



A Study on The Impact of CSR Initiatives to Enhance the Society with Reference to Indian Bank

Smt. Dr. U. Homiga¹, Ms. K. Surekha²

¹MBA, MPhil, PhD., NET, CTFC, PGDCBM, Faculty, NICM, Chennai

²MBA., NICM, Chennai

ABSTRACT:

This study delves into the efficacy of Corporate Social Responsibility (CSR) initiatives within Indian banks and their consequential impact on society. Primary data was procured through a questionnaire disseminated among 100 beneficiaries of CSR activities, while secondary data was gleaned from websites, online journals, and literature reviews.

The research utilized a questionnaire as its primary data collection instrument, with questions tailored to align with the study's objectives. Statistical tools such as Chi-square, correlation, and regression were employed for analysis, supplemented by visual aids such as bar charts and pie charts. The findings endeavor to bridge the literature gap concerning the impact of CSR initiatives in Indian banks on society. By discerning the interrelation between CSR actions and societal enhancements, this study furnishes insights for both theoretical advancement and practical application within the corporate sector.

INTRODUCTION:

In Indian banks, Corporate Social Responsibility (CSR) activities play a crucial role in contributing to societal welfare and sustainable development. Banks in India typically engage in various CSR initiatives such as promoting financial literacy, supporting education and skill development, empowering women and marginalized communities, promoting environmental sustainability, and providing health-care services.

WHAT IS MEAN BY CSR ACTIVITIES?

In Indian banks, Corporate Social Responsibility (CSR) activities entail the voluntary initiatives and programs undertaken to contribute positively to society and the environment, beyond their legal obligations. These initiatives align with the regulatory requirements set by the government and the Reserve Bank of India (RBI), which mandate certain spending thresholds on CSR initiatives for banks. These activities aim to create a positive impact on society, the environment, such as employees, customers, communities, and investors.

EVOLUTION OF CSR ACTIVITIES:

The evolution of Corporate Social Responsibility (CSR) activities in the banking sector has been marked by significant changes in approach and focus over the years:

- Philanthropy and Charity
- Regulatory Compliance
- Technology and Innovation

REVIEW OF LITERATURE:

- ✓ **Akinpelu, (2013)** In the study conducted in Nigeria stated that CSR practices in banks are included in activity reports, as important elements in developing a favourable image. The study shows that most banks engage in social activities and less on the environment.
- ✓ **DeepikaDhingra and Rama Mittal (2014)**, said in their study that, very few banks have a clearly defined CSR philosophy. Most of the banks implement CSR in an ad-hoc manner, unconnected with their business process and don't state how much they spend on CSR activities. Financial institutions can do a lot to assist efforts for social responsibility and achieve sustainability.

- ✓ **ShravyaSaxena (2016)**, stated in her study that, though the Indian Banks are making efforts in 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. Even after the Reserve Bank of India guidelines for financial literacy programs the banks have not taken substantial steps in this direction. The Reserve Bank of India may be more stringent in enforcing such regulatory requirements.

OBJECTIVES OF THE STUDY:

PRIMARY OBJECTIVE:

To study the information about CSR action done by Indian Bank.

SECONDARY OBJECTIVE:

- To analyse the various CSR initiatives activities in Indian Bank.
- To analyse the satisfaction level of CSR activities towards society.
- To evaluate the issues/challenge in integrating CSR activities.

HYPOTHESIS OF THE STUDY:

To identify the customers are aware of the Indian Bank CSR initiative activities.

Null hypothesis (H0): There is no significant relationship between gender of the respondents and Customers are aware of CSR activities.

Alternative hypothesis (H1): There is significant relationship between gender of the respondents and Customers are aware of CSR activities.

SOURCES OF THE DATA:

The data collected from both primary and secondary data

(a) Primary Data: The questionnaire was prepared, administered among the Beneficiary from CSR activities and received response from 100 individuals.

(b) Secondary Data: Collected from websites, online journals and review of literature from published articles.

TOOLS AND TECHNIQUES:

The study utilized a questionnaire as its research instrument for data collection. This questionnaire was designed in alignment with the study's objectives and was administered to consumers to gather their perspectives. The information was collected using a meticulously structured questionnaire.

ANALYSIS TOOL:

PERCENTAGE ANALYSIS:

It also known as ratio analysis, is a method used to analyse financial statements and other data by expressing individual items as a percentage of a base figure. It helps in comparing different components of financial statements over time or against competitors.

