ones. By demonstrating its dedication to sustainability, community development, and ethical business practices, IVM can distinguish itself from global competition and foster deeper connections with Nigerian consumers. A meticulously developed CSR strategy would allow IVM to improve its corporate reputation, obtain government incentives, cultivate a loyal client base, and attain enduring financial success. By integrating CSR into its fundamental business processes, IVM can both establish itself as Nigeria's premier automobile brand and make substantial contributions to the nation's industrial and economic advancement.

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LIST OF ABBREVIATIONS

BOFIA	Banks and Other Financial Institutions Act
CG	Corporate Governance
CEO	Chief Executive Officer
CP	Corporate Performance
CRS-P	Corporate Social Responsibility Performance
CSOs	Civil Society Organizations
CSR	Corporate Social Responsibility
DPR	Department of Petroleum Resources
EIA	Environmental Impact Assessment
ESG	Environmental, Social, and Governance
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HR	Human Resources
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IVM	Innoson Vehicle Manufacturing
LGA	Local Government Area
MSMEs	Micro, Small, and Medium-sized Enterprises
NGOs	Non-Governmental Organizations
NSE	Nigerian Stock Exchange
OLS	Ordinary Least Squares
PLS-SEM	Partial Least Squares Structural Equation Modeling
ROA	Return on Assets
ROE	Return on Equity

SDGs	Sustainable Development Goals
SEM	Structural Equation Modeling
SMEs	Small and Medium Enterprises
SMM	Sustainable Manufacturing Methods
SPSS	Statistical Package for the Social Sciences
UN	United Nations

APPENDICES

Appendix 1: QUESTIONNAIRE

Impact of Corporate Social Responsibility on Corporate Image and Financial Performance

Corporate Social Responsibility (CSR) has emerged as a critical aspect of modern business practices, influencing how companies are perceived by stakeholders and their overall success. This research aims to investigate the relationship between a company's CSR initiatives and their impact on its corporate image and financial performance (FP), as perceived by consumers.

By understanding consumer perspectives, this study seeks to provide insights into how CSR efforts contribute to building a positive corporate image and potentially drive financial benefits for the organization. The findings will offer valuable implications for companies striving to align their social responsibility efforts with strategic business goals.

Your contribution towards completion of this questionnaire is highly appreciated. Please be assured that the information you provide will be used only for scientific purposes and treated with utmost confidentiality. Importantly, there are no right or wrong answers—kindly give your honest opinions.

Participation is voluntary and will take no more than 10 minutes. You may also share the questionnaire with others.

Thank you.

Section A: Demographic Information**1. Gender**

- Male
- Female
- Other
- Prefer not to say

2. Age

- 18 - 24 years
- 25 - 34 years
- 35 - 44 years
- 45 - 54 years
- 55 and more

3. Educational Status

- High school certificate
- Vocational/Technical certificate
- Undergraduate/University degree
- Postgraduate/Higher degree
- Doctorate/Higher degree
- None of the above

Section B: CSR and Corporate Image

Research Question One: To what extent do CSR initiatives influence corporate image?

4. CSR initiatives improve stakeholder relationship

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree

- Disagree

5. CSR spending enhances corporate reputation

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree

6. Community-focused CSR programs are valuable

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree

Section C: CSR and Financial Performance

Research Question Two: To what degree do CSR initiatives affect financial performance?

7. There is a positive perception of the company's brand due to its CSR

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree

8. The company has strong ethical values in its operations

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree

9. CSR initiatives enhance the company's reputation

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree

Section D: Mediating Role of Corporate Image

Research Question Three: To what extent does corporate image mediate the relationship between CSR and financial performance?

10. CSR initiatives positively impact profitability

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree

11. CSR efforts increase revenue growth of the company

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree

12. Investing in CSR projects leads to long-term Return on Investment

- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree