

BANK EMPLOYEES' PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY WITH REFERENCE TO PUBLIC SECTOR BANKS

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Abstract

Corporate social responsibility plays a vital role in the modern business world. It is a self-regulating business model that helps a company to be socially accountable — to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society including economic, social, and environmental. There has been a general consensus on the argument that an organization's CSR programs have the potential to influence employee attitude and performance. Employees' perception of corporate social responsibility (CSR) is usually a mixture of personal experiences of internal CSR and actions that affect external stakeholders. In today's fast -changing world for any organization, especially banking organization to operate successfully, to hold a competitive edge and to survive in the market place, establishment of goodwill is very important. Further, the globalization has created competition among financial institutions requiring them to perform according to the internationally acceptable trade practices and also persuaded them to divert their available resources for social activities. Therefore the need for CSR arises. In this context, views and opinions of the employees belonging to the Banking sector have been considered for the present study for which the objectives are as follows.

Objectives of the study:

- 1. To examine the social inclination of the respondents*
- 2. To measure the respondents perception of CSR activities of banks with respect to three stakeholder groups, namely, employees, customers & social and non social stakeholders.*

Research methodology:

The sample size for the present study is 50bank employees in Chennai with the data to be collected through a structured questionnaire measured on a five point Likert's Scale ranging from 'Strongly agree' to 'Strongly disagree'. The statistical tools proposed to be used are Percentage, weighted Mean, and standard deviation.

Keywords: *Employee Perception, Corporate Social Responsibility, Stakeholders.*

1. INTRODUCTION:

Corporate social responsibility (CSR) is a self-regulating business model that helps a company to be socially accountable to itself, its stakeholders, and the public. Corporate social responsibility, also called corporate citizenship helps the companies and the stakeholders to contribute to the development of a country's economy at the macro level. According to the Companies Act of 2013, all organizations, both Government as well as Private whose net profit is more than 5 crores have to contribute 2% of their net earnings towards CSR activities. Through CSR programs and volunteering efforts, businesses can benefit society while boosting their own brands and brand image. CSR is not only important for the community but it is equally valuable for a company as well. CSR activities can boost employee morale and can help both employees and employers feel more connected with the world around them. There has been a general consensus on the argument that an organization's CSR programs have the potential to influence employee attitude and performance. Employees' perception of corporate social responsibility (CSR) is usually a mixture of personal experiences of internal CSR and actions that affect external stakeholders. In today's fast - changing world for any organization, especially banking organization to operate successfully, to hold a competitive edge and to survive in the market place, establishment of goodwill is very important. Further, globalization has created competition among financial institutions requiring them to perform according to internationally acceptable trade practices and also persuading them to divert their available resources for social activities. Therefore the need for CSR arises.

2. REVIEW OF LITERATURE:

A study conducted by **Venere Di Bella and Nedal Al-Fayoumi (2016)** revealed that the stakeholders had a positive attitude towards the concept of CSR of Islamic Banks in Jordan. A study conducted by **Zorigt Amarsaikhan (2014)** revealed that CSR activities to social and non-social stakeholders, employees, and customers were all significant factors in influencing employees' organizational commitment. A study conducted by **Muddassar Sarfraz , Wang Qun , Muhammad Ibrahim Abdullah and Adnan Tariq Alvi (2018)** proved that there is a significant relationship between the employee perception of CSR and employee outcomes with partial mediation of organizational justice. A study conducted by **Lidia Halim, Sumiati and Mintarti Rahayu (2016)** revealed that employee's perceptions of corporate social responsibility activities directly influenced organizational commitment and enhanced organizational trust. A study conducted by **Shafiqur Rahman, Debbie Haski-Leventhal and Mehrdokht Pournader (2016)** revealed that there is a positive relationship between employee CSR attitudes, and Job Satisfaction and Organizational Commitment.

3. NEED FOR THE STUDY:

Employees are an important asset to the organization and corporate social responsibility increases the reputation and goodwill of the organization. So in this context the purpose of this study is to understand employee's responses to questions on CSR that help to identify which condition and behavior they evaluate as most or the least responsible ones.

4. OBJECTIVES OF THE STUDY:

1. To examine the social inclination of the respondents.
2. To measure the respondents perception of CSR activities of banks with respect to three stakeholder groups, namely, employees, customers & social and non social stakeholders

5. RESEARCH METHODOLOGY:

Samples of 50 public sector bank employees in Chennai were selected using convenience sampling technique. Data has been collected through a structured questionnaire measured on a five point Likert's scale ranging from 'Strongly agree' to 'Strongly disagree'. The statistical tools used for the study are Percentages, Weighted Mean and Standard deviation.

