JOURNAL OF THE BUSINESS OF EDUCATION

Journal Of
The Business of Education

Vol.5 No.1 January 2025

ISSN:2408-5367

A Publication of the Department of Business Education
Kwara State University, Malete

KWASU (Kwara State University)
JOURNAL of The Business of Education
A Publication of Department of Business Education Kwara State University Malete
ISSN: 2408-5367
Online & Print

EDITORIAL POLICIES

- Focus and Scope
- Section Policies
- Publication Frequency
- Open Access Policy
- Editorial Team

FOCUS AND SCOPE

TheÂ journalÂ aimsÂ atÂ encouragingÂ scholarsÂ andÂ researchersÂ toÂ makeÂ effectiveÂ contributionsÂ inÂ theÂ area Business Education andÂ Technology as they affect the production of goods and services in the National and International economies. Papers are equally welcomes from other related fields.

Â

SECTION POLICIES

ARTICLES

☑ Open Submissions ☑ Indexed ☑ Peer Reviewed

PUBLICATION FREQUENCY

The Journal is published Annually.

OPEN ACCESS POLICY

This journal provides immediate open access to its content on the principle that making research freely available to the public supports a greater global exchange of knowledge.

EDITORIAL TEAM

EDITORS:

Prof. T.A Umoru, **Editor-In-Chief.** Department of Business Education Kwara State University Malete, Nigeria
DR. L.F. Ademiuyi, **Managing Editor.** Department of Business Education Kwara State University Malete, Nigeria
Prof. G.T Oladunjoye, **Associate Editor**. Department of Business Education Kwara State University Malete, Nigeria
Dr. N.B Nwabufo, **Associate Editor**. Department of Business Education Kwara State University Malete., Nigeria
Dr. J.F Oyedele, **Associate Editor.** Department of Business Education Kwara State University Malete., Nigeria
Dr. J.S Mamman, **Associate Editor**. Department of Business Education Kwara State University Malete., Nigeria
Dr. E.C Okereke, **Associate Editor**. Department of Business Education Kwara State University Malete., Nigeria
Dr. U.T Saadu, **Associate Editor.** Department of Business Education Kwara State University Malete., Nigeria
Dr. S.O Afolabi, **Associate Editor**. Department of Business Education Kwara State University Malete., Nigeria
Dr. O.G Olayiwola, **Associate Editor**. Department of Business Education Kwara State University Malete., Nigeria
Dr. A. Adesokan, **Associate Editor**. Department of Business Education Kwara State University Malete., Nigeria
Dr. Y.I Ajeigbe, **Associate Editor**. Department of Business Education Kwara State University Malete., Nigeria

CONSULTING EDITORS:

1. **Prof. O.T Ibeneme**. Nnamdi Azikiwe University, Awka
2. **Prof. A.K Folorunsho.** Osun State University, Osogbo
3. **Prof. G.R Adeoti**. Obafemi Awolowo University, Ile Ife
4. **Prof. M.E Akpomi**. Rivers Satet University, Port Harcourt
5. **Prof. Anthony Obayi**. Michael Okpara University of Agriculture. Umudike

OPEN JOURNAL SYSTEMS

Journal Help

USER

Username
Password
Remember me
Login

NOTIFICATIONS

View
Subscribe

JOURNAL CONTENT

Search
Search Scope
All
Search

Browse
By Issue
By Author
By Title
Other Journals

FONT SIZE

INFORMATION

For Readers
For Authors
For Librarians

Copyright © 2022-2025. Department of Business Education, Kwara State University, Malete, Nigeria. All Rights Reserved.
ISSN: 2408-5367

KWASU (Kwara State University)
JOURNAL of The Business of Education
A Publication of Department of Business Education Kwara State University Malete
ISSN: 2408-5367
Online & Print

VOL 5, NO 1 (2025)

KWASU JOURNAL OF THE BUSINESS OF EDUCATION VOL.5 NO.1 MARCH 2025

KWASU Journal of The Business of Education (JTBE) Vol.5 No.1 March 2025

TABLE OF CONTENTS

ARTICLES

KWASU JOURNAL OF THE BUSINESS OF EDUCATION VOLUME 5 NO.1 , MARCH 2025 — PDF i-130
KWASU JOURNAL OF THE BUSINESS OF EDUCATION VOLUME 5 NO.1 , MARCH 2025

INFLUENCE OF SOCIO-CULTURAL FACTORS ON PURDAH WOMEN ENTREPRENEURIAL ENGAGEMENTS IN NIGERIA — PDF 1-11
Lawrence Femi Ademiluyi PhD, Sikiru Issa Nuhu, Joshua Sule Mamman PhD

INFLUENCE OF LECTURERS' COMPETENCIES ON BUSINESS EDUCATION STUDENTS' ACQUISITION OF PROBLEM-SOLVING SKILLS IN COLLEGES OF EDUCATION IN NIGER STATE — PDF 12-19
Hannatu Bawa YERIMA

