

## **CORPORATE SOCIAL RESPONSIBILITY REPORTING BY INDIAN BANKS: FROM THE PERSPECTIVE OF EMPLOYEES**

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### **ABSTRACT**

Corporate social responsibility is an umbrella term used to describe voluntary corporate initiatives, concerned with community development, the environment and human rights. In today's competitive world, where things are changing on a much faster pace, till the major portion of our community needs sufficient time to match up with this innovative world, where we talk about 4G or even 5G internet services, to explore the greater things on this earth, but on the other hand, there are people who do not even know, how to make use of ATM cards, or any other internet product or service. After 70 years of independence, our communities are still fighting for their basic requirements, especially in India. Corporate Social Responsibility is a long-term approach to business that addresses the needs of communities, people, and their employers. In this study, an attempt has been made to analyze the social responsibility, which our Indian banks provide to the community from the perspectives of some employees targeted.

**KEYWORDS:** Community Development, Human Rights, Basic Requirements

### **INTRODUCTION TO THE CONCEPT CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The term CSR is also known as corporate conscience, corporate citizenship or responsible business. CSR in India has traditionally been seen as a philanthropic activity and in keeping with the Indian tradition, it was an activity that was performed, but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, what was clearly evident was that much of this had a national character encapsulated within it, whether it was endowing institutions or actively participating in India's freedom movement, and embedded in the idea of trusteeship. Corporate Social Responsibility or CSR has been debated, since the early twentieth century, but there has been little agreement over its definition due to

- Differences in national and cultural approaches to business.
- Differences in motivation for CSR – doing it because, it is morally correct or doing it because, it makes good business sense.
- Differences in disciplinary backgrounds, perspectives and methods of scholars engaged with CSR.

As some observers have pointed out, the practice of CSR in India, still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development, through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a

discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports.

When corporate sector implements social actions as a duty, instead of responsibility, only then will the benefits be enjoyed by all the stakeholders. Business leaders and management scholars have generally understood CSR, as a response to business failures that have accompanied the astonishing growth in size, impact and power of modern corporations. That growth is characterized by the separation of ownership from control and the rise of modern management techniques. While, modern management has created great efficiencies, it has also led to a dilution of individual responsibility that is generally, only visible when business gets into strife. Business leaders deal with CSR issues, through specialist business organizations, such as the Global Reporting Initiative, the UN Global Compact, and the World Business Council for Sustainable Development.

*“CSR is the commitment of businesses to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve their quality of life in ways that is both for business and good for international development.”*

—World Bank March, 2004

*“CSR requires companies to acknowledge that they should be publicly accountable not only for their financial performance but also for their social and environmental record. It encompasses the extent, to which companies should promote human rights, democracy, community improvement and sustainable development objectives throughout the world.”*

—Confederation of British Industry, 2001

## **BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility is more than just donating money or printing double-sided to save trees, it's about contributing to the health and welfare of society, operating transparently and ethically. More importantly, this way of operating should be embedded in the business, rather than an afterthought.

Some benefits listed with CSR are:

### **The Ability to have Positive Impact in the Community**

Keeping social responsibility as a priority, it encourages businesses to act ethically and to consider the social and environmental impacts of their business. In doing so, organisations can avoid or mitigate detrimental impacts of their business on the community. In some cases, organisations will find ways, to make changes in their services or value chain that actually delivers benefits for the community, where they once didn't.

### **It Supports Public value Outcomes**

In simple words, public value is about the value that, an organization contributes to society. A sound, robust corporate social responsibility framework and organizational mindset can genuinely help organizations, deliver public

value outcomes, by focusing on how their services can make a difference in the community. This might happen indirectly, where an organisation's services enable others to contribute to the community, or directly through the organisation's own activities, such as volunteerism and philanthropy.

### **It supports being an Employer of Choice**

Being an employer of choice, typically translates into the company's ability, to attract and retain high caliber staff. There are ways to approach being an employer of choice, including offering work life balance, positive working conditions and work place flexibility. Studies have shown that, a robust corporate social responsibility framework can also help a company, become more attractive to potential future employees, who are looking for workplaces with socially responsible practices, community mindedness and sound ethics.

### **It Encourages both Professional and Personal Development**

Providing employees with the opportunity, to be involved in a company's socially responsible activities can have the benefit of teaching new skills to staff, which can in turn be applied in the workplace. By undertaking activities outside of their usual work responsibilities, employees have the chance to contribute to work and causes that they might feel passionate about, or learn something entirely new, which can help enrich their own perspectives. By supporting these activities, organisations encourage growth and support, for employees.

### **It Enhances Relationships with Clients**

A strong corporate social responsibility framework is essential, to building and maintaining trust between the company and clients. It can strengthen ties, build alliances and foster strong working relationships, with both existing and new clients. One way this can be achieved is, by offering pro-bono or similar services, where a company can partner with not-for-profit organizations, to support their public value outcomes, where funds or resources may be limited. In turn, this helps deliver public value outcomes that may not have been delivered otherwise.

