CHAPTER 2
CORPORATE SOCIAL RESPONSIBILITY OF COMMERCIAL BANKS - REVIEW OF LITERATURE

2.1 INTRODUCTION

Within the world of business, the main “responsibility” for corporations has historically been to make money and increase shareholder value. In other words, corporate financial responsibility has been the sole bottom line driving force. However, in the last decade, a movement defining broader corporate responsibilities—for the environment, for local communities, for working conditions, and for ethical practices has gathered momentum and taken hold. This new driving force is known as corporate social responsibility (CSR). CSR is oftentimes also described as the corporate “triple bottom line”—the totality of the corporation’s financial, social, and environmental performance in conducting its business. In the recent years Corporate Social Responsibility (CSR) has witnessed tremendous increase in awareness and control in the global arena.

In the financial sector several international initiatives like "United Nations Environment Program Finance Initiative", "Global Reporting Initiative", "Equator Principles and Collavecchio Declaration on Financial Institutions" are underway to ensure the adoption of CSR practices in normal business operations. These initiatives have favourably tuned up developed countries to behave in a socially responsible way.

The CSR in Indian banking industry is directed towards addressing the areas of financial inclusion, provisioning of financial services to the unbanked and untapped areas of the country, concentrating on the social and economic development of the country by focusing on the activities like, poverty eradication, health and medical
care, rural area development, self-employment training and financial literacy trainings, infrastructure development, education, and environmental protection etc. RBI also insisted upon taking measures for sustainable development of economy through realizing the dire necessity of CSR.

Reserve Bank of India stated that CSR entails the integration of social and environmental concerns by companies in their business operations and also in interactions with their stakeholders. The major thrust areas for CSR practice in Indian banks are common in public sector and private sector banks. These areas include child welfare, community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women's empowerment, protection to girl child and employment.

Very limited research work has been done to investigate the CSR practices in developing and emerging nations. In fact the academic publication on this fiery issue is primarily western centric. It is to be noted that most of the CSR studies conducted so far were in the context of Western Europe, USA and Australia and we still know too little about practices in smaller and emerging countries. In recent years an attempt has been initiated to ensure socially responsible behaviour of banking sector in a more organized manner.

The following section provides a brief review of the theoretical literature on CSR practices by Indian commercial banks and commercial banks in foreign countries.
2.2 STUDIES ON CSR - INDIAN SCENARIO

The Reserve Bank of India (2007)\(^1\) issued guidelines on CSR titled “Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting – Role of Banks”. In their circular, RBI highlighted the role of banks in corporate social responsibility. RBI circulated the notice with guidelines on CSR for all the scheduled commercial banks.

Thomson, L., & Dewan, N. (2010)\(^2\), in their article titled “CSR Should Cover Workplace, Community and Environment” in The Economic Times reiterated the fact that CSR is something which cannot do without anymore. Most Indian companies however have a confused approach to responsible business, interpreting it as philanthropy and cloaking the core motives under the blanket of being socially good. The authors are of the view that fundamentally, most observers feel companies see CSR as a way to create a safe and secure environment for themselves, to be able to sustain operations in their area of interest but don’t want to admit it.

Sharma (2011)\(^3\), in his study entitled “CSR Practices and CSR Reporting in Indian Banking Sector” attempted to examine CSR practices and CSR reporting in India with special reference to banking sector. The study revealed that CSR identifies the organization’s commitment to function in a socially accountable manner. The study found that CSR activities of developing nations are not promising. The study further revealed that in financial sector there is an absence of stringent provisions regarding compliances and reporting of CSR. The study concluded that the banking sector in India is showing interest in incorporating sustainability into their business models, but the area of concern is its CSR reporting practices which are far away from satisfaction.
Patil, J.D & Aurangabadkar, N.P (2011), in their study “CSR Practices and Ratings in Indian Banking Sector” have discussed about the CSR practices in Indian banking industry. The study was aimed by the researchers to understand the CSR practices carried out by the selected commercial banks and their ratings in the Indian banking sector. CSR was a concept whereby financial institutions not only consider their productivity and growth, but also the well-being of society and the environment by taking responsibility for the impact of their activities on various stakeholders including the civil society represented by NGOs.

Chaudury, S.K, Das, S.K & Sahoo, P.K (2013), in their research work entitled “Practices of Corporate Social Responsibility in Banking Sector in India: An Assessment” observed that most of the financial and banking institutions in India are directly involved in social banking. The study is conducted mainly to know the status of CSR and strategies adopted for CSR by banking institutions. The study further states that the only option left with the businesses and industries of 21st century is nothing but to implement corporate social responsibility. The concept of CSR has so far been futile in Indian scenario because of lack of co-ordination between the corporate efforts, government and non-governmental efforts. The study suggests that CSR activities should be made mandatory by asking corporate to earmark a certain percentage of their profit for CSR activities and to publish CSR report in a format laid down by the regulator.