INFLUENCE OF TEACHING STRATEGIES ON SKILLS ACQUISITION AMONG SECRETARIAL ADMINISTRATION STUDENTS IN TAI SOLARIN UNIVERSITY OF EDUCATION, IJEBU ODE. — PDF 20-27
Oluronke Oluronke DASAOLU, Ruth Boladale OLUWASINA, Isaiah Sunday OLADIRE

INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE ADVANTAGE AND PROFITABILITY OF SMALL AND MEDIUM ENTERPRISES IN SOUTH WEST, NIGERIA. — PDF 28-37
Akinbode Sangodapo, L.F. Ademiluyi, J.S. Mamman

EFFECTS OF GUIDED DISCOVERY METHOD ON ACADEMIC PERFORMANCE OF STUDENTS IN PRINCIPLES OF BOOK KEEPING AND ACCOUNTING — PDF 38-44
Lawrence Adebowale Oludare, Prof. Ngozi Bibiana Nwabufo

TEACHER AND LEARNER VARIABLES ON SECONDARY SCHOOL STUDENTS' ACADEMIC PERFORMANCE IN BUSINESS STUDIES, OGBOMOSO, OYO STATE — PDF 45-53
Olabisi Abosede ISHOLA

BASIC DIGITAL SKILLS AS DETERMINANTS OF BUSINESS EDUCATORS' JOB PERFORMANCE IN TERTIARY INSTITUTIONS — PDF 54-61
Prof T.A. Umoru, Rofiat Olayinka Salami

PERCEIVED INFLUENCE OF CONTRIBUTORY PENSION SCHEME ON PRODUCTIVITY AND JOB-SATISFACTION OF BUSINESS EDUCATORS — PDF 62-73
Professor Ngozi B. Nwabufo, Professor L.F. Ademiluyi, Olubiyi Samson Olugbemi

STAKEHOLDERS'PERCEPTION OF THE BENEFITS, CHALLENGES AND STRATEGIES OF IMPLEMENTING CONTINUOUS ASSESSMENT IN BUSINESS EDUCATION PROGRAMMES — PDF 74-84
Prof. Lawrence Femi ADEMILUYI, Rasak Bolanta OBA

INFLUENCE OF TEACHER CHARACTERISTICS AND TEACHING AIDS ON THE ACADEMIC PERFORMANCE OF STUDES IN BUSINESS STUDIES IN JUNIOR SECONDARY SCHOOLS — PDF 85-92
Jimoh Kazeem RAJI

PERCEPTION OF TOURISM EDUCATION PROGRAMME: IMPLICATIONS FOR SUSTAINABILITY IN KWARA STATE UNIVERSITY, MALETE, NIGERIA — PDF 93-106
O. S. Folorunso, I. S. Ogundele, R. D. Ayinla, J.A. Aderinto

UTILIZATION OF COMPUTER-BASED EDUCATIONAL RESOURCES IN ENHANCING POSTGRADUATE BUSINESS EDUCATION STUDENTS' RESEARCH PRODUCTIVITY — PDF 107-118
Rukayat Yetunde BOLAJOKO, Emmanuel Tunde ILORI

INFLUENCE OF BUSINESS EDUCATION LABORATORY ON SKILL ACQUISITION OF BUSINESS EDUCATION STUDENTS IN UNIVERSITIES IN KWARA STATE — PDF 119-130
Emmanuel Tunde Ilori, Joshua Sule Mamman PhD

HUMAN RELATION, INNOVATION SKILLS AND ENTREPRENEURSHIP SUCCESS OF BUSINESS EDUCATION GRADUATES — PDF 131-144
Joshua S. MAMMAN PhD, Prof. Lawrence F. ADEMILYI, Joseph A. MAFIKUYOMI

OPEN JOURNAL SYSTEMS
Journal Help

USER
Username
Password
Remember me
Login

NOTIFICATIONS
View
Subscribe

JOURNAL CONTENT
Search
Search Scope
All
Search

Browse
By Issue
By Author
By Title
Other Journals

FONT SIZE

INFORMATION
For Readers
For Authors
For Librarians

LECTURERS' SKILLS AS CORRELATES OF OFFICE TECHNOLOGY AND MANAGEMENT STUDENTS' ACADEMIC PERFORMANCE IN COLLEGES OF EDUCATION PDF 145-158
Joshua S. MAMMAN PhD, Prof. Lawrence F. ADEMILYI, F. B. LASISI

PERCEIVED BENEFITS AND BARRIERS OF UTILIZING WEB 2.0 TECHNOLOGIES IN TEACHING BUSINESS EDUCATION COURSES IN UNIVERSITIES PDF 159-170
Joshua S. MAMMAN PhD, Esther Dupe MATHEW

Copyright © 2022-2025. Department of Business Education, Kwara State University, Malete, Nigeria. All Rights Reserved.
ISSN: 2408-5367

Powered by Myrasoft Systems Ltd.(http://www.myrasoft.com.ng)

INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE ADVANTAGE AND PROFITABILITY OF SMALL AND MEDIUM ENTERPRISES IN SOUTH WEST, NIGERIA.

