

Corporate social responsibility practices in private sector banks of Udaipur

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Abstract

The CSR concept developed due to the change in the business view, from a limited model, mainly oriented towards profit maximization, to an open one, largely concerned with the quality of life, preservation of resources and meeting the general interests of society. Corporate social responsibility (CSR) refers to business practices involving initiatives that benefit society. The CSR concept developed due to the change in the business view, from a limited model, mainly oriented towards profit maximization, to an open one, largely concerned with the quality of life, preservation of resources and meeting the general interests of society. In other words, a view included in the sustainable development principles. The present research will be based on the current situation in Udaipur, being developed a model of CSR applied in banks. Being in a time of economic instability, the banking industry must make efforts to maintain equilibrium in the financial market. This research can help bank managers to understand what activities to do in the benefit of customers and the community, in order to move towards a sustainable directive. At the end of the research, the findings are presented and the imperatives of the topic discussed.

Keywords: CSR, Banking Industry

Introduction

Corporate Social Responsibility (CSR) refers to operating a business in a manner that accounts for the social and environmental impact created by the business. CSR means a commitment to developing policies that integrate responsible practices into daily business operations, and to reporting on progress made toward implementing these practices.

Early CSR reports often focused on philanthropy as a driver of CSR. That notion has been supplanted by a broad commitment to protecting and improving the lives of workers and the communities in which companies do business. CSR reports now typically address issues impacting virtually every area of operations: governance and ethics; worker hiring, opportunity and training; responsible purchasing and supply chain policies, and energy and environmental impact. Corporate social responsibility is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms. With some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." The aim is to increase long-term profits and shareholder trust through positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions. CSR strategies encourage the company to make a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others.

Corporate Social Responsibility in Bank

Banks believes that it is its foremost duty to contribute towards impacting the lives of various stakeholders like customers, employees, shareholders, communities and environment in a

positive manner through all aspects of its operations, thereby serving the interest of the society at large. The Bank intends to be in step with the new thought of measuring performance on the basis of economic impact, social impact, and environmental impact in the task of inclusive growth, through banking operations, towards the larger canvas of Nation building. It was the dream of our eminent Statesmen that every individual Indian should be free from hunger, malnutrition, and should have basic necessities and be entitled to affordable education, healthcare facilities, equal opportunities in an enabling environment thereby resulting in reduction of social and economic disparity. Towards this larger goal, Corporate as major players in the economic development are also required to share this Social Responsibility and Banks contributes its share to this worthy cause. Banks have a policy to give back a part of what it has received from the environment and society and is contributing / participating on a sustainable basis in activities and projects for facilitating the same.

Some of the CSR initiatives already undertaken by the Bank are providing –

- Vehicles for institutions providing food /mid-day meal to government /local bodies schools catering to poorer sections of the society.
- Ambulances to Hospitals catering to economically challenged sections of the society, rural areas, etc
- Wheel chairs to physically challenged sportspersons and others.
- Rain water harvesting mechanism / equipments agriculture / drinking water / development of the area.
- Wheel chairs to physically challenged sportspersons and others.
- Support to orphaned / blind students requirements.

Private Banks in Udaipur

Udaipur, formerly the capital of the Mewar Kingdom, is a city in the western Indian state of Rajasthan. Founded by Maharana Udai Singh II in 1559, it's set around a series of artificial lakes

and is known for its lavish royal residences. City Palace, overlooking Lake Pichola, is a monumental complex of 11 palaces, courtyards and gardens, famed for its intricate peacock mosaics.

Table 1: Private Banks in Udaipur

1	ICICI Bank
2	AXIS Bank
3	HDFC Bank
4	Yes Bank
5	Kotak Mahindra Bank
6	Indusind Bank
7	Bandhan Bank

For the variable Bank Branch Expansion, the natural log of the actual figure of the banks in the respective variable has been taken and rounded off to zero decimal. The total score of the

CSR has been calculated by adding up the individual score of each variable for the bank. The CSR score of all the banks for the studied period has been shown in the below table 2.

Table 2: Bank Wise CSR Score (2015 to 2016)

S. No	Bank name	2015	2016
1	ICICI Bank	9	10
2	AXIS Bank	11	13
3	HDFC Bank	14	15
4	Yes Bank	10	12
5	Kotak Mahindra Bank	10	13
6	Indusind Bank	14	15
7	Bandhan Bank	10	11

Source: Field Survey

Objectives of the Study

- To study the various factors that influence Banks for CSR.
- To identify employee's perception towards CSR

data were collected from 100 respondents through self-administrative questionnaires. The Secondary Data has been collected from websites.

Methodology

The study includes respondents in Udaipur (Rajasthan).

Sampling Technique

For the purpose of study 100 respondents were chosen. Convenience sampling has been adopted.

Sources of Data

This study uses both Primary Data and Secondary Data. The

Analysis and Interpretation

Table 3: factors which influence CSR

Factors	Type	Total Respondents(N = 100)
Environmental:	%	78
Reduction Of Waste Output	%	52
Reduction Of Energy Consumption	%	42
At Least One Environmental Measure	%	82
Social	%	31
Promoting Diversity	%	12
Choosing Suppliers Noneconomic Criteria	%	32
Reintegration Support	%	74
Partnership With Ngos	%	36
At Least One Social Measure	%	11

Conclusion

This study is mainly focused to examine factors that affect banking decision and their behavior. Banks have to fulfill needs and expectations for developing loyalty and a sense of confidence among the beneficiaries, customers and its stakeholders.

Suggestion

- Every bank should provide CSR facility.
- CSR facility should be made more easy and fast for the employee. Customer service should be improved by the bank and retailers.
- Terms and conditions should be more clarified by banks.

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