

***CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES  
OF BANKING SECTOR: THE NEXT DRIVER FOR GROWTH***

**ABSTRACT**

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## ***ABSTRACT***

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**Keywords:** Corporate Social Responsibility; Bodhshalas; Women Empowerment; Community Welfare; Micro Finance; CSR Initiatives

The evolution of Corporate Social Responsibility in India refers to changes over time in form of Charity. The fundamentals of CSR rest on the fact that not only public policy but also corporates should be responsible enough to adopt social issues. Consequently, companies should also deal with the challenges and issues among the society. India has one of the oldest traditions of CSR but CSR Practices are regularly not performed or if practiced only in namesake especially by MNCs with no cultural and emotional attachments towards society. Plenty has been done in recent years to make Indian Entrepreneurs aware of social responsibility as an important fragment of their business activity but CSR in India has yet to receive extensive recognition.

Primarily CSR emphasis on weaker and oppressed sections of society by providing prospects for improvement of their economic condition which includes Non-banking activities like blood donation camps, health camps, participation in local festivals, adult literacy, tree planting, holding bodhshalas, training to women entrepreneurs, finance to women entrepreneurs, midday meals in schools and colleges etc. As the scope of activities increased, the bank classified these activities as community service banking. Community Service Banking is now one of the activities through which the bank plays the role of a responsible and responsive corporate citizen and discharges its Corporate Social Responsibility to the community. Now a days, many nationalized banks in India have created their individual brand image in the field of Corporate Social Responsibility (CSR) by implementing various initiatives in the era of Social Welfare and Community Development, which comprises of Health Sector, Women Empowerment, Education Sector, Rural Development, Community Welfare, Social Welfare etc.

There are many issues before National Economy that alone cannot be addressed by the Government, Therefore Corporates have to come forward and play a major role in addressing these issues. Many Sectors like, Retail Sector, Service Sector, Banking Sector,

Telecommunication Sector, Industrial Sector, Manufacturing Sector etc. are practicing CSR Activities, but this study is confined to Indian Banking Sector. Banking Sector is selected for the study because Banks are more close to its Customers and are easily accessible. Almost everybody is having an account in a Bank (including both Rich and Poor People). In order to know more specifically what the Banking Sectors are doing in these areas, this topic has been selected, which will help in better understanding of the Corporate Social Responsibility Initiatives undertaken by Banking Sector. The study will help in identifying theoretical and conceptual aspects of Corporate Social Responsibility with respect to Banking Sector and to access the significance of Banks CSR Initiatives as a driver of Growth. The Research work will also help in examining various CSR Initiatives by the Banking Sector, for which the topic of research work is rightly selected and justifies the rationale of the study.

A focused effort has been made to delve into the research/ practice – oriented literature related to Corporate Social Responsibility (CSR) Initiatives of Banking Sector focusing areas like Health Sector, Education Sector, Women Empowerment, Rural Development and Community Welfare. Secondly, efforts have been to examine the Significance and Role of Banks CSR Initiatives as a Driver for Growth. Recent Literature has been studied so as to reveal and understand the current concerns.

***Objective of the Study:*** The purpose of the study were to evaluate the Awareness of Banks CSR Initiatives among Customers; CSR Initiatives of Banking Sector in Five Dimensions that includes Health Care, Education, Women Empowerment, Rural Development and Community Welfare were examined. The study also examines the Role and Significance of CSR Initiatives as a Driver for Growth. Prior to this study, different studies have been done in Corporate Social Responsibility Initiatives but this study is confined to CSR Initiatives of Banking Sector.

***Research Methodology:*** The Methodology has been finalized after review of relevant Literature on Corporate Social Responsibility Initiatives of Banking Sector through which a theoretical base and the nature of the study is determined. This Research involves a mix of Qualitative and Quantitative Research Techniques. The Research Design is exploratory to begin with and is later Conclusive. Since the Banking Sector universe is vast, widely spread and diverse; obtaining a national representative sample

requires a very huge budget and time. Therefore, it was decided to confine the study to the Capital i.e. New Delhi. Seven Public Sector Banks and Three Private Sector Banks are preferred for the study. These are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India, Indian Bank, Syndicate Bank, ICICI Bank, HDFC Bank and AXIS Bank.

Primary data was collected mainly through 'Survey' of Banking Customers and Employees. The method or tool used to collect the data was in the form of 'Structured Questionnaire'. The Questionnaire was designed as per the requirements of the Objectives and Research Questions. Secondary Data was collected from both published and unpublished sources. The main sources for the Secondary Data were: various publications of the governments, various publications of foreign governments or of international bodies and their subsidiary organizations, trade journals related to CSR Initiatives, books and magazines related to CSR Initiatives, various articles in newspapers, reports and publications of various associations connected with CSR Initiatives of Banking Sector, various researches and reports prepared by research scholars, universities, economists, etc. The sources of unpublished data were available with scholars and research workers, trade associations and other public/ private individuals and organizations.