Akinbode Sangodapo[1], Ademiluyi, L.F. & Mamman. J.S.

[1] Department of Business Education,
School of Vocational and Technical Education,
Osun State Polytechnic, Iree.
+2348035643104
akinbodesangodapo4phd@gmail.com
[2, 3, & 4] Department of Business Education,
Faculty of Education,
Kwara State University, Malete.

Abstract

Corporate Social Responsibility (CSR) is considered as a performance tool for organizations, particularly small and medium-sized enterprises (SMEs), as it improves many aspects of performance, such as economical, social, and environmental results. It is on this premise that this study examined the influence of corporate social responsibility (CSR) on enterprise competitiveness, and profitability of small and medium enterprises in manufacturing sector in South-West, Nigeria. The study adopted a descriptive survey research design. The population of the study is 14,664 comprising small and medium enterprise manufacturers registered with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in the south-west states, Nigeria. The sample size for this study comprised 282 respondents who successfully completed and returned copies of questionnaire distributed to them. The researcher used multi-stage stratified random sampling technique. Mean and standard deviation were used to analyze research questions. The null hypotheses were tested using Independent sample t-test at 0.05 level of significance. The findings of the study revealed that implementation of CSR among SMEs in manufacturing sectors were rated high in enterprise competitive advantage, and profitability. Further to this, there was no statistically significant difference in the ratings of male and female respondents as regards the influence of corporate social responsibility on enterprise competitive advantage of SMEs, and in the ratings of rural and urban respondents on influence of corporate social responsibility on profitability. Based on the findings, recommendations were proffered that SMEs should position their CSR efforts as a unique selling proposition (USP) to widen their competitive advantage over others, and at the same time develop mechanisms to track and measure the outcomes of their CSR initiatives, as this will help them assess the profitability/return on investment, understand what works, and make informed decisions about future CSR activities.

Keywords: Corporate Social Responsibility, Enterprise Competitive Advantage, Profitability, Small and Medium Enterprises.

Introduction

In the developed world, governments frequently rely on corporate citizens to address issues such as bad roads and environmental maintenance, primary health challenges, economic challenges in relation to unemployment and high poverty rate, basic education, and security awareness within business organizations' immediate surroundings in the name of corporate social responsibility (CSR). When done efficiently, this benefits both the corporation and society as a whole. It is a well-known fact that no government can solve all of a society's problems on its own, thus, corporate social responsibility efforts are frequently left to large corporations alone, leaving large gaps that only small and medium-sized enterprises (SMEs) can bridge with government encouragement.

Corporate social responsibility (CSR) refers to corporate guidelines implemented as part of corporate governance to ensure that company actions are morally responsible and beneficial to society. To make corporations socially accountable to stakeholders such as customers, employees, suppliers, investors, and the general public, CSR focuses on self-regulation inside integrated organizations. The issue of corporate social responsibility is currently at the forefront of national discourse. Critical examinations of pertinent research findings demonstrated that corporate social responsibility has a strong business justification and that firms gain much from it since they consider both long-term and short-term rewards when making choices. Conversely to the above, critics argue that an enterprise's commitment to social responsibility deviates from its basic economic functions, resulting in a diversion of company attention from its primary goal. Based on additional research, it is now widely accepted that there is more to corporate success than profitability or economic gains. Other enterprise accomplishments may be disguised in the practice of corporate social responsibility by small and medium-sized enterprises, particularly in manufacturing sector.

Corporate social responsibility (CSR) is vital because corporate decisions and activities affect society, the environment, and the economy. Depending on the nature of decision-making and company operations, these influences might be advantageous or destructive. According to Muhamad & Muhamad (2020), implementing CSR can help reduce negative social and environmental repercussions while also improving highly sustainable corporate performance. Similarly, Bacinello et al. (2020) discovered that CSR-compliant businesses create job opportunities for local residents, foster the development of their employees' leadership and creative abilities, and address their social, emotional, and physical needs. These employees create a sense of commitment to the organization, focus fully on their responsibilities, and continue to reinvent the company's operations.

Arsić, Stojanović, and Mihajlović (2017) identified five dimensions of corporate social responsibility. The stakeholder, economic, social, environmental, and volunteer components are the most important aspects of corporate social responsibility (CSR). The researcher believes that small and medium enterprises, particularly those in the manufacturing sector, must demonstrate corporate social responsibility in all of the dimensions mentioned above in order to reap the benefits of CRS for the economic development of small and medium-sized enterprises in Nigeria.