## **CORPORATE SOCIAL RESPONSIBILITY PRINCIPLES**

The Corporate Social Responsibility is based on the following principles:

- **Legal Compliance Principle:** The enterprise shall comply with and understand all applicable, local, international, written, declared, and effected laws and regulations, in accordance with fixed, specific procedures.
- **Adherence to Customary International Laws Principle:** The enterprise shall adhere to international and governmental agreements, executive regulations, declarations, covenants, decisions, and guidelines, when setting its policies and practices, pertinent to Social Responsibility.
- **Respecting Related Stakeholders Lefts Principle:** The enterprise shall acknowledge and accept the diversity of related stakeholders' lefts and interests, and the diversity of the major and minor enterprises' activities and products, among other elements, which may affect such related stakeholders.
- **Transparency Principle:** The enterprise shall clearly, accurately, and comprehensively declare its policy, decisions, and activities, including known and potential effects on environment and society.
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Moreover, such information shall be available to affected persons, or to those who are likely to be affected materially, by the enterprise

- **Respect for Human Rights Principle:** The enterprise shall execute policies and practices, which shall result in respecting existing human rights, in the Universal Declaration of Human Rights.

## **DRIVERS OF CORPORATE SOCIAL RESPONSIBILITY REPORTING**

The purpose of CSR reporting is, to provide useful information to stakeholders, which will in turn result in improved social and environmental conditions, as stakeholders reward corporations for good performance and punish or put pressure on those with bad performance. The growing demand for CSR reporting yields evidence that, the information provided is valued.

There are two categories of drivers of CSR reporting, which are explained as follows:

- Internal Drivers
- External Drivers

### **Internal Drivers**

Following are the internal drivers which help to identify CSR reporting aspects-

### **Embedding Values**

CSR practices and tools can be used by companies, to embed values into the organization, by developing a systematic approach accompanying commitment from senior managers; and providing an external framework to assess an organisation's performance; this can enable staff and managers to provide more frank feedback and analysis.

### **Positive Differentiation**

A positive differentiation can be achieved, by carrying a label or meeting a standard, awarded by a third party for particular products or services. This may be particularly important in markets, where institutional purchasers (e.g. business to business, or business to public body) are including ethical, social or environmental criteria, in their buying decisions. Credibility for particular characteristics of products and services can also be achieved, by other communication efforts and tools. For organisations and brands, more general reputational factors may help to differentiate from competitors.

### **Better Risk Management**

The use of certain CSR practices and tools (e.g. reporting, management frameworks, codes of conduct) provides a systematic way of identifying, anticipating and managing risk to the organisation. The use of an established practice or tool may help to ensure that, the organization does not have any 'blind spots'. As many of the practices and tools institutionalise engagement with stakeholders, this is a further check to ensure that, no areas of potential risk are missed. Although, the use of CSR practices and tools, and involvement with stakeholders, can reduce the likelihood of being surprised by particular issues, some unpredictability will remain.

### **Reputational Benefits**

There may be reputational benefits to some companies, in adopting a CSR approach. Some organizations feel that, they can more easily realise the potential reputational benefits of improved CSR performance, if there is some element of independence or endorsement, to the things the organisation says about itself. Credibility can come through internal follow-up, product labels awarded by independent bodies, certified management standards and assessments made by analysts and ratings agencies, and the presence of verification and internal or external audit, for codes of conduct. Many stakeholder groups argue that, the more independent the process used, the more credibility it will have with them, and therefore the more likely it is to deliver reputational benefits. The flip side of this driver is the risk of a negative impact on reputation, if a company does not communicate or engage with stakeholders, either proactively or reactively. If a company or a sector has not built up relationships with stakeholders and begun to exchange views and perspectives, on particular issues, they may be more vulnerable to criticism, if there is an incident or an unanticipated issue arises.

### **Enabling Innovation**

By encouraging people to take a new perspective, and by encouraging more interaction with stakeholders, many CSR practices and tools help those teams charged with innovating within an organisation. Innovation may be catalysed by introducing new constraints or new information which encourages teams to imagine totally new solutions. CSR practices and tools can be used as a new factor in a situation, to stimulate new thinking.

### **Driving Change**

As a particular practice or tool is introduced in an organisation, it helps to create change, through encouraging staff to look at their functions in a new light. There are particular practices and tools which are specifically designed to help an organisation change. There are others which have this effect incidentally. By choosing to introduce a CSR practice or tool, an organisation sends a signal that it wishes to see change (or to reward recent changes) and to do so in a systematic and considered way. For example, monitoring performance on a particular issue enables management to assess progress and prioritise action, thus driving change.

### **Enabling Learning**

For similar reasons to those outlined under innovation and change, learning is catalysed by looking at the organisation and at individual behaviour through the new frameworks provided by CSR practices and tools. The discipline of using a tool means that staff cannot avoid certain areas (e.g. environmental impact, social impact) which might have been easily overlooked without the use of the tool or practice. Additionally, an organisation may be able to draw on the learning and support offered by organisations promoting particular practices and tools, and from peer organisations which are already further down the road, if it 'signs up to' a particular tool or approach.

### **Attracting, Motivating and Retaining Qualified Staff**

Motivated employees, with pride in their employer and in their contribution to society, are a benefit to a company. Adopting CSR practices and using CSR tools can help to motivate employees. This can be both through the increased participation in the company's planning and decision-making which is inherent in many CSR practices and tools, and by being proud of the improved environmental and social impacts of the company's business.

### **Improving Stakeholder Relations**

Where stakeholders value the use of particular practices and tools, then stakeholder relations may be improved if the organisation uses them. Stakeholders may play an active role in initiating such engagement, which may be two-way or even multi-directional. This can lead to a better understanding of stakeholders' intentions and priorities, enabling them to better anticipate stakeholder reactions. Those practices and tools which imply a degree of independent scrutiny help to allay suspicions of 'greenwash' or 'pinkwash' (that the claims being made are not justified by genuine achievements in environmental or social performance). With or without independent scrutiny, a systematic and monitored approach enables stakeholders and companies, to understand each others' intentions and priorities, and to respond at a strategic level, as well as at the level of specific issues or operational matters.