6. LIMITATIONS OF THE STUDY:

1. The present study is conducted only among employees belonging to public sector banks in Chennai
2. The sample size is small and so the findings may not be generalized to the entire population

7. DATA ANALYSIS AND INTERPRETATION:

The demographic profile of the respondents is depicted in Table 1 below.

TABLE NO.1 DEMOGRAPHIC PROFILE

S.No.	Years of experience	Percentage	S.No.	Age	Percentage
1.	Upto 5 years	52	1.	20-30	50
2.	5-10 years	42	2.	30-40	40
3.	10-15 years	6	3.	40-50	8
4.	Above 15 years	0	4.	50-60	2
S.No.	Designation	Percentage	S.No.	Educational Qualification	Percentage
1.	Manager	10	1.	Graduate	44
2.	Officers	52	2.	Post-Graduate	48
3.	Clerk	38	3..	Professional	8
S.No.	Monthly income	Percentage	S.No.	Bank's name	Percentage

1.	Upto 25,000	16	1.	State Bank of India	28
2.	25000-35000	26	2.	Oriental Bank of Commerce	28
3.	35000-45000	42	3.	Indian Overseas Bank	22
4.	45000-55000	6	4.	Indian Bank	16
5.	Above 55000	10	6.	Corporation Bank	2
			7.	Punjab National Bank	2
			8.	Syndicate Bank	2
S.No.	Gender	Percentage			
1.	Male	56			
2.	Female	44			

The above Table depicts that majority of the employees are male (56%) Post Graduates (48%) in the age group of 20-30 years (50%), belonging to officer cadre (52%), with experience of upto 5 years (52%) and monthly income of Rs.35,000-45,000 (42%). About 28% of the respondents belong to State Bank of India and Oriental Bank Commerce each and about 22% belong to Indian Overseas Bank, followed by 16% belonging to Indian Bank and the balance to other banks.

SOCIAL INCLINATION:-

Social inclination of the respondents have been measured by examining reasons for joining the bank and participation in non banking activities, which are depicted in Table 2 & 3 below

TABLE NO. 2 REASONS FOR JOINING THE BANK

S.NO.	STATEMENTS	RANK
1.	For own development	I
2.	For societal development	III
3.	Interested to work in a financial institution	II

From the above Table it is inferred that the respondents have stated that they have joined the bank to earn their bread and butter, that is, for their own development (1st rank), followed by having an interest to work in a financial institution (2nd rank) and only lastly “for societal development” (3rd rank). Thus it is clear that the respondent’s independent social inclination is not very encouraging.

TABLE NO. 3 PARTICIPATION IN OTHER THAN BANKING ACTIVITIES

S.NO.	ACTIVITIES	PERCENTAGE
1.	Social activities (wellbeing of society)	34
2.	Cultural activities	22
3.	Political activities/ union work	8

4.	Business/Profession	10
5.	Others (sports, touring, etc)	26

From the above Table it is inferred that 34% of the respondents engage in social activities followed by 22% being interested in cultural activities, 10% in business activities, 8% in political activities, and 26% in other activities like sports, touring, etc. Thus majority of the respondents are engaged in activities related to upliftment of the society.

For fulfilling the purpose of the present study, Turker's (2009a) scale measured employee perception of three stakeholders groups namely, 'employees', 'customers' and 'social and non-social' stakeholders which are depicted in the Tables 4, 5 and 6 as shown below

TABLE NO.4EMPLOYEES AS STAKEHOLDERS

S.NO.	STATEMENTS	MEAN	S.D.
1.	Our bank encourages its employees to participate in voluntary activities	3.30	1.02
2.	The managerial decisions relating to employees are usually fair	3.18	1.21
3.	The management of our bank is primarily concerned with employees' needs and wants	3.30	1.22
4.	Our bank implements flexible policies to provide a good work life balance for its employees	3.22	1.27
5.	Our bank supports employees who want to acquire additional education	3.76	0.80
6.	Our bank policies encourage the employees to develop their skills and careers	3.62	1.03
7.	Our bank provides recreational activities for employees	2.70	1.39
8.	Our bank reports CSR information to employees	3.36	1.14
9.	Our bank prevents employee discrimination	3.58	1.13
10.	Inorder to encourage employee volunteers our bank provides various monetary and non monetary incentives	2.80	1.25

The above Table depicts all the statements which measure employee's perception of CSR activities. The findings reveal that the respondents have disagreed for two statements (statement no seven & ten) out of the ten statements. The respondents have disagreed to the statement that the bank provides recreational activities (weighted mean = 2.70) and monetary and non-monetary incentives to encourage employee volunteers towards CSR activities (weighted mean = 2.80). However the employees have agreed that their bank supports the employees who want to acquire additional education (weighted mean = 3.76), develop

their skills and careers (weighted mean= 3.62), by satisfying their needs and wants (weighted mean = 3.30). The respondents have also agreed that their banks prevent employee discrimination (weighted mean = 3.58), report CSR information to them (weighted mean = 3.36), and also implement flexible policies to provide a good work-life balance for them (weighted mean = 3.22). Thus except for 2 statements, the employees feel that the CSR activities of their bank are solid and beneficial to them.

