

# A Study on Corporate Social Responsibility in Banking Sector

Ramandeep kaur, Assistant Professor, T. John Institute of Management and Science, Bangalore, India. Deep.r1988@gmail.com

**Abstract:** Corporate social duty isn't always a brand-new idea inside the banking sector and these days it has grown to be tremendously topical because the disaster has notably highlighted the want for integration of ethical precept, ethics and values inside the banking commercial enterprise. Corporate Social Responsibility (CSR), may be described as, the non-stop determination with the aid of businesses in the direction of the socio of making sustainable aggressive earnings. Social Responsibility is taken into consideration as a vital device that provide competitive gain and improves recognition of the commercial enterprise challenge. The catalytic contributions made by means of the banks for financial growth in India have created their separate entities closer to economic boom. It has been located that the banks are engaged in CSR activities in general inside the location of Rural Development, Education, Community Well Children. There is a need for higher CSR activities with the aid of the banks, that's feasible by using including more and more social improvement problems link with corporate zone

**Keywords** — *aggressive, development, device, improvement, rural, sustainable.*

## I. INTRODUCTION

The totality of CSR can be surely known by three words: „corporate, “ „social, “ and „responsibility. “ In wide terms, CSR identifies with cultural duties of corporate and add to the advancement of their separate society. CSR is understood diversely by various individuals. Some see it to be a dedication of an organization to perform different jobs in the public arena, boss, client and resident in a mindful way while others may decipher it to be synonymous to Corporate Responsibility (CR) or Corporate Citizenship or Social Action Program (SAP). The term can likewise be connected up with Triple Bottom Line Reporting (TBL) which gauges a venture execution against financial, social and ecological markers. These days there is an expanding mindfulness about Corporate Social Responsibility (CSR), Non-Financial Reporting (NFR) and Sustainable Development (SD). Therefore, there is a coordinated exertion across associations guaranteeing that the reasonable advancement isn't lost in the quest for their separate objectives, for example, benefit making, social assistance, charity, and so forth.

CSR requires the mix of social and natural worries by organizations in their business tasks to be associations with their partners. The commitment of money related establishments and banks to feasible advancement is of more noteworthy significance, considering the indispensable job they play in financing the monetary and formative exercises of the world.

The CSR exercises of banks ought to mirror their anxiety for human rights and condition. Save Bank of India detects the absence of sufficient mindfulness on the issue in India. Right now requirement for reasonable formative endeavors by budgetary organizations in India accept earnestness and banks, specifically, can help add to this exertion by assuming a significant job. RBI has informed bets on twentieth December 2007 to set up a reasonable and suitable strategy towards helping the reason for maintainable advancement and prosperity of the general public, with the endorsement of their Boards.

## II. REVIEW OF LITERATURE

An early emphasis on CSR concept began in scholarly academic circles. From then scholarly academic perspective, most of the definitions of CSR and initial conceptual work were started in the 1960s by writers such as Keith Davis, Joseph McGuire, Adolph Berle, William Frederick and Clarence Walton (Carroll 1999). Later some evolving refinements and applications have evolved, especially after certain important social movements of the 1960s, particularly the consumer movement, civil rights movement, women's movement and environmental movement. Since then various definitions of corporate social responsibility have come up. In one of the studies published in 2006, Dahlsrud identified and analyzed 37 different definitions of CSR.

The concept of corporate Social Responsibility (CSR) isn't a new one. But its focal factor adjustments with the changing necessities of business and varying social desires

Corporate Social Responsibility recognizes that commercial enterprise companies have not one however many extraordinary sorts of obligation, inclusive of monetary and legal obligation.

In 1960, CSR surfaced as an attempt to hyperlink commercial enterprise with society. The underlying notion in this period changed into to use the sources in a socially accountable manner i.e., the promotion of social welfare together with the financial development. The most important argument changed into to employ economy's way of production in this sort of manner that production and distribution could beautify total socio-monetary welfare. In Seventies CSR became recognized as the conformance to industry ideas. The fundamental idea changed into to widen the margin of CSR implications from pure low-budget obstacles.

In 1970s CSR was identified as the conformance to industry principles. The basic idea was to widen the margin of CSR implications from pure economical boundaries. In this regards, corporate houses ensured the potential use of business resources with no compromise to business ethics.

