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## A STUDY ON CSR PRACTICES TOWARDS PRIVATE BANKING SECTOR

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### INTRODUCTION:

The Corporate social responsibility (CSR) has assumed great trust over the ancient integer of ages (Kautilya strongly believed that economic prosperity without any ethical anchoring was not sustainable) and today CSR is surfacing gradually and gaining its acceptance by business across the globe. For being reason CSR is one of the most important topic to the government, to non- government and to business itself. The old proverb, “Everybody talks about society, but nobody does anything about it,” is not valid in this era of globalization because Almona (2005) alleged that the role of business worldwide and specially in the development economics has evolved over the last few decades from classical “Profit maximizing” approach to a “Social responsibility” approach, where business is not only responsible to its stakeholders but also to all of its stakeholders in a broader inclusive sense.

One can identify so many reasons for shifting the role of business from classical concept to a responsible business concept, but negative impression of stakeholders on the enterprise would get a higher priority among others. In one hand, enterprises create wealth and job opportunity for the society and on the other; they pollute and destroy environment and ecology with devastating impact on human health and biodiversity worldwide. Corporate social responsibility is represented by the contributions undertaken by companies to society through its core business activities, its social investment and philanthropy programmes and its engagement in public policy. In recent years CSR has become a fundamental business practice and has gained much attention from executive management teams of larger international companies. They understand that a strong CSR program is an essential element in achieving good business practices and effective leadership. Companies have determined that their impact on the economic, social and environmental landscape directly affects their relationships with stakeholders.

Corporate social responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a

voluntary basis. The subject of CSR has risen to the top on the agenda of policymakers, managers and social activities in recent times. Economic, trade and commerce and social concerns are increasingly impacting the emerging legislation on corporate governance, compulsory minimum number of non- executive directors, nominating women director and disclosure of greater detail of the operations and finances of an enterprise. The three keys to an effective CSR policy are commitment, clarity and congruence with corporate values. The role of government in relation to CSR, the drivers of CSR, the adoption level and end results of CSR must be studied well to moving towards world class business achievement.

The disparity between the rich and the poor has increased. On the other hand, the highest fiscal deficit continues to complicate the task of conducting countercyclical fiscal policies and augmenting out lays on the much needed social and physical infrastructure and poverty alleviation programs. Further, central government cut down the social sectors share to meet interest liabilities. All these are areas that need attention as to leverage higher economic growth levels and CSR could be one of the instruments for sustainable development and uplift to India upward living standard direction.

Keeping in view the strengths of Indian industries at one side, crisis in health care, underprivileged unemployment, poor agriculture performance on the other hand, it seems that banking business can play a vital role to solve the aforesaid problem by promoting corporate social responsibility (CSR).

### **OBJECTIVE OF THE STUDY:**

The main objectives of the present study are as under:

1. To study and assess the perception of bank employees towards Corporate Social Responsibility practices in selected Private Sector Banks.
2. To measure, identify, compare and assess the extent of and levels in leadership vision related corporate social responsibility practices adopted in Private sector banks.
3. To measure, identify, compare and assess the extent of and levels in employee related corporate social responsibility practices adopted in selected Private Sector Banks.
4. To measure, identify, compare and assess the extent of and levels in customers related corporate social responsibility practices adopted in selected Private Sector Banks.

### **RESEARCH DESIGN**

#### **Primary data collection:**

The primary data was collected by using questionnaires, observation, discussions, emails, and personal interviews. The questionnaire was administered among bank employees.

#### **Secondary data collection:**

Secondary data has been collected from various Journal, books, magazines, annual reports of banks, RBI, website of CSR and Banks, periodicals, research articles, newspaper, unpublished research work on CSR like M.Phil., Ph.D. and shodhganga.

## REVIEW OF LITERATURE

**Alsahlawi (2016)** is Saudi Arabia undertakes Annual reports over the four-year period of 2011-2014 and with the Analysis of annual reports reveal that all sampled banks conducted some kind of corporate social responsibility disclosure, but the level of information provided by these banks for each category is different. Banking sector in Saudi Arabia needs to pay more concentration to corporate social responsibility disclosure practices.

**Abdillah and Husin (2016)** in Malaysia emphasized that the mandatory requirement of CSR disclosure seems to motivate the banks to further legitimize their position in the society by disclosing more information on their CSR activities. Factor for study are environmental discloser, human resource, community involvement disclosure.

**Saxena (2016)** selected 12 private sector banks and 13 public sector banks and the research has been done on primary data as well as on secondary data and the analysis shows that though the Indian banks are making efforts in the CSR areas but still there is a requirement of more emphasis on CSR. There are some banks which are not even meeting the regulatory requirement of priority sector lending and rural branch expansion.

**Singh, Srivastava and Rastogi (2015)** in their study selected 19 banks in which 12 are public sector banks and 7 are private sector banks and a deeper analysis of public sector versus private sector banks reveal that public sector banks are far behind private sector banks in terms of spending on CSR. Public sector banks have spent just 0.43% of the average net profit of previous three years on CSR while private sector banks have spent 1.17% of the average net profit of previous three years.