### **External Drivers**

Following are the external drivers which help to identify CSR reporting aspects-

#### **Calls for Increased Information and Accountability**

In responding to calls for increased accountability, organisations may wish to draw on reporting tools or disclosure approaches which have already been tried out by other organisations, refined in light of experience, and developed with the input of stakeholders. At the same time, organisations may need to adapt the approaches and tools to their particular circumstances, as was demonstrated in some of the case study presentations. Organisations may also find that following the approaches outlined in particular tools will mean that they are able to answer stakeholders' questions more easily by referring them to, for example, a sustainability report rather than answering each inquiry individually. Not responding to external expectations about information on CSR activities may leave the company exposed to criticism. At the same time, the challenge remains, of satisfying the agendas and information needs of a wide variety of stakeholder organisations which may not share a common set of concerns.

#### **Investors' Criteria**

In common with customers and other stakeholders, organisations may find that their investors have criteria or questions about their environmental or social performance which are easier to answer if the organisation can demonstrate that it is using recognised practices and tools, or if it can point to a CSR report or equivalent which has been prepared using recognised guidelines. However, it was also clear from some case studies that mainstream investors, SRI funds and analysts have their own questionnaires, criteria and need for additional specific information. Even with common reporting protocols, investors are likely to request additional information.

#### **The Role of Public Authorities**

Public authorities can provide drivers for CSR activities generally and for the adoption of particular practices or tools. As customers, regulators, policy makers, revenue-raisers, information providers and commissioners of research, public authorities respond to society's changing expectations and can and do provide an enabling environment, incentives and support for CSR activities. For example, one presenter of a case study cited environmental criteria in government purchasing as a potentially important driver.

### **LITERATURE REVIEW**

**Sahoo, Chandrakanta., (2011)** stated in his study that CSR in India is restricted to narrowly defined set of people (read as stakeholders), to fixed set of roles (implementing community development projects), and to the approaches with tunnel vision (community development in sectors of health, education, etc.). This is more specific to the country like India where for over a century the approach of CSR remained corporate philanthropy and community development. There is a need to augment the scope of CSR with respect to stakeholders involved, CSR practices of corporations (from isolated, independent community development interventions, to more long lasting initiatives through their association with civil society organisations and government in planning, policy making and implementation of various RD interventions).

**Hansen, Krause Hans., (2011)** in his study observed how poor corporate social responsibilities and business ethics paved the way for corruptive practices by the management and suggested that establishment of anti-corruption system internally would ensure them with effective management of the risk and provide for competitive aspirations and enhance efficiency of their operations.

**Kolk, Ans, and Pinske, Jonatan., (2011)** analysed to what extent corporate governance had become integrated in multinational enterprise's disclosure practices, on CSR. Based on an analysis of CSR reporting of Fortune Global 250 companies, findings showed that more than half of them had a separate corporate governance section, in their CSR report. It was found that, multinational enterprises that disclose information on a wider variety of social and environmental issues and frame CSR, with a focus on internal issues are more inclined to integrate corporate governance in their CSR reporting.

**Sharma, Nishi., (2011)** gave a list of core thrust areas for reporting CSR activities by the Indian banks as: children welfare, community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women's empowerment, and protection to girl child, employment. The rating of the CSR activities of Indian banking sector has also been done by Karmayog, an NGO. As per the report of the Karmayog, two-third of surveyed the 36 banks could not even secure a rating of 3 at a scale of 0 to 5; only one bank could attain level 5.

An article published in **Triple Bottom Line Magazine** entitled "**Initializing CSR (2011): The Top Three Essential Elements**" presented CSR according to the changing time period. It was exposed through the article that CSR should be at the heart of business goals. Sometimes companies run away because of social activities in which they engaged but in reality they suffered from financial problem at that time, or may be under scam. The paper took an example of Lehman brothers. The article also suggested some variables for initializing CSR. In these variables, it was firstly discussed that CSR can coerce through efficient corporate governance. Secondly, through savings and increase in operating profits, so that investment in CSR can be upgraded. Thirdly, according to article, corporate volunteers are believed to be an important variable to ensure that, corporate responsibility can be satisfied through the volunteer strategy.

**The Economic Times (2012)** news highlighted the views of former president Dr. APJ Abdul Kalam in a CSR award function, organised by industry body Assocham. Kalam said that, companies should dedicate some part of its goal to corporate services. It should make compulsory for all the companies, to spend a percentage of its profit on corporate social responsibility. Kalam also discussed that, greater importance of CSR is in building the lives of the country's citizens.

An article published at **Knowledge @ Wharton on 23 May, 2012**, suggested that, as per the changing generation, the importance of CSR is also changing. The researcher said that the next generation of business will give excessive importance to the CSR activities while past researchers like Milton Friedman referred CSR as window coverage for

businesses. Apart from that, the article with the help of several examples, explained that companies occupied in CSR are more profitable in terms of money, human capital, and other resources. Some companies and researchers termed CSR as cost saver while some took it as reputation building activities. Lastly, it was concluded that CSR is valuable for the society as well as business.