STATISTICAL TOOLS:

➤ CHI-SQUARE:

The chi-square test is used to analyse categorical data and determine whether there is a

significant association between two categorical variables. It is commonly used to test for independence in contingency tables and to compare observed frequencies with expected frequencies.

➤ CORRELATION:

Correlation Analysis is statistical method that is used to discover if there is a relationship between two variables/datasets, and how strong that relationship may be.

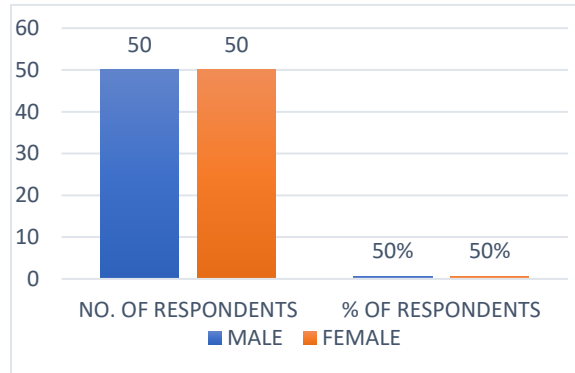
➤ REGRESSION:

Regression analysis is a set of statistical methods used for the estimation of relationships between a dependent variable and one or more independent variables. It can be utilized to assess the strength of the relationship between variables and for modeling the future relationship between them.

ANALYSIS AND INTERPRETATION OF DATA

TABLE NO : 1 GENDER WISE CLASSIFICATION

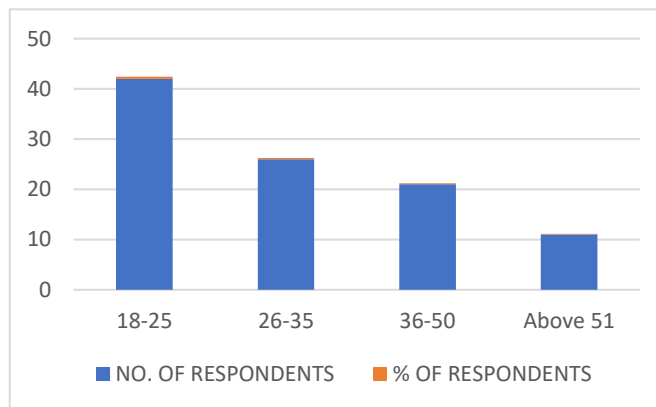
GENDER	NO. OF RESPONDENTS	% OF RESPONDENTS
MALE	50	50%
FEMALE	50	50%

INTERPRETATION:

From the above analysis (50%) of respondents are female and (50%) of respondents are male.

TABLE NO : 2 AGE WISE CLASSIFICATION

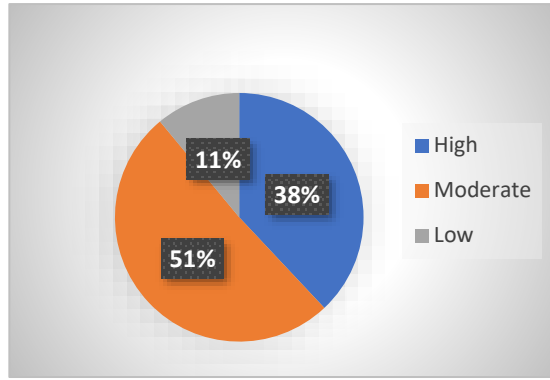
AGE	NO. OF RESPONDENTS	% OF RESPONDENTS
18-25	42	42%
26-35	26	26%
36-50	21	21%
Above 51	11	11%

INTERPRETATION:

From the analysis 42% of the respondents are from the age group of 18-25, 26% of the respondents are from 26-35, 21% of the respondents are from 36-50, 11% of the respondents are from above 51.

