



PERCEPTION OF BUSINESS OWNERS ON THE BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE PRACTICES IN MODERN BUSINESS IN BUSINESS IN BICHI, KANO

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Abstract

This study investigated the extent to which small and medium-sized enterprises (SMEs) in Bichi Local Government Area of Kano State engage in Corporate Social Responsibility (CSR) and sustainable business practices. The objectives of the study were to assess the level of awareness of CSR among business owners, examine the types of CSR practices implemented, and identify the challenges affecting the adoption of sustainable practices. The study adopted a descriptive survey research design. A structured questionnaire was administered to 23 SME owners selected through purposive sampling across various business sectors, including retail, agriculture, services, and manufacturing. Data collected were analyzed using descriptive statistics such as frequencies, percentages, and mean scores. The findings revealed that most SME owners demonstrated a moderate to high level of awareness of CSR, particularly in areas related to employee welfare and community support. However, the implementation of environmental sustainability practices was relatively low. Key challenges identified included high operational costs, lack of government support, limited knowledge, and low customer demand for socially responsible behavior. The study concluded that although SMEs in Bichi acknowledge the importance of CSR, their practices remain limited by various constraints. It recommends increased awareness campaigns, government incentives, sector-wide collaborations, and integration of CSR into entrepreneurship training as strategies to promote sustainable business behavior among SMEs in Bichi, Kano northwest Nigeria..

Keywords: Corporate Social Responsibility, Sustainable Practices, SMEs, Business Owners, Bichi, Kano State



Introduction

Corporate Social Responsibility (CSR) has emerged as a critical aspect of contemporary business strategies, reflecting the growing recognition of businesses' responsibilities beyond profit maximization (Aluchna, 2017). This comprehensive review aims to explore the multifaceted role of CSR in fostering sustainable business practices. By examining the literature, this review seeks to provide insights into the various dimensions of CSR, its impact on business sustainability, and the challenges and opportunities associated with its implementation (De Stefano, et al, 2018).

Corporate Social Responsibility encompasses the voluntary actions that businesses take to address societal and environmental concerns while balancing economic objectives. These actions extend beyond legal obligations and include initiatives related to environmental stewardship, ethical labor practices, community engagement, and philanthropy. CSR reflects a commitment to operate responsibly and contribute positively to society, thereby enhancing long-term value creation for stakeholders (Haski-Leventhal, 2021). The concept of CSR has evolved over time, influenced by changing societal expectations, regulatory frameworks, and business imperatives. Early CSR initiatives focused primarily on philanthropy and charitable giving, driven by altruistic motives or public relations considerations. However, the concept has evolved to encompass a broader range of responsibilities, including ethical governance, environmental sustainability, and stakeholder engagement (Hoque, et al, 2018).

CSR encompasses various dimensions that contribute to sustainable business practices: Environmental Responsibility: Businesses are increasingly expected to minimize their environmental footprint by adopting eco-friendly practices, reducing resource consumption, and mitigating pollution and carbon emissions (Malovics, et al, 2008). In recent years, the concept of Corporate Social Responsibility (CSR) has gained increasing attention as businesses are being held accountable not only for their economic performance but also for their social and environmental impact. CSR refers to the voluntary commitment of businesses to contribute positively to society by taking into account the interests of various stakeholders, including employees, customers, the community, and the environment. Sustainable business practices, on the other hand, focus on long-term strategies that ensure economic growth while minimizing negative environmental and social effects.

Globally, large corporations have adopted CSR as a strategic tool to enhance reputation, attract investment, and build stakeholder trust. However, in developing countries like Nigeria, particularly in rural and semi-urban areas, CSR practices are often underutilized or misunderstood—especially among small and medium-sized enterprises (SMEs). SMEs play a vital role in economic development, job creation, and poverty reduction, yet many of them lack structured approaches to CSR and sustainability due to limited resources, awareness, and policy support.

Bichi Local Government Area in Kano State, Nigeria, is predominantly occupied by small and medium-sized businesses engaged in trade, agriculture, services, and light manufacturing. These businesses significantly contribute to the local economy, yet their level of engagement in CSR and sustainable practices remains unclear. Understanding the CSR behavior of SMEs in Bichi is essential for promoting socially and environmentally responsible entrepreneurship that supports long-term development.



Statement of the Problem

Despite the growing global emphasis on corporate responsibility, most SMEs in rural areas of Nigeria—including Bichi—lack the knowledge, motivation, and capacity to integrate CSR and sustainability into their operations. Previous studies have largely focused on large corporations in urban centers, with limited attention to rural SMEs, which represent a significant portion of Nigeria’s business landscape.