In 80s and 90s a want changed into felt to offer recognition to a few new concepts like stakeholder concept, Corporate Governance, and Corporate Social Performance, Corporate Citizenship, Corporate Social Innovation and Communication of CSR practices thru CSR reporting. Lee (1997) defined CSR as the organization's commitment to operate in an economically and environmentally sustainable way, at the same time as acknowledging the hobbies of a selection of stakeholders and maximizing monetary, social and environmental fee. Holmes and Watts (1999) described CSR because the continuing dedication by using commercial enterprise to act ethically and make contributions to financial improvement even as enhancing the exceptional of life of the personnel and their households as well as of the area people and society at large. Some researchers argued that organizations make greater long-time earnings via working with a CSR perspective, even as others argue that CSR distracts from the monetary function of organizations. However, Matten & Crane (2005) emphasized that the firms will enjoy divergent levels of inner, external and lateral pressures to engage in CSR, as firms are embedded in exclusive country wide enterprise structures. In the 21st century a trendy strive was made to set up the linkage amongst economic, criminal, social and moral requirements in an effort to deliver sustainable improvement. World Business Council for Sustainable Development (2001) explained CSR as the dedication of commercial enterprise to make contributions closer to sustainable monetary development, operating with employees, their families and the neighborhood groups. Uhlener et al (2004) mentioned the monetary, criminal, moral, philanthropic aspects in regards to CSR. Juholin

(2004) made a difference among CSR as easy legal compliance and CSR as conducting business with an excessive regard for morality.

CSR defined

According to Forbes (2010), works in two ways. The company gives back to the turn, people get to know about the company who helped them most and cater to their products and services.[1]

Peter Drucker argued that companies have a social dimension as well as an economic purpose in his second book, of Industrial Man, in 1942. [2]

Carrol and Buchholtz defines ethical, and philanthropic expectations placed on organizations by society at a given point in time.”[5]

According to Bowen, “CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society.[8]

### III. Research Methodology

This is a conceptual study based on the secondary data collected from books, journals, magazines, newspapers and the internet.

### IV. CSR Practices in Indian Banks

RBI demanded for taking measures for sustainable improvement of economy thru knowing the pressing want of CSR. Reserve Bank of India (2007) said that CSR calls for the combination of social and environmental issues with the aid of businesses of their commercial enterprise operations and additionally in interactions with their stakeholders. The important regions for CSR practice in Indian banks are common in public sector and private region banks. These regions encompass kids' welfare, network welfare, training, surroundings, healthcare, poverty eradication, rural development, vocational education, ladies' empowerment, safety to lady infant and employment.

The vital financial institution of India determined to go for strength efficient homes to be able to deal with ecological and environmental worries as its CSR exercise. Following are the opposite banks that fulfil their social duty:

Small Industries improvement bank of India has covered environmental and social factors in its core enterprise activities in an effort to make certain sustainable improvement. It is providing Concessional and liberal credit to medium and small-scale industries that are Initiating power saving tasks and are adopting pollutants manipulate measures.

Yes, financial institution is the fourth largest non-public sector Bank of India. Yes, financial institution in association with CARE India and Humanitarian comfort and improvement NGO has released India's first Social Deposit Account (SDA). SDA is a normal Fixed Deposit account wherein clients have the option of donating their interest earnings to a social cause thru CARE India. Yes Bank acquired the Best Corporate Social Responsibility Practice award on the 6th Social and Corporate Governance Awards 2010 held in Mumbai. It also received Best CSR Practice Award in March 2011.

### 1.State Bank of India (SBI)

The state's largest lender State Bank of India (SBI) has created a separate business enterprise, SBI Foundation, to carry out its huge CSR initiatives and hopes to get it "strolling" from July. It has also followed green banking in its lending operations.

### 2. Industrial Credit and Investment Corporation of India (ICICI)

Industrial Credit and Investment Corporation of India (ICICI) has proven its dedication to company environmental stewardship and prolonged a remarkable help to smooth generation initiatives. It has additionally liberalized credit to 0 emission automobiles.

### 3. Union Bank of India

Union Bank of India has properly evolved Corporate Social Responsibility projects in location. The consciousness on the agricultural sector is thru Village Knowledge Centres and Farmers' Clubs and so forth. It launches schemes for the girl baby, in which financial institution deal with training costs. Initiatives are in vicinity in other regions consisting of presenting ingesting water for faculties, setting up bus shelters etc. All CSR tasks have shown excellent results and they may be an ongoing part of financial institution's contribution to the building of the kingdom. Union Bank of India has evolved CSR tasks in region. The awareness is on the rural quarter is thru village know-how centers and farmers' golf equipment etc. We additionally have schemes for the woman toddler, in which we contend with training expenses. Initiatives are in place in other regions consisting of supplying consuming water for schools, supplying bus shelters and so forth.