Moharana, S (2013), in her study on “Corporate Social Responsibility: A Study of Selected Public Sector Banks in India” analyzed the CSR activities carried out by selected nationalized banks in India. The study was carried out taking five nationalized banks as sample for the study, the selected banks includes Allahabad
Bank, Andhra Bank, Bank of Baroda, State Bank of India and UCO Bank. It was revealed by the study that the nationalized banks are directly engaged in CSR activities mostly for the development of rural areas, towards education, welfare of community, women and children. The study disclosed that, efforts are being made by the selected banks for the implementation of CSR, but are restricted to certain areas and activities.

Singh, N, Srivatsava. R & Rastogi, R. (2013), in their work entitled “CSR Practices & CSR Reporting in Indian Banking Sector” enlisted various initiatives taken by the banking sector in the current era with respective to CSR and its reporting along with its scope for improvement. This study aims at evaluating various dimensions of CSR by studying the concept, major areas of CSR in Indian banking sector, reporting practices and present status of CSR in banking. The study revealed that maximum number of banks whether related to private sector or public sector has highly performing CSR activities as per their priority. But in case of CSR reporting the study shows that most of the banks are still not disclosing their amount for such initiatives in their websites. The involvement of RBI made CSR an important part of banking sector but still new policies are required to implement the concept of CSR in Indian banking industry.

Sharma, E & Mukta, M. (2013), in their research article on “Corporate Social Responsibility: An Analysis of Indian Commercial Banks” analyzed the corporate social responsibility (CSR) activities carried out by Indian commercial banks. The study is based on the secondary data taken from the annual reports of the banks for the year 2009-10 to 2011-12. The analysis revealed that even though the Indian banks are making efforts in the CSR areas there lays the need for more emphasis on social
responsiveness on the part of banks. The study further disclosed that certain banks are not even meeting the regulatory requirements. The study concluded that public sector banks have overall highest contribution in CSR activities and private sector banks and foreign banks are still lagging in this area.

Dhingra, D & Mittal, R. (2014), in their study entitled “CSR Practices in Indian Banking Sector” attempted to examine the measures initiated by Indian commercial banks to implement the CSR activities. The study found out that among the reporting banks some banks are sending false signals to the society with respect to their efforts for socio-environmental concerns. Most of the banks use CSR practices as a marketing tool and many are only making nominal efforts towards CSR in loose ways such as donations to charitable trusts, NGOs, sponsorship of events, etc. Very few banks have a clearly defined CSR philosophy. Mostly banks implement CSR in an ad-hoc manner, unconnected with their business process and do not state how much they spend on CSR activities. The study concluded that banking sector in India is showing interest in incorporating sustainability into their business models but the reporting of CSR practices are not satisfactory.

Vijay, P & Divya, N. (2014), in their research work titled “Impact of Corporate Social Responsibility Initiatives of Indian Banking Sector” provided detailed information about CSR activities in Indian commercial banks and customer satisfaction towards the CSR concept in selected Indian banking institution. The researcher has made an attempt to show the impact of CSR in pre and post-period of implementation of CSR concept in Indian commercial banks. Indian banking sector has been increasing the satisfaction level of customers and stockholders in banking sector through the good Corporate Social Responsibility. After the implementation of
good CSR concepts as per the study the Indian banking industry has shown higher growth rate in deposits, loans and assets. The study concluded that in Indian banking industry, the concept of CSR has been adopted as element for success and survival of banks along with fulfilling social objectives and development of economy.

Fatma, M & Rahman, Z. (2014)\textsuperscript{11}, in their study titled “Building a Corporate Identity Using Corporate Social Responsibility: A Website Based Study of Indian Banks” as to explore the importance of Corporate Social Responsibility in the formation of corporate identity. This paper examines the role of CSR activities performed by the banks through the analysis of information displayed on the websites and annual reports of the bank. A content analysis approach has been applied and supported by the quantitative measures to identify the weightage of every dimension. The findings show that in India most of the banks are using CSR practices in their operations and communicating all this information with the help of their websites. The dimensions and sub-dimensions are classified on the basis of stakeholder’s actions. Results of the study revealed that banks are more concerned about their stakeholders and consider them in their corporate statements which help them to build their distinctive identity.

Pushpam, C.J., Karthi, R., & Daisy, A.B. (2015)\textsuperscript{12} in their study "Corporate Social Responsibility of Banks in India" examined the corporate social responsibility (CSR) activities carried out by Indian commercial banks. The study found that the Indian banks are doing considerable amount of CSR activities. Banking sector in India is showing increased interest in incorporating sustainable business models but its CSR reporting practices are yet to improve. As a matter of fact, the standards for
rating CSR practices are less uniform in comparison to that for financial rating. This leads to problem in comparison of corporate houses and determining the CSR rating.

Gupta, R. & Agrawal, G. (2015) in their study “Corporate Social Responsibility: A Check on Indian Banks for Responsible Investment” considered the significance of CSR in Indian banking industry and how it is different in comparison to other industries. The study revealed that banking industry are far behind other industries as none of the banks issue separate CSR report or sustainability report even few of them does not publish business responsibility report also. The study further concluded that the total income and size of banks are very important factor in CSR contribution. Banks with high income contributes more towards such activities.