**Das, Sanjay Kanti., (2012)** in his study presented that, development of Corporate Social Responsibility (CSR) is very slowly in India, though it was started a long time ago. In his view, CSR has been assuming greater importance in the corporate world, including the banking sector. There is a visible trend in the financial sector of promoting environment-friendly and socially-responsible lending and investment practices. The Government of India is pursuing the matter relating to CSR and also drafts guidelines for CSR practices from time to time.

**Mohanty, Bibhu Prasad., (2012)** presented in his article that, CSR is the face of doing trade. He said that today CSR is a medium for the fulfillment of profit for the greedy corporate houses. Further the article explored that companies today invest in a lot of areas like child labour, ground water, food, education, employment, etc. but nobody is aware about the essential needs of the world's poor population. The article suggested that profit earning is a natural and statutory obligation of the companies. At last, it was concluded in the article that sustainable development is the development of society as well as the company in a balanced way.

**Chaturvedi, Anumeha., (2013)** in his article entitled "CSR looks set to emerge as an independent stream with measurable output" on India CSR site, declared as to how the proposed bill of CSR affect the company's policies. The researchers presented their views and said that the bill will bring a change in the activities of the companies, and more companies will start investing on society. Further, those who have already engaged in these areas will get a strong foundation or bond with the society.

**Sharma, Eliza., and Dr. Mani, Mukta., (2013)** in an analysis showed that, though the Indian banks were making efforts in the CSR areas, but still there was a requirement of more emphasis on CSR. There were some banks which were not even meeting the regulatory requirements. The public sector banks had overall the highest contribution in CSR activities. Private sector banks and foreign banks were still lagging in this area.

**Moharana, Sarita., (2013)** found in his research that, the selected banks were directly engaged in CSR activities, mostly in the area of rural development, education, community welfare, women and children. The analysis showed that these banks were making efforts for the implementation of CSR, but were restricted within certain fields. There was a need for better CSR activities by the banks, which was possible by adding more and more social development issues link with corporate sector.

**Sharma, Swati., Sharma, Reshu., and Kishor, Jugal., (2013)** revealed in their study that, till 1990s, CSR was exclusively dominated by the idea of philanthropy. Considering CSR as an act of philanthropy, businesses often constrained themselves to one-time financial grant and did not commit their resources for such projects. Moreover, businesses never kept the stakeholder in mind while planning for such initiatives, thereby reducing the worth and efficiency of CSR initiatives. However, over the last few years, the concept of CSR has been changing. There has been a clear transition from giving as an obligation or charity to giving as a strategy or responsibility.

**Korschun, D., Bhattacharya, C.B., and Swain, S.D., (2014)** in the study examined frontline employee responses



to corporate social responsibility (CSR), using a multisource data set at a Global 500 financial services company. The authors found that frontline employees identified with the organisation (i.e., organisational identification), and with customers (i.e., employee–customer identification) as a function of how much the employees recognised management and customers (respectively) to support the company's CSR activities. However, these respective effects were stronger among employees for whom CSR was already tied to their sense of self (i.e., CSR's importance to the employee). The research empirically addressed the open questions of whether and when CSR can yield observable changes in employee behaviour and alerts researchers to a novel target of recognition for frontline employees.

An article presented on **India CSR, entitled “Is CSR all Bullshit?”**, depicted those companies which do not have a strong will power to invest in social activities, nor are they aware about the areas which come under CSR. The reason of this problem is lack of knowledge about the concept of CSR and not any legal framework. The researcher also presented the solution of this problem that knowledge should provide in the institutions through training, induction programmes and through other teaching programmes. If needed, foreign experiences should be used in India for the welfare of Indian society.

**The Economic Times (2017)** article highlighted the views of the CEO of World Bank, Kristalina Georgieva, after a meeting with the Prime Minister of India Narendra Modi. She said that there is reason for India to celebrate its rise in the World Bank's latest ease of business ranking, since it creates a positive environment for institutions in the country to strive to do even better. The progress of India in reduction of extreme poverty is quite remarkable. She further illustrated that around 160 million people have been lifted out of poverty in India. All these reforms came from early attention towards skill development, health and sanitation, social protection programmes, gender equality, etc. She said that India has always had a very strong presence in the governance of the World Bank, on the board of directors of the World Bank as well as the discussion taking place among the governors. And as the world economy evolves, the country's share within the world economy goes up. She remarked that India is going to be significant because it is such a large and growing economy, and it is also an important partner of the World Bank.

## OBJECTIVES OF THE STUDY

Every research study is conducted with some explicit intend. The intention of present study is to ascertain answers to the questions through the application of technical procedures and methods.

The main objectives of the research are:

- To study the corporate social responsibility practices of the selected banks.
- To study the CSR perspectives of employees of selected banks.

## Selection of Banks

In India commercial banks are running on a faster pace. For this study, two public sector banks and two private sector banks are chosen on the basis of the volume of their business in the country. **Public Sector Banks chosen for the studies are:** 1. State Bank of India, 2. Punjab National Bank **Private Sector Banks chosen for the study are:** 1. HDFC Bank, 2. ICICI Bank

## SOURCES OF DATA COLLECTION & SAMPLE SIZE

Data for the purpose of present study is collected from primary and secondary sources. The relevant primary data is collected through structured questionnaire using convenience sampling method and secondary data was collected through published information and details from websites of the selected banks and other published records of banks like annual reports and business responsibility report of selected banks. The sample size for the bank is 20 respondents who are employees of the selected banks for the analysis of this study. The area of study is Khanna city, District Ludhiana.