The definition of small and medium-sized enterprises is not specific, especially in Nigeria, because it is based on certain distinguishing factors such as the number of employees, initial capital outlay, sales turnover, return on investment, and other related factors that can explain what small and medium-sized enterprises represent (Micah, Kassah & Andah, 2017). This also depends on the economy and the quality of environmental investments under consideration, as different countries' economic development rates vary. For the purpose of this study, Small Enterprises are business ventures or enterprises that have less than 10 employees, an initial capital outlay of less than N5,000,000, and a sales turnover of not more than N15,000,000 annually. Similarly, Medium Enterprises are business structures that have less than 50 employees, an initial capital outlay of less than N50,000,000, and a sales turnover of not more than N100,000,000 annually.

This research focuses on manufacturing SMEs in South West Nigeria since they play an important role in modern economies and are recognized for their contributions to productivity and economic growth. Because of these social and economic features, SMEs, particularly those in the manufacturing sector, are increasingly seen as a strategic priority by national economy (Bayraktar & Algan, 2019). According to the World Trade Organization (2016), in industrialized countries, SMEs in the manufacturing sector account for around 90% of all enterprises, 60 to 70% of total employment, and 55% of GDP. Similarly, Neagu (2016) stated that SMEs in the manufacturing sector are the driving forces behind economic development and the foundation of socio-economic development since they contribute significantly to achieving major economic goals. The concern of the researcher is that if SMEs in manufacturing sector have contributed so much to the economic and productivity advancement of developed nations of the world, then, Nigeria government may

need to re-direct her focus on exploiting or harvesting the potentialities of SMEs especially in the manufacturing sector towards economic and production advancement of Nigeria.

Involvement of small and medium scale manufacturers in corporate social responsibility is assumed to proportionally improve their performances in different ways. Performance in the context of this study is to be measured by SMEs' contributions to enterprise competitive advantage, and enterprise profitability. Competitive advantage is labor-intensive characteristic of small and medium enterprises (SMEs) or elements of the surrounding environment that give an enterprise edge over rivals in a specific market over a given time frame. The qualities or attributes that a product or brand possesses that provide it an edge over its nearest rivals are also known as its competitive advantage. According to Yaneva (2017), a competitive advantage is an edge over rivals obtained by providing better value, charging less, or providing more benefits that satisfy consumers. This support the opinion of Dimitrova (2024) that competitive advantage is a particular favorable attribute that enterprise possesses and that sets it apart from its rivals. An SME securing competitive advantage over others is adjudged to be beneficial. Yaneva (2017) claimed that it helps in maintaining brand loyalty, helps to attract more customers more frequently, and ensure high profitability margin.

Profitability is described as an enterprise's ability to make a profit, it is thought to be a key component of the market economy process, allowing production to be shaped to meet the requirements of consumers. The goal of profitability is to generate a profit from sales of production that is greater than costs. Therefore, an enterprise's profitability reflects the effectiveness and performance of enterprise's entire economic activities. Similarly, Sighicea and Vasilescu (2019) elucidated that the most significant aspects of economic efficiency is profitability. The profitability of an enterprise is the ultimate chance and manifestation of the economic impacts, regardless of the kinds of economic activity and resources involved or consumed. Therefore, profitability is one of the major measuring instruments of SMEs performance.

The focus of this study is on South-west states which comprise Ekiti, Lagos, Ogun, Ondo, Osun, and Oyo States, with SME operators in manufacturing sector. SME operators in the context of this study are persons or groups of persons who own and run small or medium enterprises that fall within the definition of small and medium enterprise for this study. They are relevant to this study because their practice of corporate social responsibility within their communities, and likely benefits of it to them and the society are under investigation. Southwestern states are basically Yoruba speaking states of Nigeria which are largely homogeneous in terms of cultural values and beliefs, occupations and enterprise inclination. Both genders (male and female) serve as SMEs operators because there are male and female enterprise owners across all the six states of South-West Nigeria. This is to say that there is no gender restriction in the entrepreneurial activities in south-west Nigeria. The locations of SMEs varies in the region, we have manufacturing SMEs in both urban and rural areas. Urban locations covers state capitals and other major towns while rural areas are small towns and villages where SMEs are located probably because of access to raw materials and other local facilities.

Statement of the Problem

In Nigeria, the focus of social responsibility of business is directed to the big and multinational companies which are observed to be few in number compared to the number of small and medium scale enterprises. Otaru (2022) reported that in a study jointly published by the National Bureau of Statistics (NBS) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in December 2020, Nigeria had at least 39,654,385 small, and medium-sized businesses (SMEs) operating. The implication of this is that Nigeria counts only on the limited number of multinational companies to assist government in catering for our societal and environmental issues.

