

# BANK PERSONNEL PERCEPTION TOWARDS CSR PRACTICES

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**ABSTRACT**

The aim of this paper is to measure bank personnel perception towards CSR practices of JKB, SBI and PNB. This paper is the outcome of survey information which was collected from 233 respondents of the three banks. The result suggested that all the three banks are about averagely involved with activities relating to the six dimensions that is community, employees, environment, ethical, CSR impact and general considerations. The CSR practices and their impact need to be examined in other service sectors such as insurance sector, health care sector, education sector etc. and CSR perspective focusing on different stakeholders can be considered for future research. The results imply a need for wealth creation for meeting CSR expenditure.

**Key Words :** *CSR, Corporate Social performance, Stakeholders, value creation, Social Conduct.*

**INTRODUCTION**

The concept of Corporate Social Responsibility (CSR) started gaining attention from early 1950s with a debate whether the corporations should engage in social activities for public welfare or not (Baxi and Ray, 2009). Bowen (1953), in this regard, stated that businesses are always set up to meet the needs of the society and methods of business operations as such must fall within the guidelines set by society (Balabanis, Phillips and Lyall, 1998).

The entirety of CSR is discerned from the three words 'corporate', 'social' and 'responsibility' which cover responsibilities corporations have towards the societies and within which they are located and are to operate (MIAMI, 2009). Recognizing that values, ethics, and behaviour of firms have significant impact on society, more emphasis was put on different aspects of CSR by the academicians, researchers and entrepreneurs. (Abreu, David and Crowther, 2005).

Despite the vast extant literature on CSR (Heal, 2005 and Maignan and Ferrell, 2004) till date, there is no legally binding global code of conduct for the corporations for practicing CSR. The practice of CSR is still voluntary act and subject to self regulation. In other words, it is all about the idea how business corporations have to meet society's expectations in their practices (Gossling and Vocht, 2007). Nevertheless, majority of the corporations function under an obligation to maximize shareholder's earnings by undertaking actions that increase business profit and create value along with taking interests of varied groups such as employees, customers, suppliers, the government and the community (Singh, Sanchez

and Bosque, 2007). It is seen that the companies engaging in CSR and social responsible investing and following ethical codes, humane social policies and corporate citizenship and proactive environmental procedures, reduce their corporate risks, boost the creativity and loyalty of the workforce thus improve financial performance (Fafaliou, Lekakou and Theotokas, 2005). Although CSR is well accepted

concept, however researchers have given different viewpoints on CSR. For instance, Friedman (1970) opined that there is one

and only one social responsibility of business, that is, to use its resources and engage in activities designed to increase its profits by following rules of ethical codes without undergoing fraud or deception. Carroll (1979), one of the international researchers in CSR, argued that business encompasses the economic, legal, ethical and discretionary expectations that society has about organization at a given point in time. Similarly Drucker (1984) argued, that CSR when applied to business turns a social problem into economic opportunity and economic benefit turns into productive capacity, human competence, well paid jobs and ultimately leading to wealth generation.

#### LITERATURE REVIEW

The literature reviewed reveals CSR practices followed in varied service and manufacturing industries. Scholtens (2009) and Achua (2008) investigated CSR practices of international banks operating in Europe, North America, Japan and Australia and the ongoing reforms in the Nigerian banking system. Both the researchers used four CSR indicators viz, 'code of ethics,' 'sustainability reporting and environment management' 'responsible financial product' and social conduct are used to study CSR activities of the banks.

Doane (2005), Heal (2005) and Balabanis, Hugh and Lyall (1998) examined the minnows, mammoths and CSR from economic and financial perspective and its relationship with financial market whereas researchers such as Valentine and Fleischman (2008), Tokoro (2007), Wulfson (2001) and Zairi (2000) examined the relationship between ethics, job satisfaction, philanthropic ventures and stakeholders from value creation perspective and its impact on the society.

Jamali and Keshishian (2009) investigated the role of Non Governmental Organizations which have acquired increasing prominence on the socio economic landscape. The authors remarked that NGO's are pursuing five types of partnerships that fall in the realm of CSR in context to developing country.

Singh, Sanchez and Bosque (2007) gave multidimensional perspective to examine consumer perception with respect to consumer market for four leading consumer product manufacturers. The dimensions used include 'corporate social' and 'commercial responsibilities'. The study identified employees, customers, suppliers, the government and the community under 'corporate social' and ethical, legal and

philanthropic activity under 'commercial responsibilities' undertaken by the multinational corporations.

Berens, Riel and Rekom (2007) examined that good CSR can compensate for a relatively poor corporate Ability (CA). The dimensions used for measuring CSR included company's product, Stocks and jobs.

Fafaliou, Lekakou and Theotokas (2005) conducted a study in the awareness of CSR in shipping industry. Three approaches namely competitive approach based on competitiveness (and not on profit), stay within the rules based on profit and supportive approach (moving beyond the compliance of the rules) are discussed in the paper. Among the CSR dimensions, maximum awareness of the majority of companies was with respect to health and safety, codes of conduct and environmental activities and rest dimensions include community relation, participation of public interest, social responsiveness, lifelong learning, support of deprived groups, charity giving and better relations with customers.

#### CONCEPTUAL FRAMEWORK

CSR from broader perspective focuses on inter-dependent relationships that exist between business and economic systems; communities within which organizations are based and obligations that businesses have towards society; and policy ideas on how social objectives of organizations can be met and, benefits organizations can achieve, for meeting such obligations and maintaining relationships (MIAMI, 2009 pp. 1 to 12). In short, it implies that the organizations should integrate social, environmental, economic, legal, ethical and discretionary expectations that society has towards them at a given point in time. The dimensions generally considered to be contributing to CSR, as reviewed from literature include customers, communities, employees, ethical and the environment (Bhimani and Soonawalla, 2005 and Valentine and Flieschman, 2008).