Preliminary observations indicate that many SMEs in Bichi face challenges such as inadequate access to CSR knowledge, financial constraints, limited stakeholder pressure, and lack of policy enforcement. As a result, their operations often ignore environmental safety, employee welfare, and community development. This raises concerns about the long-term sustainability of their businesses and the socio-economic development of the area. The problem this study addresses is the limited understanding and practice of CSR and sustainable business strategies among SME owners in Bichi. The study seeks to fill this gap by exploring the awareness, implementation, and challenges of CSR in this context.

Objectives of the Study

The main objective of the study is to examine the practice of Corporate Social Responsibility and sustainable business practices among small and medium enterprises in Bichi, Kano State. The specific objectives are to:

1. Determine the level of awareness of CSR among SME owners in Bichi.
2. Examine the types of CSR and sustainability practices adopted by these businesses.
3. Identify the challenges faced by SMEs in implementing CSR and sustainable practices
4. Recommend strategies to enhance CSR and sustainability in the SME sector in Bichi.

Research Questions

The study seeks to answer the following research questions:

1. What is the level of awareness of CSR among SME owners in Bichi?
2. What CSR and sustainability practices are currently implemented by SMEs in Bichi?
3. What challenges hinder the implementation of CSR by SME owners in the area?
4. What strategies can be adopted to improve CSR and sustainable practices among SMEs in Bichi?

Literature Review on Corporate Social Responsibility (CSR) and Sustainable Business Practices

What is the role of companies in terms of increased social/environmental responsibility? Most agree that the companies should reasonably comply with acknowledged laws. But in addition to that, do companies have a further responsibility to transfer resources intended for profit generation to, for example, improve the environment? Much of what has been written in the area is confusing as it usually does not provide a well-structured basis for how to relate to CSR. In this chapter, we will discuss CSR from an environmental economics perspective. The discussion is based on the research available—mainly from economics—and aims to clarify some concepts and create an explanatory framework for understanding the corporate behavior



economists refer to as CSR. An adequate theory about CSR, we argue, would have to balance between personal taste and values, social norms, and market imperfections. To advance academic research about CSR, it is crucial to improve environmental accounting, especially at the firm level, as suggested already by Atkinson (2000). Thus, the system of double bookkeeping and national accounting needs to be accompanied by environmental, social, and material flows accounts in a more detailed manner than what we see today. Otherwise, any theory about CSR would run the risk of remaining sterile as it would be impossible to put it to the test.

Corporate Social Responsibility (CSR) refers to a company's commitment to managing the social, environmental, and economic effects of its operations responsibly and in alignment with public expectations. According to Carroll (1991), CSR consists of four layers: economic, legal, ethical, and philanthropic responsibilities. These components highlight that businesses must not only focus on profit-making but also operate within the framework of societal expectations. More recently, Dahlsrud (2008) analyzed 37 CSR definitions and found five consistent dimensions: environmental, social, economic, stakeholder, and voluntariness, indicating that CSR is context-dependent and shaped by regional and cultural perspectives.

Evolution of CSR in Business

Historically, CSR was primarily philanthropic, but it has evolved into a strategic component of business operations (Porter & Kramer, 2006). They proposed the concept of "Creating Shared Value," which argues that companies can generate economic value by addressing societal needs and challenges. This shift positions CSR not just as a moral obligation but also as a potential source of innovation and competitive advantage.

CSR and Sustainability: The Interconnection

Sustainable business practices refer to operations that meet the needs of the present without compromising the ability of future generations to meet theirs (Brundtland Commission, 1987). CSR and sustainability are often used interchangeably, but CSR is more action-oriented, while sustainability is outcome-focused. As Elkington (1997) proposed in the Triple Bottom Line model, sustainable businesses must focus on People (social equity), Planet (environmental responsibility), and Profit (economic viability). CSR activities like reducing carbon footprints, ethical sourcing, community engagement, and transparency reporting are central to achieving sustainability. These actions contribute to long-term value creation for both businesses and society.

Is It Economically Sustainable That Firms Practice CSR?

Is it a sustainable strategy for a company to give up profits and engage in CSR, or will competition lead to the disappearance of such companies in the long term? Companies that have some degree of market power, including those who produce products for well-defined niche markets, may be able to transfer costs induced by CSR to their customers. But for the majority of companies operating in competitive markets with similar products, it is difficult to do so. Such companies must then somehow bear these costs, either in the form of lower profits and/ or dividends, lower compensation to management, or lower wages for their employees.



This implies that in competitive markets, CSR is not necessarily economically sustainable in the long run from the company's perspective, unless its shareholders or employees are willing to bear the costs. In light of this, one can also imagine a market in which the company is required to behave socially responsible, because all or most of the peer companies do so—driven by the demand for CSR from the market participants. In this case, CSR becomes a way of surviving in a market characterized by customers, shareholders, or employees, who value the social conduct of the firm and its products.