The inference that can be drawn from Otaru (2022), and other facts relating to situation in Nigeria is that government has not as a matter of policy impressed it on SMEs to give back to the society part of the fortunes they made from the society no matter how limited it is. The implication

is that, the government will not receive necessary supports in the areas of environmental, societal, educational, and infrastructural demands. Further to this, the development accruable to SMEs in Nigeria as a result of practicing corporate social responsibility may continue to elude them. Asemah, Okpanachi, and Edegoh (2013) averred that SMEs are deprived of enjoying enhanced brand and reputation, reduction in operation costs, attracting new customers, improvement of company's public image, promotion of long-run profit, improved relations with the investment community, better access to capital, enhanced employee relations, productivity and innovation, and stronger relations within communities through stakeholder engagements when they do not practice corporate social responsibility. These deprivations might be among the reasons for SMEs anemic growth in Nigeria. The performance of SMEs in the areas of enterprise competitiveness, and SME profitability may be boosted to the comprehensive benefits of the larger society. To the best knowledge of the researcher, no similar work has been recently been conducted in the study area. This is the gap the study is designed to bridge, hence the need for this study.

Purpose of the Study

The main purpose of the study is to investigate the influence of corporate social responsibility on competitive advantage and profitability of SMEs. Specifically, the study intends to determine the perceptions of respondents on:

1. the extent of influence of the corporate social responsibility on small and medium scale enterprises' competitive advantage
2. the extent of influence of corporate social responsibility on the profitability of small and medium scale enterprises

Research Questions

The following research questions are raised to guide the study:

1. To what extent is the influence of corporate social responsibility on competitive advantage of small and medium scale enterprises?
2. What is the extent of influence of corporate social responsibility on profitability of small and medium scale enterprises?

Research Hypotheses

The following are the hypotheses formulated for the study:

Ho1: There is no significant difference in the mean ratings of male and female SME operators on the extent of influence of corporate social responsibility on competitive advantage of SMEs;

Ho2: There is no significant difference in the mean ratings of urban and rural SME operators on the extent of influence of corporate social responsibility on SMEs' profitability.

Methodology

Descriptive survey research design is used for the study. The population of the study is 14,664 comprising small and medium enterprise Manufacturers that registered with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in the South West, Nigeria. The sample size for this study is 282 SMEs that duly completed and returned the questionnaire out of 348 respondents. The researcher used multi-stage random sampling technique. Three out of the six states in South-West were randomly selected through a hat and draw method. This was because of the large size that characterized the population of SME operators in south west states. The three states randomly selected are Ekiti, Ogun and Osun States. The total populations for the selected states is 2,672 SMEs. At the second stage, the sample size of 2,672 that was arrived at in stage one of multistage sampling procedure was considered large by the researcher due to time and financial constraint. In order to be cost and time effective, the researcher made use of Taro Yamane formula at 0.05 margin error to determine the new sample size. This resulted into the generation of 348 manufacturing SME operators as sample size. Two experts assessed the instrument's face and content validity for data collection for this study, and a total of 282 copies of questionnaire were returned out of a total of 348 distributed, representing a 81% return rate. The questionnaire is

structured based on 4 point modified Likert type rating scale of Very High Extent (VHE) 4 points, High Extent (HE) 3 points, Low Extent (LE) 2 points, and Very Low Extent (VLE) 1 point. The instrument's reliability was confirmed through statistical analysis of data acquired during the pilot study. Pearson Product Moment Correlation (PPMC) was used to calculate the correlation between test data sets. The reliability index obtained was 0.78, indicating that the instrument was reliable. Descriptive statistics: mean rating, and standard deviation were used to describe primary data. The hypothesis was tested using an independent sample t-test with a significance level of 0.05.

Items with the mean scores between 3.25 - 4.00 are considered Very High Extent (VHE), items with mean ratings of 2.50 – 3.24 are considered High Extent (HE). Those items with 1.75 – 2.49 are measured as Low Extent (LE), while mean ratings of 1.00 – 1.74 are categorized as Very Low Extent (VLE). The null hypotheses is rejected if the observed significant value (P-Value) of T-Test is less than 0.05 threshold of significance or vice versa.

Result

The results of data analysis were presented according to the research questions.

Research Question One: To what extent is the influence of corporate social responsibility on competitive advantage of small and medium scale enterprises?