Patel, A. (2016), in the research article entitled "Corporate Social Responsibility: A Comparative Study of SBI and ICICI in India" attempted to study the CSR initiatives of leading commercial banks in India and compare CSR spending from the year 2009-10 to 2015-16. The study found that the percentage of profit after tax spent for CSR by State Bank of India is more compared to ICICI, but both the banks contribution was high in the financial year 2015-16. The estimated spending for CSR for 2016-17 is also more in SBI as compared to ICICI. A great deal of effort is required towards CSR practices and banks must accept their responsibilities in more legitimate ways.

Sharma, S & Agarwal, A. (2016) in their study "Comparative Study of Corporate Social Responsibility in Selected Public and Private Sector Banks" considered the CSR practices of selected public and private sector banks in India. The study concluded that selected banks are making efforts for the implementation of
CSR; however they are not spending their 2% share of profits on Corporate Social Responsibility.

2.3 PAST STUDIES ON CSR – OTHER COUNTRIES

Friedman, M (1970)\textsuperscript{16}, stated that in his article “The Social responsibility of the Business is to Increase Profit” “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”

Drucker, P.F. (1984)\textsuperscript{17}, legend of Modern Management, remarked in his paper “The New Meaning of Corporate Social Responsibility” “that it is the term used to assert or assign leadership responsibility of the businessman with respect to the culture of the community. Responsibility for social impacts is a management’s responsibility not because it is a social responsibility but because it is a business responsibility”.

McWilliams, A & Siegel, D. (2000)\textsuperscript{18}, in their research paper on “Corporate Social Responsibility and Financial Performance: Correlation or Misspecification?” studied the impact of corporate social responsibility on financial performance. The study disclosed that there is inconsistency which is due to faulty empirical analysis. It further exhibited a particular error in the prevailing econometric studies of the relationship between social and financial performance. This study estimated the effect of CSR by regressing firm performance on corporate social performance, and several control variables. The model does not control for investment in research and development which is a major determinant of the performance. The study disclosed that the correlation between corporate social performance and R&D are high, and
when R&D intensity is included in the equation, corporate social performance is shown to have a neutral effect on profitability.

**Douglas, D.J & Johnson, B. (2004)**\(^{19}\), investigates CSR disclosure of four Irish international financial institutions between 1998 and 2001 using annual report and their websites in their study “**Corporate Social Reporting in Irish Financial Institutions**”. The result of the study reveals that the most reported issues in the annual report were corporate governance and human resources whereas community involvement was least reported. When CSR disclosure between annual report and websites were compared the report suggests that Irish banks disclosed more social responsibility information on their websites than in their annual report.

**Branco, M.C & Rodrigues, L.L (2006)**\(^{20}\), in their article titled “**Communication of Corporate Social Responsibility by Portuguese Banks – A Legitimacy Theory Perspective**” ascertained whether Portuguese banks use their websites as a medium to disclose social responsibility information and identify what types of information they disclose and compare such disclosures with similar disclosures in annual reports. The study’s methodology is by examining social responsibility information disclosure on the internet by Portuguese Banks in 2004 and compares the internet and annual reports of 2003 as disclosure media using content analysis. The sample of the study is small, although it is constituted by all the relevant Portuguese Banks. The study revealed that banks with a higher prominence among consumers seem to show greater concern to improve the corporate image through social responsibility information disclosure.

**Helg, A. (2007)**\(^{21}\), in her study “**Corporate Social Responsibility from a Nigerian Perspective**” aimed to investigate and analyze the concept of CSR from a Nigerian
perspective. Further the study inspected how organizations in Nigeria view their role and part in attaining sustainable growth and development in Nigeria, and to find out what the learning experiences are. The study revealed that CSR as a concept is relatively new in Nigeria and started off as a response by multinationals to remedy the effects of their extraction activities on the local communities. CSR from a Nigerian perspective can be viewed as two-fold. Firstly, there is the recent development of formal CSR practices mainly driven by multi-national enterprises and large national companies. These initiatives are mainly philanthropic with practices and are mainly adopted from the west. Secondly, many of the respondents in the field study manifest the existence of informal CSR practices that are linked to cultural Nigerian trait.

**Achua, J.K (2008)**, in his study entitled **“Corporate Social Responsibility in Nigerian Banking System”** raised the concerns about the social and environmental performance due to the reforms in Nigerian banking system that has resulted mega banks driven by advanced competition. This paper draws largely from the theory of CSR, and reviews pertinent policies and practices in the Nigerian banking system. The paper identifies self-induced vices, regulatory laxity, inauspicious macro-economic environment, and corruption which is pervasive in the economy as the major constraints to the discharge of CSR in the Nigerian banking system.