TABLE NO: 3 CSR INITIATIVES AWARENESS

PARTICULARS	NO. OF RESPONDENTS	% OF RESPONDENTS
High	38	38.4%
Moderate	51	50.5%
Low	11	11.1%

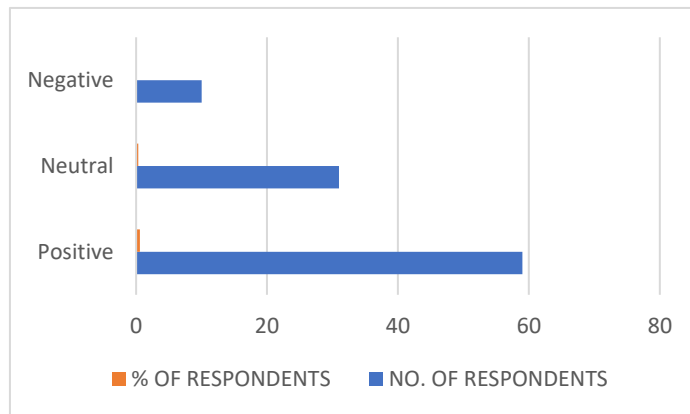


INTERPRETATION:

From the above analysis (38.4%) of the respondents are High, (50.5%) are Moderate, and (11.1%) are Low.

TABLE NO : 4 PERCEIVED IMPACT OF CSR ACTIONS

PARTICULARS	NO. OF RESPONDENTS	% OF RESPONDENTS
Positive	59	59%
Neutral	31	31%
Negative	10	10%

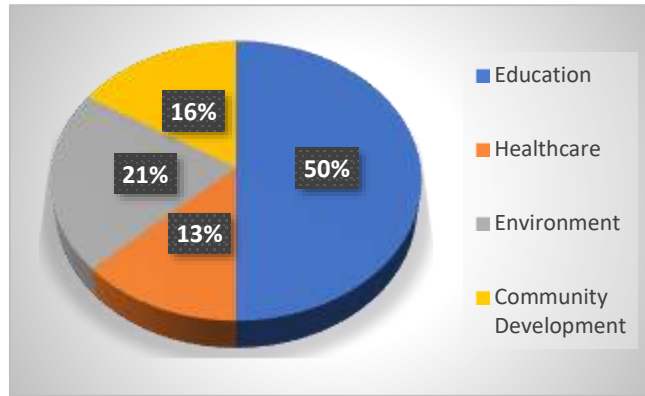


INTERPRETATION:

From the above analysis (59%) of the respondents are Positive, (31%) are Neutral, and (10%) are Negative.

TABLE NO: 5 PRIORITY AREAS FOR CSR

PARTICULARS	NO. OF RESPONDENTS	% OF RESPONDENTS
Education	50	50%
Healthcare	13	13%
Environment	21	21%
Community Development	16	16%

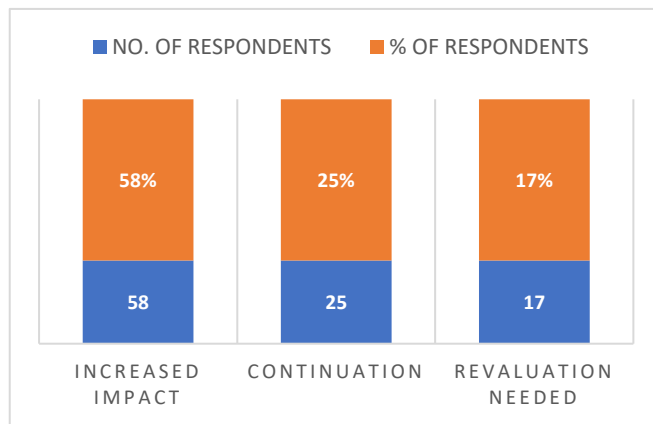


INTERPRETATION:

From the above analysis (50%) of the respondents are Education, (13%) are Healthcare, (21%) are Environment, and (16%) are Community Development.

TABLE NO: 8 FUTURE EXPECTATIONS FROM CSR

PARTICULARS	NO. OF RESPONDENTS	% OF RESPONDENTS
Increased Impact	58	58%
Continuation	25	25%
Revaluation Needed	17	17%



INTERPRETATION:

From the above analysis (58%) of the respondents are Increased Impact, (25%) are Continuation, and (17%) are Revaluation Needed.

CHI-SQUARE

O	E	O-E	(O-E) ²	(O-E) ² /E
29	19.5	9.5	90.25	4.628
24	24	0	0	0
7	5.5	1.5	2.25	0.409
20	19.5	0.5	0.25	0.0128
26	25	1	1	0.04

4	5.5	-1.5	2.25	0.409
Calculated value				5.4988

INFERENCE:

Therefore, calculated value is **5.499** is less than the table value **5.99**. So, **accept H₀**.