Depending on the nature of respondents for the study Non-Probability Sampling viz. Convenience Sampling, Judgmental Sampling has been employed for the study.

**Data Analysis:** Statistical Package for the Social Sciences (SPSS) version 23 was employed to perform Data Analysis. An initial processing of the data was done through surfing of the prepared SPSS data file and then running the basic analysis tools like 'Frequency Distribution'. After data cleaning only 482 responses were found complete and considered fit for further analysis. Data analysis tools were selected according to the need of the situation or objective. The Demographic Variables are analyzed through the Descriptive Analysis Tools like Frequency Tabulation & Distribution, Percentage, Cumulative Frequency and Tabular Representation of Data. Normalized Analysis for Mean Technique is employed to determine the reasons for opening account in a particular bank and this technique is also applied to examine the CSR Initiatives that should be undertaken by banks. To attain the first objective content analysis of different

publications is done. To attain objective two and three One-Sample Chi Square Test has been employed. Objective two analyzes the Awareness of Banks CSR Initiatives among Customers. Objective three examine the various CSR Initiatives by the Banking Sector in Five Dimensions: Health Care, Education, Women Empowerment, Rural Development and Community Welfare. The fourth objective is to determine the significance and role of banks various CSR Initiatives as the Driver for Growth in which Multiple Linear Regression was used to assess the impact of these Five CSR Initiatives on Growth.

***Findings & Suggestions:*** The findings from the analysis of CSR Initiatives of Banking Sector will help to identify the grey areas that need to be focused. Firstly, Descriptive Analysis of Demographic Variables was discussed. The Banking Information received from Customers and Employees states that most of the customers are having at least 10 years of banking experience and the Customers prefer SBI amongst all public and private sector banks. It also reveals that Behaviour of Staff is the most important reason for opening account in a particular bank. Next, the Content Analysis regarding CSR Initiatives of Banking Sector states the contribution of different public and private sector banks towards society. Following this the CSR Awareness among Customers was analyzed, which shows that a large section of society is still not aware of CSR Initiatives and therefore the study suggests that proper CSR Awareness Camps and Programmes need to be organized by banks. Next section explores the CSR Initiatives of Banking Sector in five dimensions and the schemes that the banks are providing in a particular dimension. Through proper data analysis it was found that the banks are overall providing CSR Initiatives in all the five dimensions but banks should focus more on the schemes that are not being provided. Lastly, the Role and Significance of CSR Initiatives as a Driver for Growth is analyzed through Multiple Linear Regression. It was found that Women Empowerment is the most important dimension for growth of society followed by Rural Development, Health, Education and Community Welfare. Therefore, the study suggest that the banks should focus more on the Schemes provided for Women Empowerment and Rural Development which will lead to overall growth and development of society. Thus, through the analysis of data it is concluded that CSR Initiatives by the Banking Sectors has been instrumental in bringing major changes in the

areas of Health Care, Education, Women Empowerment, Rural Development and Community Welfare.

**Limitations:** As the case with all researchers, this study is also having some limitations. One of the major limitations of this study is employment of Non Probabilistic Sampling Technique. Due to non-availability and non-existence of sampling frame in India convenience sampling was employed that limits the scope of broad generalization of findings and conclusions of the study. Furthermore, the study is limited to the place where sample is collected i.e. New Delhi; restricting the generality of conclusions of the study to the place where sample is being collected. Financial limitations of the researcher and paucity of overall resources was also a key constraint for this research. The method or tool used to collect the data was in the form of 'Structured Questionnaire', therefore, the responses may suffer from personal bias limiting the validity of conclusions for the whole population and therefore affecting the reliability of the findings.

**Future Prospects:** CSR Initiatives of Banking sector that have been considered for this study includes Health Care, Education, Women Empowerment, Rural Development and Community Welfare. Through proper data analysis it was found that Environment, Skill Development and Micro Finance are also other important CSR dimensions that need to be focused for future studies. This study limits to the CSR Initiatives of Banking Sector. There are other major sectors like Retail Sector, Telecommunication Sector, Service Sector where CSR Activities need to be focused. The Sampling Frame chosen for the study is confined to the Capital of India i.e. New Delhi. Additionally cross sectional research shall be done in other Indian cities to further validate the results of this study.