**McDonald, L., & Rundle-Thiele, S. (2008)**, in their study on **“Corporate Social Responsibility - A Bank Customer Satisfaction”** examined the nexus between CSR and customers’ satisfaction with the bank. The study concluded that customers’ satisfaction is more affected by pro-client oriented events than CSR activities. They further advocated that if the bank decides to develop CSR activities, focus of client oriented activities has to be taken care of in a meticulous manner.
Branco, M.C & Rodrigues, L.L. (2008), in their study “Factor Influencing Social Responsibility Disclosure by Portuguese Companies.” aims to ascertain whether Portuguese banks use their websites as medium to disclose information about social responsibility initiatives and programs. The study also tried to identify what type of information they disclosed, and compare such disclosure with similar disclosure in annual report. Their findings suggest Portuguese banks seem to attribute greater importance to annual reports as a chosen medium to disclose social initiatives than the websites. Banks with a greater access and visibility among consumers seems to display greater concern to improve image through high CSR disclosure in annual report and on websites. They further states that larger firms are more visible to the public than smaller ones; they are more open to searchlight from stakeholder groups and more vulnerable to adverse reactions.

Pomerling, A & Dolnicar, S. (2009), in their study “Assessing the Prerequisite of Successful CSR Implementation: Are Consumers Aware of CSR Initiatives” asserts that communication is the most important aspect of closing out the gap of lacking the awareness about CSR between customers and organizations. Based on the findings of some research materials on CSR activity, awareness prior to carrying out the investigation, it was found that if at all CSR activities were communicated to their customers, it have been assumed that customers may be somewhat aware of them for a singular reason that the organization has delivered and published their CSR criteria in the best way possible. A qualitative study on corporate communication and a quantitative study on customer awareness were carried out separately in two different stages to examine if the assumptions made by organizations were valid and practical. The study covered an in-depth analysis about the initiatives taken from the firm’s view point. These interviews were to draw an in-depth knowledge of the CSR
activities and communication policies by four different banks in Australia. The means of CSR communication media like CSR reports, websites and employee newsletters were also looked at. The questions posed in the questionnaire were to gain considerable knowledge about the awareness of CSR activities in the banking sector.

Khan, M.H.U.Z., Halabi, A.K, & Samy, M. (2009) in their study “Corporate Social Responsibility (CSR) Reporting: A Study of Selected Banking Companies in Bangladesh” examined Corporate Social Responsibility (CSR) reporting by banks in the developing economy of Bangladesh. This paper also aims to examine the users’ perceptions relating to CSR disclosures issues. The study collected two types of data. First the annual reports of 20 selected banking companies, which are listed in Dhaka Stock Exchange (DSE), were considered. A questionnaire was also used to investigate the level of users’ understanding and their perception of CSR reporting. The principal findings are two-fold: first, the study shows that CSR reporting was done voluntarily by the selected banking. Secondly, the user groups are in favour of CSR reporting, and would like to see more disclosure. The current disclosures by the selected banks, however, are not ample at all to measure the social responsiveness of the organizations.

Pacioli & Awuor, A.P (2010) aimed to determine the motivation behind CSR at Kenya Commercial Bank (KCB) and also to find out the CSR and sustainability practices at KCB in their study titled “Corporate Social Responsibility and Sustainability at Kenya Commercial Bank”. The research was conducted through a case study which involved interviews with KCB’s senior managers. Content analysis was used to analyze the data for the study. Finding from the study indicates that KCB is motivated to indulge in CSR by a sense of moral obligation, desire to solve societal
problem and also to enhance its corporate image. The main CSR practices are on environment, education, enterprise development, health and humanitarian intervention which all impact on the triple bottom line of the KCB.

Khan, M.H.U.Z. (2010)\textsuperscript{28}, in his study \textit{“The Effect of Corporate Governance Elements on Corporate Social Responsibility (CSR) Reporting- Empirical Evidence from Private Commercial Banks of Bangladesh”} investigated the Corporate Social Responsibility reporting information of Bangladesh’s listed commercial banks and explores the potential effects of corporate governance elements on CSR disclosures. This paper contributes to CSR literature as it presents empirical evidence of the influences of corporate governance structure on the practices of CSR activities in developing countries’ banking sector setting. The results of the study demonstrate that though voluntary, overall CSR reporting by Bangladesh’s private commercial banks are rather moderate, however varieties of CSR items are really impressive.

Hassan, A & Harahap, S.S (2010)\textsuperscript{29}, in their paper \textit{“Exploring Corporate Social Responsibility Disclosure: The Case of Islamic Banks”} examined annual reports of seven Islamic Banks using the method of content analysis to measure the volume of CSR disclosure. Islamic banking refers to a system of banking which is consistent with the principles of Islamic moral law (Shari’ah); therefore, the study implies that the tenets of CSR are not alien to Islamic banking. The study further states that Islamic bank is expected to provide transparency and documentation explaining its compliance with the doctrines of moral law while dealing with customers. Hence, Islamic banks, as economic and social institutions, must portray aspects of these CSR traits in their activities. Furthermore, Shari’ah compliance mandates that businesses
give back to the community and operate under the highest moral standards. The results of the study show the overall mean CSR disclosure index of one Islamic Bank out of seven to be above average and the issues of CSR are not major concern for most Islamic Banks.