Table 1: **Respondents' Ratings of items on the extent of influence of CSR on enterprise competitive advantage of SMEs**

S/N	Items	Mean	SD	Remarks
1.	Moderate pricing of quality product by SMEs gives advantage to one SME over other SMEs	3.41	.543	VHE
2.	Control of pollutions (air, water, land, and noise) by SMEs distinguishes one SME from others	3.41	.542	VHE
3.	Strengthening of community basic education system by SME gives one SME an advantage of others	3.39	.535	VHE
4.	Employing effective and efficient experts/workers from within the community boost the advantage that one SME has over others	3.39	.539	VHE
5.	Practice of corporate social responsibility by SMEs assists one SME to have edge over other	3.39	.543	VHE
6.	Contributions of SMEs to the security apparatus of the community generates a positive distinguishing effect for practicing SME	3.39	.538	VHE
7.	Voluntary charitable activities of SMEs to the less privileged propels one SME to enjoy edge over other SMEs	3.16	.594	VHE
	Ground Weighted Mean	**3.36**	**.548**	**VHE**

Source: *Field Survey, 2024*

Table 1 shows that larger size of respondents were undivided in their responses to items on the Table, majority of them agreed to the very high extents of all items. This agreement is obvious as all mean scores are equal or above the fixed decision value of 2.50. The standard deviation on the Table ranged from 0.535 to 0.594, they are all within the standard deviation limit of ±1.96. This indicates that there is low disparity from the mean in the respondents' responses. The average mean and standard deviation of 3.36 and 0.548 respectively are indicators to this fact. The inference from this is that in the opinion of respondents, the extent of influence of CSR among SMEs in manufacturing sectors on enterprise competitive advantage is rated very high.

Research Question Two: What is the extent of influence of corporate social responsibility on profitability of small and medium scale enterprises?

Table 2: **Respondents' Ratings of items on the extent of influence of CSR on profitability of SMEs**

S/N	Items	Mean	SD	Remarks
1.	Employing Experts/workers within enterprise community boost SMEs' sales	3.38	.537	VHE
2.	Moderate pricing of quality products assists in expanding SMEs' market share	3.37	.539	VHE
3.	SMEs' contributions to environmental control assists SMEs' to generate more income	3.26	.665	VHE
4.	Practicing of corporate social responsibility by SMEs enhances the achievement of profit motives of SMEs	3.25	.671	VHE
5.	Contributions of SMEs to the security apparatus promotes SMEs profit	3.24	.676	HE
6.	Voluntary charitable activities of SMEs to the less privileged improves public demand for SMEs products	3.20	.579	HE
7.	SMEs' aid to community basic education system encourages loyalty to SMEs' product brand	3.01	.612	HE
	Ground Weighted Mean	**3.24**	**.611**	**HE**

Source: *Field Survey, 2024*

Group	N	Mean	SD	t-cal	df	P-value	Decision
Female	88	3.29	0.221	-2.38	280	0.494	$H_0$1 Accepted
Male	194	3.35	0.198				

Table 2 explains that majority of respondents were undisputed in their responses to items on the Table, greater number of them agreed to the high extents of all items. This agreement is evident as all mean scores are equal or above the fixed decision value of 2.50. The standard deviation on the Table ranged from 0.537 to 0.676, they all fall within the standard deviation limit of ±1.96. This indicates that there is low disparity from the mean in the respondents' responses. The average mean and standard deviation of 3.24 and 0.611 respectively are pointers to this fact. The implication of this is that in the opinion of respondents, the extent of influence of CSR of SMEs in manufacturing sectors on profitability is rated high.

Test of Hypotheses

The two null hypotheses of the study were tested using Independent Sample t-test. The null hypotheses were tested at a 0.05 level of significance. The summary of the test of hypotheses are presented in Table 3 to 6 as follows:

Ho1: There is no significant difference in the mean ratings of male and female SME operators on the extent of influence of corporate social responsibility on competitive advantage of SMEs.

Table 3: Showing Independent Samples t-test of Respondents on the Extent of Influence of Corporate Social Responsibility on Enterprise competitive advantage of SMEs Based on Gender

Source: *Field Survey, 2024*

Independent samples t-test was conducted to assess whether there is significant difference between the mean ratings of respondents on the influence of corporate social responsibility on enterprise competitive advantage of SMEs based on gender. Male ratings as regards the influence of corporate social responsibility on enterprise competitive advantage of SMEs had a mean of 3.29 (SD = 0.221), whereas female had a slightly higher mean of 3.35 (SD = 0.198), both means are above the benchmark of 2.50. The t-test indicates that there is no statistically significant difference in the ratings of respondents as regards the influence of corporate social responsibility on enterprise

competitive advantage of SMEs between male and female respondents (t = -2.381, df = 280, *P* = 0.494). The hypothesis thereby accepted.

Ho2: There is no significant difference in the mean ratings of urban and rural SME operators on the extent of influence of corporate social responsibility on SMEs' profitability.