Focus areas:

Farmers' Clubs, Union Mitr, Village Knowledge Centre, Union Adarsh Gram Union Bank Social Foundation

### 4.Axis Bank

Axis Bank has set up a Trust the Axis Bank Foundation (ABF) to channel its philanthropic initiatives. The Foundation has committed itself to participate in various socially relevant endeavors with a special focus on poverty

alleviation, providing sustainable livelihoods, education of the underprivileged, healthcare, sanitation etc. ABF aspires to contribute in the areas of education and healthcare. It has set up various programmes which provide educational support, in order to meet these goals. At Axis Bank, Corporate Social Responsibility & sustainability aren't mere obligations however are important pillars of our persistent success for gift and future. The financial institution's philosophy on CSR & sustainability stems from their strong notion in doing desirable for the agency by means of doing suitable for the society. The end result is a fantastic cycle of organization increase & network development which ends up in prosperity that endures.

Focus areas:

Education, Vocational Education & Training, Livelihood Enhancement & Rural Development, Medical Relief & Trauma Care, Environment Sustainability, Sanitation, Humanitarian Relief, Armed Forces Veterans Capacity Building of Personnel & NGO Partners

### 5. HDFC

Housing Development Finance Corporation (HDFC) has been working with NGOs for providing non formal vocational and technical education programs as well as skill up gradation courses to enable sustainable employment and income generation for economically weaker sections. At HDFC Bank, CSR is all approximately growing a commercial enterprise version that not simplest creates financial fee however additionally contributes to a wholesome environment and strong groups. Our enterprise is to adapt and expand suitable enterprise processes and strategies to acquire a commonplace aim which contributes to more appropriate.

Focus areas:

Sustainable, Livelihood, Sanitation, Education, Skilling, Community initiatives, Go Green

### 6. IndusInd Bank

IndusInd Bank has committed to minimizing the environmental impact of bank operations on the planet. Through its Solar ATMs, solarised premises, green operations and supply chains bank is doing a bit in integrating environmental stewardship across its operations and investment portfolio. At IndusInd Bank they say "we're committed to run our business in a manner that generates price for our customers, clients, shareholders and employees. We have strived to count on our social obligations and the importance of our effect on the environment in relation conservation and climate alternate".

Focus areas:

India's First network of Solar ATMs, Financial support for charitable institutions like 'Support', Green Champions

Program, Financial Literacy, Promoting Art, Culture & Sports, Protecting bio diversity

### 7. Punjab National Bank (PNB)

Punjab National Bank (PNB)'s approach to Corporate Responsibility in the community is firmly rooted in its commitment to support people below poverty line and downtrodden section of the society.

### 8. Allahabad Bank

Bank has laboured in one-of-a-kind areas of CSR. They name their CSR Activities as Social Banking. The financial institution has opened 18 Financial Literacy Centers and many more social works.

Focus areas:

Financial Literacy Centers, Provision of different facilities in schools Social, welfare of common people, Women empowerment, Welfare of girl child, Green marketing

### 9. Bank of India

Bank of India 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

Focus areas:

Solar street lights and Hand pump sets in Rural areas. Rain water harvesting mechanism / equipments agriculture / drinking water / development of the area. Ambulances to Hospitals catering to economically challenged sections of the society Ultra-modern medical equipments to Family Planning Centres and other hospitals. Wheel chairs to physically challenged sportspersons and others. Gensets for running equipment's in hospitals for the Cancer patients. Construction of classrooms for the economically challenged students of the society. Support to orphaned / blind students requirements. Vehicles for institutions providing food / mid-day meal to government /local bodies schools catering to poorer sections of the society.

## V. CONCLUSION

Banking sector in India is showing interest in integrating sustainability into their business models but its CSR reporting practices are a way from pleasure. There are just a few banks which record their activities on triple backside line standards. As a be counted of reality, the standards for score CSR practices are much less uniform in evaluation to that for economic score. This ends in problem in comparison of company houses and figuring out the CSR score. The look at located out that a number of the reporting banks additionally, some banks are making false gestures in respect of their efforts for socioenvironmental worries. Most of the Banks use CSR practices as an advertising device and lots of are handiest making token efforts toward

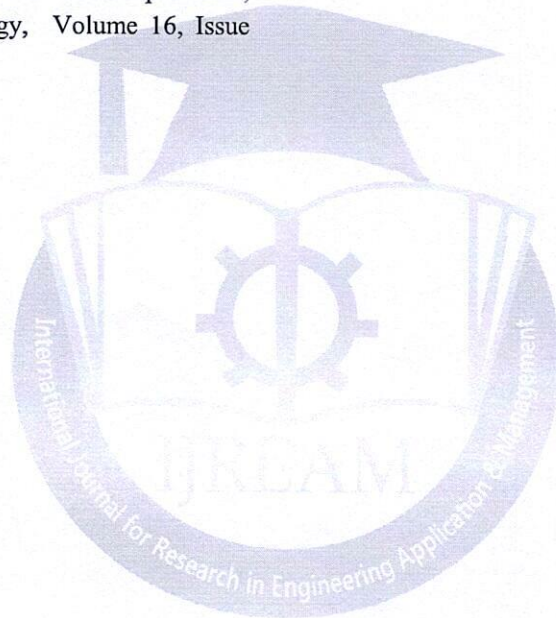
CSR in tangential ways including donations to charitable trusts, NGOs, sponsorship of occasions, and many others.