Menassa, E (2010), in her study “Corporate Social Responsibility: An Exploratory Study of the Quality and Extent of Social Disclosures by Lebanese Commercial Banks” attempted to identify the type and quality of social information disclosed by commercial banks in Lebanon and to report on the level of these disclosures and their relationship with size, financial performance, and other selected variables. The findings provide evidence of the extensive use of this phenomenon by these banks as a means to communicate with their stakeholders. Moreover, results reveal that these banks attribute a greater importance to human resource and product and customers disclosures, whereas the availability and extent of environmental disclosure is still weak. In addition, a strong association is found between these disclosures and size and financial performance variables. Finally, findings suggest no difference in social disclosure behaviour between listed banks and banks with an overseas presence, and non-listed banks and those operating only in Lebanon.

Hinson, R., Boateng, R., & Madichie, N. (2010), through their study “Corporate Social Responsibility Activity Reportage on Bank Websites in Ghana” sought to focus on how banks operating in Ghana communicate their CSR programs and initiatives through their corporate websites. A conceptual framework was adapted from the documentations available and was used as the basis of a content analysis of sixteen banks in Ghana. This paper adopts a qualitative research approach drawing upon available information from the websites of these sixteen banks. It was to be
noted that one of the banks that had won the most CSR awards at the Ghana banking awards had the poorest CSR communication content on its corporate website. It was also noted that banks that had never won a CSR award previously seemed to have a better organized structure in respect of their CSR activities on their websites. These findings clearly demonstrate the challenges that sometimes exist in transferring bricks-and-mortar organizational capabilities to online environments.

**Cocris, V & Nichitean, A.L (2010)**, in their study titled “Corporate Social Responsibility and Sustainability in Romanian Commercial Banks” aims to underline the importance of civic behaviour in business and bank’s role in the implementation of sound principles of Corporate Social Responsibility. The authors analyzed terms such as CSR, sustainable development, financial stability and the relationship between them, in order to explain their impact on the proper function of world economy. The authors provided a synthesis of corporate social responsibility principles and codes of conduct as well as an overview of the consumer protection system in Romanian financial sector. The article furnishes examples of good practices in the Romanian banking sector compared to the European one.

**McDonald, L., & Lai, C. (2011)**, in their study “Impact of Corporate Social Responsibility Initiatives on Taiwanese Banking Customers” investigated the responses of retail banking customers to different corporate social responsibility activities. This study seeks to investigate whether Taiwanese retail banking customers prefer corporate social responsibility initiatives that favour themselves or other stakeholder groups and whether these initiatives impact customer attitude and behavioural intentions. The study found out that customer-centric initiatives more powerfully impacted banking customers’ attitude to the bank and behavioural
intentions than environmental or philanthropic initiatives. However, the results were significant only for the difference between customer-centric and environmental initiatives.

**Khan, M (2011)**

in his study titled “The Effect of Corporate Governance Elements on Corporate Social Responsibility (CSR) Reporting: Empirical Evidence from Private Commercial Banks of Bangladesh” investigated the corporate social responsibility reporting information of Bangladesh’s listed commercial banks and explores the impending effects of the elements of corporate governance on CSR disclosures. The annual reports of all private commercial banks for the year 2007-2008 are examined to analyze the banks’ CSR reporting practice using content analysis. It also considers three factors of corporate governance such as non-executive directors, existence of foreign nationalities and representation of women in the board. The results of the study establish that though voluntary, overall CSR reporting by Bangladesh’s private commercial banks are rather moderate, however, the diversified CSR items are really notable. The results also displayed insignificant relationship between the women representation in the board and CSR reporting. Conversely, non-executive directors and existence of foreign nationalities have been found the significant impact on the CSR reporting.

**Farook, S., Hassan, K., & Lanis, R. (2011)**

in their study “Determinants of Corporate Social Responsibility Disclosure: The Case of Islamic Banks” developed and tested a theoretical model of the determinants of Islamic banks’ social disclosures. The study revealed that the corporate social responsibility disclosure by Islamic banks varies significantly across the sample. According to the results, variation is best explained by the influence of the relevant publics and the Shari’ah
corporate governance mechanism variables. Using alternative variable measures, the regression results suggest that level of social and political freedom and the proportion of investment account deposits to total assets are also significant determinants of Islamic banks’ CSR disclosure.

Kostyuk, A.N., Mozghovyi, Y.I., Riabichenko, D.A., Govorun, D.A., & Lapina, Y.H. (2011)\textsuperscript{36}, in their study “Corporate Social Responsibility in Banks: An International Overview” covers an international overview of corporate social responsibility in banks. The main aim of the paper is to analyze the CSR concept in banking sector in various countries. The paper is based on the assumption that the basic models of CSR do not exist in pure form and depend on the historical peculiarities of different countries, as well as the financial condition of individual banks and banking systems as a whole. The study identified the distinctive features of the social responsibility of banking business in different countries, and also formulated the conclusion that the American model of CSR is the most widespread in the world because of simplicity of its implementation in the short term. The study further identified the fact that CSR does not figure yet as a key source of competitive advantage on Asian markets.