Table 4: Showing Independent Samples t-test of Respondents on the Extent of Influence of Corporate Social Responsibility on Enterprise profitability of SMEs Based on Location

Source: *Field Survey, 2024*

Independent samples t-test was conducted to examine whether there is significant difference between the mean ratings of respondents on the influence of corporate social responsibility on enterprise profitability of SMEs based on location. Rural ratings as regards the influence of corporate social responsibility on enterprise profitability of SMEs had a mean rating of 3.18 (SD = 0.27), whereas urban had a slightly higher mean rating of 3.29 (SD = 0.28), both means are above the benchmark of 2.50. The t-test indicates that there is no statistically significant difference in the ratings of respondents as regards the influence of corporate social responsibility on enterprise profitability of SMEs between rural and urban respondents (t = -2.701, df = 280, *P* = 0.895). The hypothesis thereby accepted.

Group	N	Mean	SD	t-cal	df	P-value	Decision
Rural	51	3.18	0.266				
				-2.701	280	0.895	$H_0$2 Accepted
Urban	231	3.30	0.276				

Discussion of Findings

This study examined the perception of small and medium enterprise (SME) operators, on the influence of corporate social responsibility on competitive advantage and profitability of SMEs in South West, Nigeria.

Findings on research question one (Table 1) showed that the extent of influence of CSR among SMEs in manufacturing sectors on enterprise competitive advantage is rated very high. It was further found that moderate pricing of quality product, control of pollutions (air, water, land, and noise), strengthening of community basic education system, employing effective and efficient experts/workers from within the community, contributions of SMEs to the security apparatus of the community, and voluntary charitable activities of SMEs to the less privileged enhance enterprise competitive advantage. The finding is correlated to the finding of Bharadwaj, Varadarajan, and Fahly (2023) who established that focusing employees and consumers in the practice of corporate social responsibility enhances company's competitive advantage a firm has over other firms. Likewise, Marakova, Wolak-Tuzimek, and Tuckova (2021) found that marketing activities, innovation activities and the application of corporate social responsibility are the key sources of competitive advantage in large enterprises operating in the market.

Finding on hypothesis one (Table 3) showed that there is no statistically significant difference in the ratings of respondents as regards the influence of corporate social responsibility on enterprise competitive advantage of SMEs between male and female respondents. This is further established by the study conducted by Abubakar, Belwal, Mohammed, and Mohammed (2022) that proved that firms' performance in terms of competitive advantage was empirically found to be significantly impacted by both CSR and green behavior. Furthermore, the findings revealed that green behavior mediates the relationships between CSR and firm competitive advantage. Companies adopting green behavior enhance a firm's performance and attain a sustainable competitive advantage.

Findings on research question 2 (Table 2) revealed that the extent of influence of CSR of SMEs in manufacturing sectors on profitability is rated high. It was revealed further that Employing

Experts/workers within enterprise community and charging of moderate price for quality products boost SMEs' sales and market share. SMEs' contributions to environmental control, contributions of SMEs to the security apparatus, voluntary charitable activities of SMEs to the less privileged, and aid to community basic education system encourages loyalty to SMEs' product brand, and enhance profitability. These findings relate to the finding of Yanto (2018) the result of Yanto's study showed that disclosure of corporate social responsibility and good corporate governance that is moderated affects firm profitability. Correspondingly, The result of the analysis of Lee and Jung (2016) demonstrated that the positive relationship between CSR and financial performance depends on the levels of product differentiation and outside investment. Specifically, these contingent variables magnify the effects of CSR on financial performance.

Finding on hypothesis seven (Table 4) established that there is no statistically significant difference in the ratings of respondents as regards the influence of corporate social responsibility on enterprise profitability of SMEs between rural and urban respondents. This finding is consistent with Bhavesh and Gurudutta (2023) where it was discovered that a moderately positive correlation between CSR expended amount and total revenue, with CSR spending significantly affecting revenue, and that strong positive correlation was found between CSR expended amount and net profit, with increasing CSR spending leading to increased net profit. Emezi, (2015) also revealed that there is positive correlation between CSR investments and organizational profitability on the long-run.

Conclusion

According to the research findings, the impact of corporate social responsibility (CSR) on competitive advantage and profitability of small and medium-sized enterprises (SMEs) is increasingly recognized as a critical factor contributing to long-term sustainability and success in terms of competitiveness, and profitability. CSR has generally been linked with major organizations, but SMEs are seeing the potential benefits of incorporating CSR into their business models. CSR improves SMEs' image and brand reputation, fosters customer loyalty, and increases employee engagement, all of which lead to better performance. By engaging in socially responsible practices, SMEs can acquire a competitive advantage in the market, attracting socially conscious customers and partners. Furthermore, CSR initiative is capable of fostering collaboration, stimulate innovation, and encourage access to new markets

SMEs frequently have obstacles in implementing CSR due to limited resources, but strategic integration of CSR that matches with their core business objectives can help them overcome these hurdles. Furthermore, government backing and stakeholder pressure are becoming increasingly vital in encouraging SMEs to implement CSR practices. This study concludes that CSR has a considerable positive impact on competitive advantage and profitability of SMEs. When properly applied, it not only promotes financial growth but also improves social and environmental sustainability creating a better and conducive environment for enterprise to operate profitably. SMEs that embrace CSR are more likely to achieve long-term success, strengthen community relationships, and remain competitive in an increasingly mindful market.