As mentioned earlier, CSR can also be motivated by the fact that companies anticipate stricter regulation in the future. By showing “good conduct,” potentially expensive regulations and conflicts with different interest groups can then be avoided. If the risk of government intervention in any area or sector is high, companies in this area or sector are more likely to engage in CSR to prevent such interventions that may lead to increased costs in the future. Such behavior is therefore consistent with a “forward-looking” profit maximization under uncertainty. One can also think of situations when financially strong companies adopt CSR in order to push regulatory authorities to raise regulatory levels across the sector, which may result in financially weaker companies being forced out of the market. Both examples are situated in a gray zone between altruistic and strategic CSR. Both examples reflect a kind of game between the company and the regulator, implying that CSR is a profitable strategy in the long term, by either saving future costs or crowding out competitors. But in the short term, it might very well lead to additional costs without significant increases in revenues, which can be seen as altruistic CSR. However, in both cases, companies seemingly engage in altruistic and profit-impairing CSR, with the potential of this behavior to change into a profitable strategy in the future, depending on how the regulatory authority responds.

The Future of CSR and Sustainable Business

CSR is expected to become more integrated into core business strategies as climate change, social justice, and ethical governance continue to shape consumer expectations and regulatory environments. The United Nations Sustainable Development Goals (SDGs) offer a global framework that encourages businesses to align their strategies with sustainability priorities. Digital technologies such as artificial intelligence and blockchain are also being leveraged to improve supply chain transparency, monitor environmental performance, and enhance stakeholder engagement.

Challenges of CSR and Sustainable Business Practices

Despite the potential benefits, implementing CSR initiatives poses several challenges for businesses, including: Complexity and Integration: Integrating CSR into business operations requires comprehensive strategies, cross-functional collaboration, and alignment with core business objectives, which can be challenging to achieve.

Measurement and Evaluation: Assessing the impact of CSR initiatives and quantifying their contribution to business performance remains a complex task, requiring robust measurement frameworks and performance indicators (Smith, 2010).

Resource Constraints: Implementing CSR initiatives may require significant financial investments, human resources, and organizational commitment, posing challenges for smaller



enterprises or those operating in resource-constrained environments. Stakeholder Expectations: Meeting the diverse and evolving expectations of stakeholders, including customers, investors, employees, and communities, presents ongoing challenges for businesses, requiring continuous engagement and dialogue (Yu, et al, 2020).

Methodology

The study will adopt a descriptive survey research design. This design is suitable because the study aims to collect and analyze the opinions and perceptions of Business owners regarding Corporate Social Responsibility (CSR) and sustainable business practice

Population and sample of the Study

The population of the study will consist of 23 business owners in Bichi, Kano North-West Nigeria and this will also constitute the sample size because of the small number involved.

Instrument for Data Collection

The main instrument for data collection will be a structured questionnaire, designed by the researchers. The questionnaire will contain four sections (A to D):

A. Demographic data

1. Gender: Male Female
2. Age: 18–30 31–45 46 and above
3. Type of Business: _____
4. Years of Operation: Less than 2 2–5 Above 5
5. Business Size: Small (1–10 workers) Medium (11–50 workers)

Instruction: Tick the option that best describes your opinion.

Scale: SA = Strongly Agree, A = Agree, D = Disagree, SD = Strongly Disagree

B Table 1: Awareness of CSR and Sustainable Practices

S/N	Statement	SA	A	D	SD
1.	I understand what Corporate Social Responsibility means.				
2.	CSR is important for business success				
3.	My business is responsible for supporting the local community.				
4.	I am aware of environmental Practices related to my business				
5.	I believe CSR improves customer loyalty				

Source; Field survey 2025



C Table 2: Perception of Importance of CSR and Sustainability

S/N	Statement	SA	A	D	SD
6.	I make efforts to reduce waste in my business				
7.	I treat my employees fairly and provide good Working conditions				
8.	I participate in or support community Development projects				
9.	I ensure my products/services do not harm the environment				
10.	I consider long-term environmental effects in my business decisions				

Source; Field survey 2025

D Table 3: Challenges in Practicing CSR

S/N	Statement	SA	A	D	SD
11.	CSR is too expensive for small businesses.				
12.	I do not have enough information on how to practice CSR.				
13.	There is no government support for CSR activities.				
14.	My customers do not value CSR practices.				
15.	Sustainability practices are not a business priority.				

Source; Field survey 2025

Analysis of the data/results

Table 4: Demography of the respondent: Gender

Gender	Frequency	Percentage (%)
Male	15	<u>65.2</u>
Female	8	<u>34.8</u>
Total	23	100

Source: field survey 2025

Table 4 shows that 15 out of the 23 respondents are male representing 62.5 while 8 of them are female representing 34.8 percent.