### Framework of Data Analysis

CSR practices of selected banks for study are taken for the financial year 2016-2017 and Kruskal Wallis H Test has been applied using SPSS 21 to draw out the conclusion.

## ANALYSIS & PRESENTATION OF DATA

### Analysis of CSR in Selected Banks

RBI played an important role in supporting the concept of CSR by passing a circular in the year 2007, December, directed banks to undertake CSR initiatives for sustainable development. History of sorts was made late on the evening of 8th August, 2013, when the *Rajya Sabha* (India's Upper House of Parliament) passed the Companies Bill, 2012; *Lok Sabha* (the Lower House) had passed it earlier in December, 2012. With this, India now has "*a modern legislation for growth and regulation of corporate sector in India*", which is expected to "facilitate business-friendly corporate regulation, improve corporate governance norms, enhance accountability on the part of corporates/auditors, raise levels of transparency, and protect interests of investors, particularly small investors."

### Under this Act-

- Companies will have to spend 2% of their last three years' average profit on CSR activities. (e.g., schools, slum redevelopment etc.)
- It requires Companies having net worth of Rs 500 crore or more or Turnover of Rs 1000 crore or Net profit of more than Rs 5 crore during a Financial Year have to spend at least 2% of its average Net Profits made during last 3 years in pursuance of CSR activities.
- 2% rule doesn't apply to income earned from foreign branches of the above companies.
- Above companies have to setup CSR Committee made up of 3 board of directors.
- Committee will formulate & monitor CSR policy.
- If Companies do not spend, they have to provide proper reason for the same.

## CASE STUDY 1: STATE BANK OF INDIA

Building communities and contributing to social development have been embedded in SBI's organizational ethos. The objective behind its community outreach programs is to make a meaningful and long term impact on the lives of the socio-economically deprived sections of society. In order to ensure optimal use of available resources, the needs of the communities are evaluated with care and assistance is extended through strategic partnerships with reputed NGOs. The CSR activities are carried out in part by the SBI Foundation, by each circle of the Bank across India and by the vocational training institutes (RSETIs) established by SBI. The CSR budget for FY2016-17 was Rs. 99.51 crore. However, the actual

spend exceeded the budget i.e., 109.82 crore on account of some additional projects/programmes found to be deserving of support. The bank focused on the following areas during the year:

- Education,
- Health care and sanitation,
- Skill Development,
- Disability,
- Environment protection,
- Sports,
- Culture development.

## **CASE STUDY 2: PUNJAB NATIONAL BANK**

“Giving back to the Society” is the prime motive behind PNB’s CSR activities. The Bank undertakes various initiatives for the disadvantaged, vulnerable and marginalized stakeholders. Loans are given at subsidized rates to Small/Marginal Farmers, Micro enterprises, Self Help Groups, Weaker sections and Women entrepreneurs. The Bank is also running various Trust/Centers as: PNB Farmer Welfare Trust, PNB Centenary Rural Development Trust, Financial Literacy Centers etc. These trusts help the underprivileged communities to overcome unemployment and poverty and shape their own future through awareness creation and upskill them. List of Core activities in (CSR) in which expenditure amounting 27.23 crore has been incurred is as below:

- Medical Check Up Camps
- Tree Plantations
- Blood Donation Camps
- Distribution of Artificial Limbs
- Installation of Solar Lights
- Installation of Digital Registration Machines at Hospital
- Construction of Bus Shelter
- Experimental Learning material through Government Schools
- 9. Other CSR activities are as below:
  - The Bank is making an effort to upgrade knowledge and skills of farmers, women and rural youth through imparting vocational training
  - The Bank continued its efforts to promote sports and nurturing young talents as a part of CSR activity though PNB Hockey Academy.

### CASE STUDY 3: HDFC BANK

'Creating Sustainable Communities' is the underlying philosophy that drives HDFC Bank's CSR initiatives and it springs from one of its Core Values: Sustainability. The objective is to enable families break the vicious circle of poverty and draw them into a cycle of growth, development and empowerment without disturbing the ecological balance. HDFC Bank is committed to identifying and supporting outreach programmes aimed at developing and advancing the community in this manner. The Bank works through partnerships with Non-Governmental Organisations (NGOs) as well as directly through its various businesses to create social value through its products and services. During the financial year 2016-17, the Bank has spent 305.42 crore towards CSR activities and undertaken CSR Programmes aligned to the CSR Policy in the below focus areas -

- Promoting Education
- Skill Training and Livelihood Enhancement
- Health Care
- Environmental Sustainability
- Eradicating Poverty
- Rural Development

### CASE STUDY 4: ICICI BANK

Corporate Social Responsibility (CSR) has been a long-standing commitment at ICICI Bank. The Bank's contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Bank and through the broader community. The Bank established the ICICI Foundation for Inclusive Growth (ICICI Foundation) in 2008 with a view to significantly expand the activities in the area of CSR. Over the years, ICICI Foundation has developed projects in specific areas, particularly in the area of skill development, and has built capabilities for direct project implementation as opposed to extending financial support to other organisations. The CSR Policy of the Bank sets the framework guiding the Bank's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The CSR Committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The amount contributed by ICICI bank during the financial year towards CSR activities was 182.00 crore in the following core areas:

- Promoting education, employment enhancing vocational skills, livelihood enhancement projects,
- Eradication of hunger, poverty and malnutrition; promoting preventive healthcare,
- Rural development,
- Promoting education,
- Promoting preventive healthcare including awareness on Swachh Bharat, and promoting education.