Yeung, S (2011)\textsuperscript{37}, in her research paper on “The Role of Banks in Corporate Social Responsibility” explores the perception of respondents on corporate social responsibility and banking practice of major banks in Hong Kong. The study has identified key CSR elements from quantitative analysis on collected questionnaires which understand complex financial services, conducting risk assessment, strengthening business ethics, implementing strategy for financial crisis, protecting rights of customers and setting up channels for customers to address complaints. The
researcher concluded that management of a banking organization shall have appropriate policy in place for establishing positive organizational culture and social responsible mind-set of staff members. Customers of the bank as well as the community with reduced risk and enhanced quality will be profited through effective and efficient internal audit system which can show that the bank is committed towards becoming a socially responsible organization through credibility and accountability of management and staff.

Soana, M.G. (2011)\textsuperscript{38}, in the study on “The Relationship between Corporate Social Performance and Corporate Financial Performance in the Banking Sector” examined the correlation between social and financial performance of banks. This investigation revealed that there is no significant correlation between social and financial performance among Italian banks. Further the study has not revealed any negative correlation between social and financial performance. Furthermore, the results of this study provide evidence that banks’ investment in CSR does not lead to economic benefits for the bank.

Terungwa, A. (2011)\textsuperscript{39}, in his study “Corporate Social Responsibility in Nigerian Banking System: The Development of Small and Medium Scale Enterprises” aims to know how socially responsible the banking system is responding to this vital developmental issue. This study is designed to look at the lending habit of conventional banks and how it affects SMEs in Nigeria from 1993-2008. The study asserts that the banking sector will not take active role in funding the small and medium enterprises sector without any binding regulations. Stakeholders, who include the Nigerian economy, are taking an increasing interest and quest in the activities of the banking system. This is borne out of the fact that the economic
development of any country is directly tied to its banking sector. The efficacy and efficiency with which the banks perform their intermediary roles between the surplus and deficit spending units of the economy determines to a very large extent the prosperity of any nation.

Moura-Leite, R & Padgett, R. (2011), in their study titled “Historical Background of Corporate Social Responsibility” analyzed the impact of CSR on organization behaviour. The paper aimed to make a sketch of the conceptual evolution of CSR. In the 1950s the primary focus was on businesses’ responsibilities to society and doing good deeds for society. In the 1960s key events, people and ideas were instrumental in characterizing the social changes ushered in during this decade. In the 1970s business managers applied the traditional management functions when dealing with CSR issues, while, in the 1980s, business and social interest came closer and firms became more responsive to their stakeholders. During the 1990s the idea of CSR became almost universally approved, also CSR was coupled with strategy literature and finally, in the 2000s, CSR became definitively an important strategic issue.

Roberto, S.E., Fernandes, J., & Diego, K.B (2012), in their study “Corporate Social Responsibility to Build Strong Brazilian Bank Brand” identified and analyzed the set of corporate social responsibility activities of a Brazilian bank as a backing to strengthen an organizational brand. The specific scope is to discuss the reflections of sustainable actions adopted for the recognition of the organization’s brand. Literature and the understanding of the organization’s executives, when compared to actions adopted by Banco do Brasil, allow the conclusion that the set of corporate social responsibility actions reflects, in its instrumental use, the intention of
managing answers of social, economic and environmental demands, and in its conceptual use has helped in strengthening the financial institution’s brand.

Pérez, A., & Del Bosque, I.R. (2012), in their study on “The Role of CSR in the Corporate Identity of Banking Service Providers” focused on Spanish banking institutions. The study revealed that banks tend to promote only those activities through CSR from which generally they can reap greatest benefit. In the area of CSR activities, researchers accuse banks of short-term improvement of bank’s image and profit increase. According to authors, it is necessary to incorporate a social responsibility into organization’s image and into a long-term strategy to increase credibility. The study perceives the concept of CSR as the most effective tool to improve reputation.

Akanbi, P.A & Ofoegbu, O.E (2012), in their study “Impact of Corporate Social Responsibility on Banking Performance in Nigeria” investigated the effect of CSR on Banking Performance. The study was conducted in Nigeria with a particular reference to United Bank of Africa. The study aimed to determine the relationship between dimensions of corporate social responsibility and organizational performance. The study revealed that the dimensions of CSR have an effect on organizational performance. The study also disclosed that there was a significant difference between economic corporate social responsibility and organizational performance but there was no main and interaction effect of ethical corporate social responsibility and legal corporate social responsibility on organizational performance.

Kude, O. & Watson, D. (2012), in their study on “An Empirical Study on Corporate Social Responsibility in the Banking Sector” examined the role of corporate social responsibility initiatives in the banking sector and how customers
perceive this effort, what they expect and how they would benefit from the implementation of CSR activities as a whole. The study concluded that CSR performance in the banks from the UK showed a positive improvement over time but banks lack the effort to ensure that customers are aware of their implemented CSR criteria both externally and internally. The study also concluded that CSR inventiveness does play an influential role in customer’s attitudes and opinions towards organizations and their services/products.

