

SUSTAINABILITY DRIVERS AND SUSTAINABILITY IN NIGERIAN BANKS: THE MODERATING ROLES OF BANKING REGULATIONS AND STAKEHOLDER PRESSURE.

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Abstract

The quest for business sustainability has been a front-burner issue among corporate organizations both in the developed countries and in the emerging economies. However, much more studies on business sustainability have been conducted in the developed market economies of Europe and America than Africa. Against this backdrop, this study investigates the effect of the internal drivers of sustainability (ie. leadership, organization's motive and compliance culture) on the implementation of sustainability initiatives in the banking sector in Nigeria. The study also seeks to ascertain how organization's external environment particularly banking regulations and stakeholder pressures moderate the relationship between sustainability drivers (leadership, organization's motive and compliance culture) and the implementation of sustainability initiatives in banks.

A mixed research method was adopted, while relying on the inductive and deductive approaches, which is a pragmatic paradigm. A sample size of 400 respondents from selected banks was used, while for the qualitative research, an interview-based case study was granted to 5 experienced staff of a leading Nigerian bank.

At the end of the mixed analyses, mutually reinforcing findings were reported. For the quantitative analysis, out of the nine hypotheses tested (three direct hypotheses and six moderating hypotheses), four hypotheses (H1, H2, H5 and H7) were supported, whereas the other five hypotheses (H3, H4, H6, H8 and H9) were not supported. For the qualitative aspect of the study, all the propositions supported by the quantitative study were supported by the interview outcomes. However, two additional propositions (hypotheses not supported by quantitative data analysis) were upheld by the industry experts interviewed. In conclusion, the study recommends that organizational boards, executive management, regulators and other stakeholders, should actively support the above drivers of sustainability for a robust and successful implementation of sustainability initiatives in the banking sector in Nigeria.

Keywords: Sustainability, leadership, organizational motive, compliance culture, banking regulation, stakeholder pressure, Nigeria.