## ANALYSIS OF CSR: FROM THE PERSPECTIVE OF BANK EMPLOYEES

### Demographic Profile on the basis of Gender

**Table 1: Demographic Profile of Respondents on the Basis of Gender**

Name of Bank	Gender		Total	Chi Square Test	p-value
	Female	Male			
State Bank of India	3	2	5	5.000	0.172
Punjab National Bank	0	5	5		
HDFC Bank	2	3	5		
ICICI Bank	3	2	5		
<b>Total</b>	<b>8</b>	<b>12</b>	<b>20</b>		

$H_1$  = There is significant association in the gender and choice of bank.

$H_0$  = There is no significant association in the gender and choice of bank.

Table.1 represents the demographic profile of employees of selected banks. The number of females in case of SBI is 3, in PNB is none, in HDFC is 2, and in ICICI is 3, whereas number of males in case of SBI is 2, in PNB is 5, in HDFC is 3, and in ICICI is 2. The Chi-Square test has been applied in order to test the association between gender and selection of bank. The value of Chi-Square is 5.000, which is the difference between the observed and the expected value; and the value of p is 0.172 which is more than 0.05 ( $p > .05$ ). Hence, it can be concluded that both the genders are similar in relation to the choice of bank. Hence, the null hypothesis stating no significant association in the gender and choice of bank stands accepted.

### Demographic Profile on the Basis of Age Group

**Table 2: Demographic Profile of Respondents on the Basis of Age Group**

Name of Bank	Age Group			Total	Chi-Square Test	p-value
	Below 30 years	30-45 years	46-60 years			
State Bank of India	0	2	3	5	14.800	0.022
Punjab National Bank	1	1	3	5		
HDFC Bank	5	0	0	5		
ICICI Bank	4	1	0	5		
<b>Total</b>	<b>10</b>	<b>4</b>	<b>6</b>	<b>20</b>		

$H_1$  = There is significant association in the age group and choice of bank.

$H_0$  = There is no significant association in the age group and choice of bank.

Table 2 represents the demographic profile on the basis of age group of selected banks. More number of respondents fall in the age group of below 30 years, in case of SBI its none, in PNB its 1, in HDFC its 5, and in ICICI its 4, in case of 30-45 years, in case of SBI its 2, in PNB its 1, in HDFC its none, and in ICICI its 1. In case of 46-60 years age group, in case of SBI its 3, in PNB its 3, in HDFC its none and in ICICI its none. In total equal distribution of respondents in considered in each case. The value of Chi-Square is 14.800, which is the difference between the observed and the expected value; and the value of p is 0.022 which is less than 0.05 ( $p > .05$ ). The null hypothesis stating no significant association in the age group and choice of bank stands rejected. Hence, it can be concluded that there is an association

between the age group and the choice of bank.

### Analysis of Responses of Employees of Banks on CSR Perspective

The analysis below illustrates the responses of employees on the CSR perspective of their banks. The Kruskal-Wallis test has been applied to check the significant difference in employee's response and CSR activities undertaken by the selected banks for this study.

**Table 3: Responses of Employees whether they think Ethical Practices should be made Obligatory for Banks**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Do you think ethical practices should be made obligatory for the banks?	State Bank of India	5	10.50	0.000	1.000
	Punjab National Bank	5	10.50		
	HDFC Bank	5	10.50		
	ICICI Bank	5	10.50		
	Total	20			

$H_1$  = There is significant difference between the obligation of ethical practices in views of employees and reported by banks.

$H_0$  = There is no significant difference between the obligation of ethical practices in views of employees and reported by banks.

**Observation:** Table 3 illustrates the responses of employees whether they think ethical practices should be made obligatory for banks or not. The p-value derived from this variable is 1.000 which is higher than 0.05 ( $p > .05$ ). The null hypothesis is rejected in this case and it can be concluded that there is significant difference between the obligations of ethical practices in views of employees and reported by banks.

**Table 4: Responses of Employees whether they have access to Bank's Code of Ethics/Conduct/CSR Practices**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Do you have access to your organization's code of ethics/conduct/CSR practices?	State Bank of India	5	8.00	13.440	0.004
	Punjab National Bank	4	8.00		
	HDFC Bank	5	15.60		
	ICICI Bank	5	8.00		
	Total	19			

$H_1$  = There is significant difference between the access to bank's code of ethics/CSR practices by employees and the code of ethics/CSR practices reported by banks.

$H_0$  = There is no significant difference between the access to bank's code of ethics/CSR practices by employees and the code of ethics/CSR practices reported by banks.

**Observation:** Table 4 illustrates the responses of employees whether they have access to bank's code of ethics/conduct/CSR practices. The p-value derived from this variable is 0.004 which is less than 0.05 ( $p > .05$ ). The null hypothesis is accepted in this case and it can be concluded that there is no significant difference between the accesses to

bank's code of ethics/CSR practices by employees and the code of ethics/CSR practices reported by banks.

**Table 5: Responses of Employees whether they Practice Code of Ethics while Discharging their Duties**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Do you practice code of ethics while discharging your duties?	State Bank of India	5	14.50	14.096	0.003
	Punjab National Bank	5	15.60		
	HDFC Bank	5	5.70		
	ICICI Bank	5	6.20		
	Total	20			

$H_1$  = There is significant difference between ethical values discharged by employees and reported by banks.

$H_0$  = There is no significant difference between ethical values discharged by employees and reported by banks.