Adeboye, R.O., & Olawale, S.R (2012)45, in their paper on “Corporate Social Responsibility and Business Ethics: Effective Tools for Business Performance in Nigerian Banks” examined corporate social responsibility and business ethics as effective tools for business performance in Nigerian Banks. The study examined whether social responsibility of banks and their ethical practices facilitate the banks to achieve their organizational goals. The study revealed that employees of the banks under study did not show any significant difference in their responses as regards CSR and business ethics on business performance.

Weshah, S.R., Dahiyat, A.A., Awwad, M.R.A., & Hajjat, E.S. (2012)46, in their study on “The Impact of Adopting Corporate Social Responsibility on Corporate Financial Performance: Evidence from Jordanian Banks” examined the relationship between CSR, bank size, the level of risk in the bank and advertising intensity on one hand and the Corporate Financial performance (CFP) on the other hand in the Jordanian banking companies. The study is based on banking companies listed in Jordanian Stock Exchange for the year 2011. The study concluded that there is a significant positive relationship between corporate social responsibility, bank
size, the level of risk in the bank and advertising intensity and corporate financial performance in the Jordanian banking companies.

Stanislavská, K.L., Margarisová, K., & Šťastná, K., (2012)\(^{47}\), defined concept of corporate social responsibility on a theoretical level, in their study titled “Corporate Social Responsibility in Banking Sector” and the study focuses on development of CSR, its present form and the influence on financial performance of the company. They also worked on three czech banks (Česká spořitelna, Komerční banka a Československá obchodníbanka), which regularly is on the leading positions of the official corporate donors chart “Top Filantrop”. The work explores the evolution of corporate donations and finds the connection between corporate donations and corporate profit and financial and economic crisis.

Jaroslav, B., (2012)\(^{48}\), in his article “Social Responsibility and Ethics in the Banking Business: Myth or Reality? A Case Study from the Slovak Republic” examined the social context of the banking business and defined the basic attributes of CSR and ethics in commercial banking. The outlook of commercial bank employees in the Slovak Republic were examined through questionnaire and structured interviews. The research confirmed that managers of private banks put intense pressure on front office employees, which gets translated into an incorrect approach to clients. The research further revealed that bank employees are not loyal to their employer, and this attitude does not even seem to be one of the priorities of bank management. The study showed that the economic crisis has caused a fundamental change in public opinion regarding which they had on the commercial banking system of the country and has significantly increased the pressure to apply ethical approaches to banking. The study concluded by saying that from the perspective of bank
management, ethics and the social responsibility of banks are perceived as useful marketing tools for communicating with the public.

Barroso, M.J, Galera, C., Valero, V. & Galán, M.M (2012), in their study “Corporate Social Responsibility: A Study of Savings Banks” mentioned the society’s concern regarding the aid to underdeveloped countries that has grown significantly during recent years. The objective of this study was to examine the role Spain’s savings banks’ role in international co-operation and development which is viewed by the society and general public as much needed and more crucial. The results of this exploratory study revealed an increasingly relevant role of these savings banks in co-operation for development, mainly due to pressure from their customers and society in general.

Ferdous, M & Moniruzzaman, M. (2013) in their paper titled “An Empirical Evidence of Corporate Social Responsibility by Banking Sector Based on Bangladesh” presented the current corporate social responsibility practices by banking sector in Bangladesh. It also attempts to evaluate and examine the role of CSR activities of private commercial banks in Bangladesh. The study reveals the importance of corporate social responsibility as a tool to gain competitive advantage, has positive impact on employees’ behaviour, customers’ behaviour and in establishing a bank’s image. On the basis of the perception of the bank employees, the study identified the level of importance of some core areas of CSR performance. Among the selected core seven sectors, the respondents have given more importance on the area ‘Education’.

Islam, M.A. (2013), in his study “Corporate Social Responsibility in the Banks of Bangladesh in Context of Premier Bank, Bangladesh” tried to find out CSR
activities in details, various CSR activities, impact of various areas of CSR in CSR budget and whether any link exists between company’s performance and CSR activities in context of Premier Bank, Bangladesh. The study concluded that all banking organization shall have appropriate policy in place for establishing positive organizational culture and social responsible mind-set of stakeholders. If commitment for becoming a socially responsible organization and credibility can be demonstrated through effective and efficient internal audit, customers and community also be benefited with risk reduced and quality enhanced.

Rashid, M., Abdeljawad, I., Ngalim, S., & Hassan, K., (2013)\(^2\), in their study titled “Customer-centric Corporate Social Responsibility: A Framework for Islamic Banks on Ethical Efficiency” investigated customer-centric corporate social responsibility in Islamic banks of Bangladesh, Malaysia and the Arabian Gulf Region. The new framework is found from the incomplete link between managerial motivation and their actual involvement with CSR activities. The study uses annual reports of sixteen Islamic banks from three regions. The average index scores are ranked to get a view of the importance given by Islamic banks to the path of social responsibility.