Recommendations

The following recommendations were made sequel to the findings and conclusion of the study:

1. SMEs should position their CSR efforts as a unique selling proposition (USP) to widen their competitive advantage over others.
2. SMEs should develop mechanisms to track and measure the outcomes of their CSR initiatives, as this will help them assess the profitability/return on investment, understand what works, and make informed decisions about future CSR activities.

References

Abubakar, A., Belwal, S., Mohammed, N., & Mohammed, U. (2022). Sustainable competitive advantage through corporate social responsibility (CSR) and green behavior strategies. *Discrete Dynamics in Nature and Society. n.a.*, 1-8. 10.1155/2022/3734707.

Arsić, S., Stojanović, A., &Mihajlović, I. (2017). The most important dimensions of corporate social responsibility. Paper Presented at *International May Conference on Strategic Management, between May 19 – 21, at Bor, Serbia.*

Asemah, E. S., Okpanachi, R. A., &Edegoh, L. O. N. (2013). Business advantages of corporate social responsibility practice: A critical review. New Media and Mass Communication, 18, 45-54.

Bacinello, E., Tontini, G., &Alberton, A. (2020). Influence of maturity on corporate social responsibility and sustainable innovation in business performance. *Corporate Social Responsibility and Environmental Management, 27*(2), 749–759. https://doi.org/10.1002/csr.1841

Bayraktar, M. & Algan, N. (2019, June 11-13). The Importance Of SMEs On World Economies. [Paper Presentation] International Conference on Eurasian Economies, Famagusta, Turkish Republic of Northern Cyprus. 56-61. 10.36880/C11.02265.

Bhavesh, A. P., &Gurudutta, P. J. (2023). Linking corporate social responsibility and profitability of selected cement companies in india: An empirical validation. *EPRA International Journal of Environmental Economics, Commerce and Educational Management*, 24–30. https://doi.org/10.36713/epra12999

Bharadwaj, S. G., Varadarajan, P. R.& Fahly, J. (2023). Sustainable competitive advantage in service industries: A conceptual model and research propositions, *Journal of Marketing. 1*(57), 83-99

Dimitrova R. (2024). Monitoring the competitiveness of the enterprise. *SWU "N. Rilski", Blagoevgrad, 6*(2), 36-52

Emezi, C. (2015). The impact of corporate social responsibility (CSR) on organization profitability. *International Journal of Business and Management, 10*, n.a. 10.5539/ijbm.v10n9p60.

Lee, S. & Jung, H. (2016). The effects of corporate social responsibility on profitability: The moderating roles of differentiation and outside investment. *Management Decision*, *54*(6), 1383-1406. https://doi.org/10.1108/MD-07-2015-0268

Marakova, V., Wolak-Tuzimek, A., & Tuckova, Z. (2021). Corporate social responsibility as a source of competitive advantage in large enterprises. *Journal of Competitiveness, 13*(1), 113–128. https://doi. org/10.7441/joc.2021.01.07

Micah, E. E. M., Kassah V., & Andah, R. A. (2017). Conceptualizing small and medium scale enterprises: It's implications to the economic growth of Nigeria, 1999-2016. *International Journal of Managerial Studies and Research (IJMSR), 5*(8), 58-76.

Muhmad, S. N., & Muhamad, R. (2020). Sustainable business practices and financial performance during pre-and post-SDG adoption periods: A systematic review. *Journal of Sustainable Finance & Investment, 5*, 1–19. https://doi.org/10.1080/20430795.2020.1727724

Neagu, B. (2016). The importance and role of small and medium-sized businesses. *Theoretical and Applied Economics, XXIII* (3), 331-338.

Otaru, A. (2022). Over 39.65m MSMEs operate in Nigeria, says report. The Guardian. https://guardian.ng/business-services/over-39-65m-msmes-operate-in-nigeria-says-report/

Sighicea N., & Vasilescu L. (2019). Financial management of the enterprise. Universitaria Publishing House.

World Trade Organization (2016). World trade report 2016. https://www.wto.org/english/res_e/booksp_e/world_trade_report16_e.pdf

Yaneva, E. (2017). Strategic marketing: A resource-based view of the firm. *Strategic Management Journal, 5*(2), 171-180.

Yanto, S. E. (2018). Effect of corporate social responsibility and good corporate governance on the value of company with profitability as moderating variables. *JAAF (Journal of Applied Accounting and Finance)*, *2*(1), 36. https://doi.org/10.33021/jaaf.v2i1.304