There is no significant relationship between gender of the respondents and Customers are aware of CSR activities.

CORRELATION:

X	Y	X²	Y²	XY
49	51	2401	2601	2499
20	10	400	100	200
31	39	961	1521	1209
100	100	3762	4222	3908

$$r = \frac{N \sum xy - \sum x \sum y}{\sqrt{N \sum x^2 - (\sum x)^2} \sqrt{N \sum y^2 - (\sum y)^2}}$$

$$r = \frac{3(3908) - 100(100)}{\sqrt{3(3762) - (100)^2} \sqrt{3(4222) - (100)^2}}$$

$$r = \frac{11724 - 10000}{\sqrt{11286 - 10000} \sqrt{12666 - 10000}}$$

$$r = \frac{1724}{\sqrt{1286} \sqrt{2666}}$$

$$r = \frac{1724}{35.86 \times 51.63}$$

$$r = \frac{1724}{1851.5}$$

$$r = 0.9311$$

INFERENCE:

1 indicates a perfect positive correlation, **(-1)** indicates a perfect negative correlation, and **0** indicates no correlation.

That is, if the correlation coefficient is greater than zero, it is a positive relationship. Conversely, if the value is less than zero, it is a negative relationship.

Therefore, a correlation coefficient of 0.9311 indicates a positive correlation between collaboration with NGO's and overall satisfaction with CSR. This means that there's a high tendency for Indian banks collaborating with NGOs to also exhibit high levels of satisfaction with their CSR efforts. The inference is that effective collaboration with NGOs positively impacts the perception and satisfaction of CSR initiatives within Indian banks.

REGRESSION

X	Y	x = X - X̄	y = Y - Ȳ	x²	y²	xy
33	15	0	-18	0	324	0
27	29	-6	-4	36	16	24
40	56	7	23	49	529	161
100	100	1	1	85	869	185

Regression equation of X on Y

$$r = \sqrt{b_{xy} \cdot b_{yx}}$$

$$= \sqrt{2.176 \cdot 0.123}$$

$$= \sqrt{0.2676}$$

$$r = 0.517$$

INFERENCE

That is, if the Regression coefficient is greater than zero, it is a positive relationship.

Conversely, if the value is less than zero, it is a negative relationship.

From the above calculation it was noted that the calculated regression value was positive.

Therefore there is a relationship between analyse the various CSR initiatives through community focus and perceived impact on society.

KEY FINDINGS

- It seems that the sample population is evenly split between males and females, suggesting a balanced representation of both genders in the respondent pool.
- The analysis indicates that the majority of respondents are in the younger age groups, with 42% falling in the 18-25 range and 26% in the 26-35 range. This suggests that the survey may have been more appealing or accessible to younger individuals, potentially skewing the overall demographic distribution toward younger ages.
- The majority of respondents, 59%, have a positive sentiment. This indicates that the overall sentiment among the respondents tends to be positive. It suggests that whatever parameter or topic is being analyzed generally evokes positive reactions from the respondents.
- It seems that 58% of the respondents perceive an increased impact. This suggests that the majority of respondents perceive positive progress or growth in the topic under consideration, with a smaller portion indicating the need for reassessment or adjustment.

CONCLUSION:

In conclusion, the study of CSR initiatives undertaken by Indian banks reveals their significant impact on enhancing society across various dimensions. Through strategic CSR investments and partnerships, Indian banks have contributed to addressing pressing social, environmental, and economic challenges while fostering sustainable development and inclusive growth. Overall, the study underscores the importance of CSR as a strategic imperative for Indian banks to fulfil their corporate social responsibility, and contribute to building a more equitable, resilient, and sustainable society. Moving forward, continued investment in impactful CSR initiatives, alignment with sustainable development goals, and stakeholder engagement will be critical for Indian banks to address evolving societal needs and drive positive social change.

REFERENCE

1. Wang, Liuxi. "Corporate Social Responsibility." *International Journal of Organizational and Collective Intelligence* 8, no. 4 (October 2018): 66-88.
2. Al-Jenaibi, Badreya. "Corporate Social Responsibility." *International Journal of Knowledge Society Research* 8, no. 4 (October 2017): 85-100.
3. Rice, Timothy, and Cyrill Peter. "Banking on Corporate Social Responsibility." *Journal of Management Sciences* 2, no. 2.