**Observation:** Table 5 illustrates the responses of employees of whether they practice code of ethics while discharging their duties. The p-value derived from this variable is 0.003 which is less than 0.05 ( $p > .05$ ). The null hypothesis is accepted in this case and it can be concluded that there is no significant difference between ethical values discharged by employees and reported by banks.

**Table 6: Responses of Employees whether they aware about the Updatons/Review of code of conduct as per the Changing Requirement**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Is the Code of conduct updated or reviewed as per the changing requirements?	State Bank of India	5	9.50	2.116	0.549
	Punjab National Bank	5	11.60		
	HDFC Bank	5	11.40		
	ICICI Bank	5	9.50		
	Total	20			

$H_1$  = There is significant difference between awareness about updations of code of conduct by employees and reported by banks.

$H_0$  = There is no significant difference between awareness about updations of code of conduct by employees and reported by banks.

**Observation:** Table.6 illustrates the responses of employees whether they aware about the updations/review of code of conduct as per the changing requirement. The p-value derived from this variable is 0.549 which is more than 0.05 ( $p > .05$ ). The null hypothesis is rejected in this case and it can be concluded that there is significant difference between awareness about updations of code of conduct by employees and reported by banks.

**Table 7: Responses of Employees whether they follow the Rules Framed by the BCSB of India**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Do you follow the rules framed by the "Banking Conduct and Standard Board	State Bank of India	5	7.50	3.737	0.291
	Punjab National Bank	5	9.30		
	HDFC Bank	5	11.60		
	ICICI Bank	5	13.60		
	Total	20			

of India”?	Total	20			
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$H_1$  = There is significant difference between rules followed by employees and reported by banks.

$H_0$  = There is no significant difference between rules followed by employees and reported by banks.

**Observation:** Table 7 illustrates the responses of employees whether they follow the rules framed by Banking Conduct and Standard Board of India. The p-value derived from this variable is 0.291 which is more than 0.05 ( $p > .05$ ). The null hypothesis is rejected in this case and it can be concluded that there is significant difference between rules followed by employees and reported by banks.

**Table 8: Responses of Employees whether they aware about the Publication of CSR Report**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Does your bank's CSR report is published as a part of bank's annual report?	State Bank of India	5	14.50	11.083	0.011
	Punjab National Bank	5	10.50		
	HDFC Bank	5	12.50		
	ICICI Bank	5	4.50		
	Total	20			

$H_1$  = There is significant difference between awareness about publication of bank's CSR Report by employees and reported by banks.

$H_0$  = There is no significant difference between awareness about publication of bank's CSR Report by employees and reported by banks.

**Observation:** Table 8 illustrates the responses of employees whether they aware about the publication of their bank's CSR Report. The p-value derived from this variable is 0.011 which is less than 0.05 ( $p > .05$ ). The null hypothesis is accepted in this case and it can be concluded that there is no significant difference between awareness about publication of bank's CSR Report by employees and reported by banks.

**Table 9: Responses of Employees whether they know about Bank's CSR Report**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
How well you know about your bank's CSR report?	State Bank of India	5	8.50	14.250	0.003
	Punjab National Bank	5	8.50		
	HDFC Bank	5	16.50		
	ICICI Bank	5	8.50		
	Total	20			

$H_1$  = There is significant difference between knowledge about CSR report by employees and reported by banks.

$H_0$  = There is no significant difference between knowledge about CSR report by employees and reported by banks.

**Observation:** Table.9 represents the responses of employees whether they know about their respective bank's CSR Report or not. The p-value derived from this variable is 0.003 which is less than 0.05 ( $p > .05$ ). The null hypothesis is accepted in this case and it can be concluded that there is no significant difference between knowledge about CSR Report by employees and reported by banks.

**Table 10: Responses of Employees whether their Manager Ensures Ethical Practices in Bank**



Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Does your Manager ensure that ethical practices are carried out at your bank?	State Bank of India	5	9.50	1.981	0.576
	Punjab National Bank	5	12.70		
	HDFC Bank	5	8.30		
	ICICI Bank	5	11.50		
	Total	20			

$H_1$  = There is significant difference between ethical practices carried out by employees and reported by banks.

$H_0$  = There is no significant difference between ethical practices carried out by employees and reported by banks.

**Observation:** Table.10 represents the responses of employees whether their manager ensures ethical practices in the respective bank. The p-value derived from this variable is 0.576 which is more than 0.05 ( $p > .05$ ). The null hypothesis is rejected in this case and it can be concluded that there is significant difference between ethical practices carried out by employees and reported by banks.

**Table 11: Responses of Employees whether they aware about the Review of their Banks CSR Report**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Is your bank's CSR report reviewed every year?	State Bank of India	5	10.00	3.000	0.392
	Punjab National Bank	5	10.00		
	HDFC Bank	5	10.00		
	ICICI Bank	5	12.00		
	Total	20			

$H_1$  = There is significant difference between awareness about review of CSR report by employees and reported by banks.

$H_0$  = There is no significant difference between awareness about review of CSR report by employees and reported by banks.

**Observation:** Table.11 represents the responses of employees whether they are aware about the review of their banks CSR Report. The p-value derived from this variable is 0.392 which is more than 0.05 ( $p > .05$ ). The null hypothesis is rejected in this case and it can be concluded that there is significant difference between awareness about review of CSR Report by employees and reported by banks.