Table 5: Demography of the respondent: Age

Age Group	Frequency	Percentage (%)
18-30 years	5	<u>21.7</u>
31-45 years	12	<u>52.2</u>
46 years and above	6	26.1
Total	23	100

Source: field survey 2025

Table 5 shows that the majority (52.2 %) of business owners are between 31 and 45 years of age, followed by 26.1% who are 46 years and above. The youngest group, 18–30 years, accounted for 21.7% of the respondents. This indicates that middle-aged adults are more active in SME ownership in Bichi, Kano State.

Table 6: Type of Business

Type of Business	Frequency	Percentage (%)
Retail trading	10	43.5
Agric./farming	4	17.4
Manufacturing/production	2	8.7
Services	6	26.1
Others	1	4.3
Total	23	100

Source: field survey 2025

Table 6 indicates that the majority of SMEs (43.5 %) in Bichi operate in the retail/trading sector, followed by 26.1% in services, and 17.4% in agriculture. Manufacturing businesses accounted for only 8.7%, while 4.3% of respondents were involved in other sectors such as transportation and food vending. This suggests that retail and service-based enterprises dominate the small business landscape in the area.

Table 7

Item	Statement	Mean	Remark
6.	I understand what CSR means	<u>3.5</u>	High Agreement
7.	CSR is important for business successes	3.3	High Agreement
8.	My business supports the local community	2.9	Moderate Agreement
9.	I am aware of environmental practices	2.7	Moderate Agreement
10.	CSR improves customer Loyalty	3.2	High Agreement

Source: field survey 2025



Table 7 indicates that most business owners in Bichi show strong awareness of CSR and its benefits, though knowledge of environmental practices is slightly lower.

Table 8: CSR and Sustainability Practices

Item	Statement	Mean	Remark
11.	I make efforts to reduce waste	3.1	Moderate Practice
12.	I treat employees fairly	3.6	High Practice
13.	I support community Projects	2.8	Moderate Practice
14.	My product/services safe for the environment	2.9	Moderate Practice
15.	I consider long-term Environment impacts	2.5	Low Practice

Source: field survey 2025

Table 8 shows that business owners implement some CSR practices, especially employee welfare, but environmental sustainability is weak.

Table 9: Challenges in Practices CSR

Item	Statement	Mean	Remark
16.	CSR is too expensive	3.3	Strong Challenge
17.	I lack information about CSR	3.0	Moderate Challenge
18.	There is no government Support	3.4	Strong Challenge
19.	Customers do not CSR	2.7	Moderate Challenge
20.	CSR is not business Priority	2.8	Moderate Challenge

Source: field survey 2025

Table 9 indicates that cost, lack of government support, and low awareness are major obstacles to CSR practice among SMEs in Bichi.

Summary of major findings

Most respondents are aware of CSR, especially regarding employee welfare and community support. CSR practices are moderately implemented, with the highest compliance in employee treatment, while environmental practices are less adopted. Major challenges identified include the high cost of CSR, lack of government support, limited information, and low customer appreciation for sustainability efforts.



Conclusion

In conclusion, the role of Corporate Social Responsibility in sustainable business practices is multifaceted and increasingly central to organizational success in the 21st century. By embracing CSR, businesses can not only fulfill their ethical obligations but also drive value creation, innovation, and long-term competitiveness. However, realizing the full potential of CSR requires overcoming challenges related to integration, measurement, resource allocation, and stakeholder engagement. Moving forward, businesses must adopt a holistic approach to CSR that aligns with their core values, business objectives, and stakeholder expectations, thereby contributing to a more sustainable and responsible global economic. The study reiterates that SME owners in Bichi should embrace CSR and sustainable business practices for conducive environmental responsibility and obligation.

Recommendations

Based on the findings, the following recommendations are made:

1. Increase Awareness and Training on CSR. Organize regular seminars and workshops in Bichi to train SME owners on low-cost, high-impact CSR strategies and sustainable practices.
2. Enhance Government and Institutional Support. Government agencies should provide incentives such as tax relief or grants to businesses that demonstrate responsible practices, while also developing CSR policy frameworks for SMEs.
3. Encourage Sector-Based Collaboration. Business owners should pool resources within their sectors (e.g., retail, services) to engage in joint community development and environmental initiatives.
4. Promote Low-Cost CSR Initiatives. Businesses should be encouraged to adopt simple and affordable CSR activities such as employee welfare, waste reduction, and community support.
5. Integrate CSR into Entrepreneurship Education. Institutions offering business or vocational training should include CSR and sustainability modules in their curricula to nurture responsible entrepreneurship.
6. Improve Stakeholder Engagement. SMEs should raise public awareness of their CSR efforts by engaging with customers and the community through outreach programs and publicity.
7. Establish Monitoring and Evaluation Tools. Local trade associations should develop simple tracking tools or scorecards for SMEs to monitor and improve their CSR performance over time.

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