TABLE NO.5 CUSTOMERS AS STAKEHOLDERS

S.NO.	STATEMENTS	MEAN	S.D.
1.	Our bank protects consumer rights beyond the legal requirements	3.76	0.96
2.	Our bank provides full and accurate information about its social activities and products to its customers	3.86	1.05
3.	Customer satisfaction is highly important to our bank	4.08	1.07
4.	Our bank provides good quality and timely service to its customers	3.84	1.17
5.	CSR activities have raised the profile of the bank in the consumer's minds.	3.58	1.23
6.	CSR activities have increased the level of trust customers have in our bank	3.44	1.16
7.	Through CSR activities our bank has acquired new customers	3.42	1.14

The above table depicts that all the seven statements which measure employee's perception of CSR activities relating to Customers have a weighted mean score of above 3.42, indicating that the respondents have agreed to all the above aspects. The employees feel that Customer satisfaction is highly important (weighted mean = 4.08), which is dependent on providing full and accurate information to customers (weighted mean = 3.86), and good quality & timely service (weighted mean = 3.84). The employees also feel that CSR activities enhance the profile of the bank (weighted mean = 3.58) increases customers trust (weighted mean = 3.44) and also helps to acquire new customers (weighted mean = 3.42). Thus from the employee's point of view, the banks seem to focus strongly on customer satisfaction and customer loyalty.

TABLE NO.6 SOCIAL AND NON-SOCIAL STAKEHOLDERS

S.NO.	STATEMENTS	MEAN	S.D.
1.	Our bank contributes to campaigns and projects that promote the well-being of the society	3.72	0.90
2.	Our bank implements special programs to minimize its	3.66	0.94

	negative impact on the natural environment		
3.	Our bank aims to protect and improve the quality of natural environment	3.66	0.87
4.	Our bank provides infrastructural support to the local community	3.26	1.12
5.	Our bank supports/ helps the underprivileged people	3.52	1.27
6.	Satisfying the claims of the government is important to our management team	3.82	0.96
7.	Satisfying the claims of NPOs (non-profit organization) is important to our management team.	3.30	1.11
8.	Our bank explains the company's point of view to communities and interest groups.	3.28	1.11

The above Table depicts that all the eight statements which measure the employee's perception of CSR activities relating to Social and Non Social stake holders, have a weighted mean score of above 3.26, indicating that the respondents have agreed to all the above aspects. The employees feel that it is highly important for their banks to satisfy the claims of the government (weighted mean = 3.82), contribute to campaigns and projects that promote the well-being of the society (weighted mean = 3.72), implement special programs to minimize negative impact on the natural environment (weighted mean = 3.66), support the underprivileged people (weighted mean=3.52) and also satisfy the claims of the non-profit organization (weighted mean = 3.30). Thus employee's perception of CSR activities with respect to social and non-social stakeholders has also emerged as very positive, indicating that their banks do contribute to societal welfare.

TABLENO. 7 SUMMARY TABLE

S.NO	STAKEHOLDER GROUPS	MEAN	S.D.
1.	Employees as Stakeholders	3.28	1.14
2.	Customers as Stakeholders	3.71	1.11
3.	Social and non Social stakeholders	3.53	1.04

The above Table reveals that among the three stakeholder groups, Customers are the most important stakeholder group (overall WM =3.71), followed by social and non-social organization (overall WM 3.527) and finally employees (overall WM 3.282)as regards CSR activities of the banks. Thus employees feel that customers have been focused upon to a greater extent, when compared to the other stakeholders groups.

CONCLUSION:-

The aim of this study was to evaluate bank's social responsibility by analyzing employee's perception of their bank's CSR activities. The results indicated that CSR to employees needs some

improvement; CSR to social and non-social stakeholder was good, while CSR to customers were outstanding. Thus the banks should encourage values and practices that reflect CSR ideology, realizing that employees are an integral part of CSR, enabling them to realize benefits in the long run.

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