## ANALYSIS AND INTREPRETATION

### MOTIVE TO JOIN THE BANK:

MOTIVE	NO.OF. RESPONDENTS	PERCENTAGE
Interested to work for own development	30	28.6
Interested to work for society development	28	26.7
Interested to work in financial institution	47	44.8
<b>TOTAL</b>	<b>105</b>	<b>100</b>

**INTERPRETATION:**

According to the survey, when we compare the bank employees motive to join the bank majority of the bank employees motive are because it is a financial inastitution.45% of the bank employees' for financial institution,28% of the bank employees for own development,27% of the bank employees for the society development.

**PARTICIPATION IN BANKING OTHER THAN NORMAL DUTIES:**

ACTIVITIES	NO.OF. RESPONDENTS	PERCENTAGE
Socio-Cultural	36	34.3
Political activities/union work	21	20
Business profession	48	45.7
TOTAL	105	100

**INTERPRETATION:**

According to the survey, out of 105 sample respondents of the private sector banks are of the opinion that 81 respondents (77.9 percent) agree that their banks CSR policy are defined, whereas only 23 respondents (22.1 percent) disagree that their banks CSR policy is defined.

**CSR MUST BE COMPULSORY IN BANKING SECTOR**

PERCEPTION	NO.OF. RESPONDENTS	PERCENTAGE
AGREE	85	81.7
DISAGREE	20	18.3
TOTAL	105	100

**INTERPRETATION:**

According to the survey, when we compare the perception of CSR must be compulsory in banking sector out of 105 sample respondents of the private sector banks are of the opinion that 85 respondents (77.9 percent) agree that their banks CSR must be compulsory in banking sector, whereas only 23 respondents (22.1 percent) disagree that their CSR must be compulsory in banking sector.

**BANK SHOULD CONTRIBUTE TOWARDS CSR ACTIVITIES**

CONTRIBUTE TOWARDS CSR	NO.OF. RESPONDENTS	PERCENTAGE
AGREE	88	84.6
DISAGREE	17	15.4
<b>TOTAL</b>	<b>100</b>	<b>100</b>

**INTERPRETATION:**

According to the survey, out of 105 respondents, 88 respondents (84.6 percent) agreed that bank should contribute towards CSR activities and 17 respondents disagreed that bank should contribute toward CSR activities.

**PERCEPTION OF BANK EMPLOYEES TOWARDS METHODS/WAYS OF DISCHARGING CSR ACTIVITIES:****METHOD OF DISCHARGING CSR ACTIVITIES**

Method/ways of CSR discharging	Number	Percentage
Cash	25	24
Kind	21	20.2
Imparting skills to local community and	18	16.4
Giving scholarship/Allowance	41	39.4
<b>Total</b>	<b>105</b>	<b>100</b>

**INTERPRETATION:**

Out of 105 respondents, majority of the respondents of private sector banks agreed that giving scholarship is the way practiced for performing CSR activities.

### TYPES OF CSR ACTIVITIES PERFORMED

Types of CSR practiced	Number	Percentage
Economic	55	52
Legal	13	12.5
Ethical	17	16.3
Philanthropy	20	19.2
<b>Total</b>	<b>105</b>	<b>100</b>

#### INTERPRETATION:

Out of 105 Private Sector Bank employee respondents, 55 ( 52 percent) says that their bank practiced economical types of CSR activities, 13(12.5 percent) respondents agreed to legal types CSR activities are performed in their banks, 17(16.3 percent) respondents are agreed that the ethical types of CSR are practiced and 20 (19.2 percent) respondents are states that their CSR activities falls under philanthropical nature, indicates, majority respondents (52 percent) are agreed that economic types of CSR are performed maximum private Sector Bank.

#### FINDINGS:

1. Majority respondents of the both banks are post-graduate to the extent of 45.7 percent Private Sector Banks respectively.
2. Majority of the designation of the bank employees of HDFC bank and Axis bank 39% of the bank employees are manager, 35% of the bank employees are officer,26% of the bank employees are clerk.
3. Majority of the annual income of the bank employees are 34% of 5-10 lakhs and 29% of the bank employees' annual income are up to 3 lakhs respectively.
4. Majority of 45% of the bank employees for financial institution,28% of the bank employees for own development,27% of the bank employees for the society development.
5. Majority of the experience in years is 32% of the bank employees are up to 5 years, 31% of the bank employees are 5-10 years,19% of the bank employees are 10-15 years,18% of the bank employees are above 15 years.

6. Majority of the participation in banking other than normal duties, the activities of socio-cultural are 34%, the activities of the political/union work are 20% and the activities of the business profession are 46%

## CONCLUSION:

With the vast development challenges, along with the charity and philanthropy, there is a need to develop and adopt models based on an integrated thinking which are unique, scalable and sustainable. The models need to be aligned with global developmental agenda, geared towards shared value, so that CSR count could be enhanced. There is a need for corporate sector to embed CSR in corporate strategy, thus making business case for CSR to be the highest priority. Reporting of CSR activities need not to be taken as responsibility instead should be taken as learning which will help to look at the processes differently and serve as the scorecard toward continuous improvement.

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