Saha, A.K., Kumar, S.D., & Khan, A., (2013)\(^3\) in their study entitled “Corporate Social Responsibility in Bangladesh: A Comparative Study of Commercial Banks of Bangladesh” scrutinized the practices of corporate social responsibility by commercial banks in Bangladesh and assessed the need to improve the CSR by such organizations. This study found that the contribution expended by commercial banks towards CSR activities is very insignificant in proportion to their profit amount. This study suggests that a proper guideline by government regarding CSR contribution,
involvement of large corporation in CSR activities and mandating CSR disclosures in the annual report will fulfil the intended goals of the corporate organizations and also ensure a successful and sustainable development of the society.

**Lenka, B & Jiri, P. (2014)**\(^{54}\), in their article on “Corporate Social Responsibility in Commercial Banking - A Case Study from the Czech Republic” measured the level of CSR in selected Czech banks through CSR index. For the analysis, most important and core factors of social responsibility viz. economic, social and environmental are classified into eight areas comprising a total of twenty six criteria which are subject to a scoring on a scale from ‘0 to 100’. The scoring is done mainly to provide information about a given area and criteria, to an evidence of activity in a particular area of CSR, to the level of participation of banks in comparison with other banks. The study revealed that best results for Ceska Sporitelna with an average rating of ‘59’ points and also revealed that the CSR index of selected Czech commercial banks achieves only an average level. The study revealed that transparencies of information pertaining to the areas of CSR are insignificant or totally unavailable.

**Tran, Y.T.H., (2014)**\(^{55}\), in his paper on “CSR in Banking Sector – A Literature Review and New Research Directions” reviewed empirical and theoretical researches and articles on Corporate Social Management in banking sector so as to identify five areas of prominence in the field of CSR research in banking. The five main issues identified in this paper are perception toward CSR, drivers, impacts, CSR practices, and CSR reports. This paper also explores the distinctions between CSR theoretical framework and the need raised from CSR practice within the banking services. The new research direction suggested in this study helped to comprehend CSR in a better way and it motivates the implementation if CSR activities in banks.
Ofori, D.F., Nyuur, R.B., & S-Darko, M.D. (2014) in their study on “Corporate Social Responsibility and Financial Performance: Fact or Fiction? A Look at Ghanaian Banks” studied banks’ views and motives for CSR practices as well as its association and contribution to financial performance of banks in Ghana. The study revealed that banks in Ghana generally view CSR activities as being a strategic move toward enhancing the reputation and overall legitimacy of their operations. The study also found a positive relationship between banks’ CSR activities and their profitability (ROA and ROE). The regression results depicted that banks’ CSR activities in their current form are not a dominant predictor of their profitability as compared with their size, growth, debt ratio and origin. Hence, firms engaging in CSR practices should do so in synchrony with other factors that has a significant impact on financial performance.

Di Bella, V., & Al-Fayoumi, N., (2016) in their research article titled “Perception of Stakeholders on Corporate Social Responsibility of Islamic Banks in Jordan” explore the various perceptions of stakeholders on corporate social responsibility of Islamic banks in Jordan. The data are collected from multiple stakeholder groups of two Islamic banks in particular: Jordan Islamic Bank for Finance and Investment and Islamic International Arab Bank. According to the study the concept of Islamic CSR and its dimensions have been considered as rooted in the Islamic ethical system, represented through the profit and loss arrangements, embedded within the principles behind financial services provided by Islamic banks, and benchmarked by the Accounting and Auditing Organization of Islamic Financial Institutions’ corporate governance standards. The results of the study indicate that stakeholders have expressed a positive attitude towards the concept of CSR proving that the issue of CSR is an important factor in Islamic banking and to the perception of various
stakeholders’ groups, the focus shifted into identifying the dimensions which shape the Islamic CSR.

Khalil, S., & O’Sullivan, P., (2017)\textsuperscript{58}, in their study titled “Corporate Social Responsibility: Internet Social and Environmental Reporting by Banks” provide insight into Internet Social and Environmental Reporting (ISER) in the Middle East by investigating the ISER of Lebanese banks as well as their green washing behaviour and identifying its extent, quality and association with different variables such as profitability, size, religion and other variables. This study examines almost all aspects of online social and environmental disclosures including the webpage, CSR sections in addition to online published reports; it is an investigation about ISER with reference to Lebanon which has perhaps the most significant banking sector in the Middle East. It tackles the green washing issue in a new context and in a different way by examining its association with several variables. The study also investigates the association between religion and ISER which has seldom been tackled in similar studies. The results show the prevalent use of ISER and green washing by Lebanese banks. The most disclosed category of ISER is community, whereas the least disclosed is environment. The study found a positive association between ISER and bank profitability, size, leverage and ownership concentration and an insignificant relationship with age and religion.
REFERENCES