Voluntary movements are required to be taken to make certain the socio-environmental feasibility of initiatives to be financed. Indian banking area should additionally portray their socially responsible behaviour via integrating triple bottom line precept. Financial Institutions can do a lot to assist efforts for social duty and reap sustainability. Banks have to also provide appropriate training to its employees on environmental and social risks in lending to ensure that weather trade is taken into account in company banking choices. A clear bifurcation has to be probably achieved by means of RBI among banks conducting CSR practices and people not collaborating, foundation their involvement in social banking and spending on CSR sports. Proper tracking wants to be regarded into by means of an appointed committee so that Banks do boom their contribution of profit towards CSR sports

## REFERENCES

- [1] Carolin Juliya Pushpam, V., Dr.R. Karthi, Ms.B. Asha Daisy "Corporate Social Responsibility of Banks in India" International Journal of Scientific and Research Publications, Volume 5, Issue 4, April 2015 1 ISSN 22503153
- [2] Deepika Dhingra and Rama Mittal, 2014. "CSR Practices in Indian Banking Sector" Global Journal of Finance and Management, ISSN 0975-6477 Volume 6, Number 9, pp. 853-862
- [3] Dr. Muhammad Tariq Khan, Dr. Naseer Ahmed Khan, Sheraz Ahmed, & Mehfooz Ali, "Corporate Social Responsibility (CSR) – Definition, Concepts and Scope (A Review)" Universal Journal of Management and Social Sciences Vol. 2, No.7; July 2012
- [4] Eliza Sharma Dr. Mukta Mani "Corporate social responsibility: An analysis of Indian commercial banks" Global Business and Management Research: An International Journal, <https://www.futurescape.in/india-top-companies-forsustainability-and-csr-2016/>
- [5] Marcello Palazzi and George Starcher, 1997. "Corporate social responsibility and business success" ISBN 2-911423-21-6, revised 2006 Richa Gautam and Anju Singh "Corporate Social Responsibility Practices in India: A Study of Top 500 Companies" [www.sbifoundation.i](http://www.sbifoundation.i)
- [6] Baron, D. (2001). 'Private politics, corporate social responsibility and integrated strategy. Journal of Economics and Management Strategy, 10, 7– 45.
- [7] Deniz Kucukusta ,Amy Mak, Xavier Chan,Corporate social responsibility practices in four and five-star hotels: Perspectives from Hong Kong visitors.(2013). International Journal of Hospitality Management, Volume 34, Pages 19–30.

- [8] Francesco Ciliberti, Pierpaolo Pontrandolfo, Barbara Scozzi Investigating corporate social responsibility in supply chains: a SME perspective *Journal of Cleaner Production*.(2008).Volume 16, Issue 15, Pages 1579–1588.
- [9] Friedman, M. (1970). ‘The social responsibility of business is to increase its profits. *New York Times Magazine*, September, 13.
- [10] Kothari C.R. (1985), *Quantitative Techniques*, Vikas Publishing House Pvt Ltd; 3rd edition, New Delhi.
- [11] Richa Gautam and Anju Singh “Corporate Social Responsibility Practices in India: A Study of Top 500 Companies”
- [12] Waddock, S. and Graves, S. (1997). ‘The corporate social performance– financial performance link. *Strategic Management Journal*, 18, 303–19.
- [13] Yeosun Yoon, Zeynep Gürhan-Canli, Norbert Schwarz. (2006). The Effect of Corporate Social Responsibility (CSR) Activities on Companies With Bad Reputations, *Journal of Consumer Psychology*, Volume 16, Issue 4, Pages 377–390.



The Editorial Board of

INTERNATIONAL JOURNAL FOR RESEARCH IN ENGINEERING APPLICATION & MANAGEMENT  
ISO 3297:2007 CERTIFIED JOURNAL | ISSN : 2454-9150

# Certificate of Publication

This is to Certify that Paper ID : IJREAMV05I1159026

*A Study on Corporate Social Responsibility in  
Banking Sector*

Authored By

*Ramandeep kaur*

has been published in Volume 05, Issue 11, Feb 2020.

The mentioned paper has gone through Peer Review Process & measured upto the required standard.

*Shamini*

Editor, IJREAM

\*Corresponding Author

DOI : 10.35291/2454-9150.2020.0060



International Journal for Research

in Engineering Application & Management

<http://www.ijream.org>

Certificate No. 245491500122