**Table.12: Responses of Employees whether their Bank Engaged in any CSR Activities**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Does your bank engaged in any of the CSR activities?	State Bank of India	5	4.30	16.011	0.001
	Punjab National Bank	5	14.20		
	HDFC Bank	5	16.80		
	ICICI Bank	5	6.70		
	Total	20			

$H_1$  = There is significant association between CSR activities reported by employees and followed by banks.

$H_0$  = There is no significant association between CSR activities reported by employees and followed by banks.

**Observation:** Table 12 illustrates the responses of employees whether their bank engaged in any CSR activity or not. The p-value derived from this variable is 0.001 which is less than 0.05 ( $p > .05$ ). The null hypothesis is accepted in this case and it can be concluded that there is no significant association between CSR activities reported by employees and followed by banks.

**Table 13: Responses of Employees Regarding Participation in CSR Activities Initiated by Bank**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Have you ever participated directly or indirectly in any CSR activities initiated by your bank?	State Bank of India	5	7.00	12.551	0.006
	Punjab National Bank	5	11.50		
	HDFC Bank	5	16.50		
	ICICI Bank	5	7.00		
	Total	20			

$H_1$  = There is significant difference between participation in CSR activities by employees and reported by banks.

$H_0$  = There is no significant difference between participation in CSR activities by employees and reported by banks.

**Observation:** Table 13 illustrates the responses of employees regarding participation directly/indirectly in CSR activities initiated by the banks. The p-value derived from this variable is 0.006 which is less than 0.05 ( $p > .05$ ). The null hypothesis is accepted in this case and it can be concluded that there is no significant difference between participation in CSR activities by employees and reported by banks.

**Table.14: Responses of Employees Regarding Recognition of their Bank for their CSR Activities**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Has your bank achieved any recognition for their CSR activities?	State Bank of India	5	8.50	7.300	0.063
	Punjab National Bank	5	14.60		
	HDFC Bank	5	10.40		
	ICICI Bank	5	8.50		
	Total	20			

$H_1$  = There is significant difference between awareness among employees regarding recognition of bank due to any CSR activity conducted and reported by banks.

$H_0$  = There is no significant difference between awareness among employees regarding recognition of bank due to any CSR activity conducted and reported by banks.

**Observation:** Table 14 illustrates the responses of employees regarding recognition of their bank for their CSR activities. The p-value derived from this variable is 0.063 which is more than 0.05 ( $p > .05$ ). The null hypothesis is rejected in this case and it can be concluded that there is significant difference between awareness among employees regarding recognition of bank due to any CSR activity conducted and reported by banks.

**Table 15: Responses of Employees Regarding Satisfaction from Bank's CSR activities in Comparison to Competitors**

Variables	Name of Bank	N	Mean Rank	Kruskal Wallis Test	p-value
Keeping in view Government's thrust on CSR & CSR activities performed by your competitors; do you think	State Bank of India	5	10.50	0.000	1.000
	Punjab National Bank	5	10.50		
	HDFC Bank	5	10.50		
	ICICI Bank	5	10.50		

your bank's CSR activities are satisfactory?	Total	20			
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$H_1$  = There is significant difference between satisfaction among employees regarding CSR activities performed in comparison to competitors and reported by banks.

$H_0$  = There is no significant difference between satisfaction among employees regarding CSR activities performed in comparison to competitors and reported by banks.

**Observation:** Table 10.2.15 represents the responses of employees regarding satisfaction from their bank's CSR activities in comparison to its competitors. The p-value derived from this variable is 1.000 which is more than 0.05 ( $p > .05$ ). The null hypothesis is rejected in this case and it can be concluded that there is significant difference between satisfaction among employees regarding CSR activities performed in comparison to competitors and reported by banks.

## CONCLUDING REMARKS

Now-a-days, the banking sector in India is increasingly realizing their stake in society and is getting engage in more-and-more CSR activities than before. Corporate Social Responsibility is an evolving concept and incorporates wide variety of internal and external activities extending from workplace to society and community. The banks are continuously engaging their employees in CSR practices either directly or indirectly. In this study, we have focused upon the CSR activities initiated by banks and their employee's reviews regarding their bank's CSR performance. The results are quite unsatisfactory as there is difference between ethical practices in views of employees and reported by banks, awareness about updations of code of conduct by employees and reported by banks, rules framed by Banking Conduct and Standard Board of India followed by employees and reported by banks, ethical practices carried out by employees and reported by banks, awareness about review of CSR Report by employees and reported by banks, awareness among employees regarding recognition of bank due to any CSR activity, and satisfaction among employees regarding CSR activities performed in comparison to competitors and reported by banks. On the other hand, satisfactory results are where there is no difference between the access to bank's code of ethics by employees and reported by banks, the ethical values discharged by employees and reported by banks, awareness about publication of bank's CSR Report by employees and reported by banks, knowledge about CSR Report by employees and reported by banks, association between CSR activities reported by employees and followed by banks, participation in CSR activities by employees and reported by banks.

## CONCLUSIONS

From the analysis of the study, it can be concluded that bank employees are trained about the banking operations and code of conduct but still there is gap between the projects framed and implementation. The banks should focus more on city demands whether they are stakeholders, community, environment, charitable organisations, schools, etc. Many scholars have the opinion that CSR should be voluntary but at the other hand, some experts opined that CSR must be a mandatory affair as organisations are affecting their stakeholders and not taking enough care of them. Mandatory CSR policy suggested by the new Companies Act 2013 is a very good step towards sustainable development.

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