**Hypothesis 1.** There exists significant difference in the perception of bank personnel towards CSR practices of the three banks, both dimension-wise and overall.

Further, literature reveals mixed response of the impact of demographic factors on the CSR practices. Niehm, Swinney and Miller (2008) found significant influence of age and insignificant influence of education on the CSR practices. On the other hand, Valentine and Fleischman (2008) found insignificant impact of age but significant impact of gender on CSR practices. Thus, in line with these findings, the study hypothesized the following:

**Hypothesis 2.** There exists significant difference in the perception of bank personnel belonging to different income, education, age and gender groups.

Although CSR and business performance have strong and positive relationship but the effect of CSR on the economic performance is found to be inconsistent in the literature (Balabanis, Phillips and Lyall, 1998). Vasal (2009) remarked

that CSR helps in improving relationship with stakeholders, customers, investors government officials etc. in the long period of time. The study as such proposed following hypotheses:

**Hypothesis 3** Overall, there exists significant positive relationship between CSR dimensions namely community considerations, employees considerations, environment considerations, ethical considerations, general considerations and CSR impact in the banks.

#### Generalization of Scale Items

To determine the corporate social responsibility practices of banks, dimensions such as community considerations, employees considerations, environment considerations, ethical considerations, general considerations and CSR impact are identified on the basis of review of literature and discussions with the experts. Community is the first perspective as enterprises need to be devoted to solve social and community problems (Zairi, 2000 and Wulfson, 2001). The literature identifies certain significant items such as community development programmes which include drinking water facility, promotion and improvement of health, infrastructure facility for education (Baxi and Ray, 2009) and donations to local schools, community planning projects etc. (Rodriguez and Master, 2007) under community dimension. Further, studies such as Baxi and Ray (2009) and Valentine and Fleischman (2008) remarked that social organizations should also adopt employee friendly approach to improve job satisfaction, increase productivity and reduce turnover through activities such as providing food, clothing, shelter, financial security, workplace amenities as childcare.

The ethical environment of the organization is another element contributing to CSR. The items identified are related to code of ethics, transparency, accountability, ethical culture, beliefs and actions norms and values and are taken from the studies such as Scholtens (2009), Achua (2008), Valentine and Fleischman (2008), Atakan and Eker (2007). The organizational ethics is an important perspective of a company's adoption of desired ethical standards and business practices. Some companies promote an ethical culture by establishing positive values that influence organizational members ethical beliefs and actions (Valentine and Fleischman, 2008). To contribute parallelly towards overall sustainable green environment studies conducted by various authors such as Baxi and Ray (2009), Scholtens (2009), Maccorone (2007), Fafaliou, Lekakaou and Theotokas (2005) and Heal (2005) remarked that organizations should focus on environment, health and safety, promotion of green shelters, supply chain management, green or socially responsible products, recycling, biodegradable products, use of renewable natural resources, products that prevent pollution and waste minimization.

#### Pre-testing and Finalization of Questionnaire

The pre-testing was done on total thirty employees taken from the three banks namely JKB, PNB and SBI operating in

Jammu city on the basis of convenience sampling to finalize the questionnaire. The exercise of pilot study led to the refinement of the questionnaire with addition and deletion of items on the basis of inter-item correlation. About eleven items were deleted and activities relating to environment, community, employees and ethics were added on the basis of suggestions from the bank employees and experts. The CSR scale finally comprised 78 items spreading over.

#### Sample Design

At the outset, the list of three primary banks branches JKB, PNB and SBI branches were taken from the RBI Jammu as on 20.07.2008 which comprised 86 branches. Excluding branches situated in remote far flung areas all the branches of the three banks operating in Jammu city were selected for data collection. As such 40 branches of JKB (out of 53 branches), 15 branches of SBI (out of 16 branches) and all the 17 branches of PNB form the part of the study.

#### Selection of Respondents and Data Collection

Four employees from each branch including one manager and three employees with atleast 3 years of experience and recommended by the respective managers were identified for the sample selection. Total of 40 managers from JKB, 15 from SBI and 17 from PNB were contacted for data collection using personal contact and distribution approach. About 4 to 5 visits were made to get the questionnaires from the contacted respondents. These efforts resulted in 32, 10 and 9 completely filled questionnaires from JKB, SBI and PNB managers respectively. The effective response rate came out to be 80% for JKB managers, 66.67% for SBI managers and 52.94% for PNB managers. The response of employees came to be 78.13% for JKB employees, 76% for SBI employees and 74.6% for PNB employees (Table 2.1)

#### Demographic Profile

With 50 Managers and 183 employees 35.6% of respondents are found to be in age group II (AG-II) that is, (21 to 40 years) and 64.4% of respondents are found to be in age group III (AG - III) that is, (41 to 60 years). About 90.6% and 9.4% of respondents are found to be married and unmarried respectively. Further the respondents falling in four educational groups include 2.1% respondents in group I (matriculation), 3.9% in group II (higher secondary), 67.4% in group III (graduates) and 26.6% in group IV (post graduates). Further, 38.6% respondents fall in income group I (IG-I) with monthly income upto Rs. 20,000, 57.1% respondents belong to income group II (IG-II) with monthly income between Rs. 21,000 - Rs. 40,000 and 4.3% respondents in the last income group (IG-III) with monthly income between Rs. 41,000 – Rs. 60,000. The respondents are also classified according to their total experience in the organization with 15.5% of respondents with 3 to 6 years of experience, 36.5% with 6 to 10 years of experience, 13.7% of respondents with 10 to 15 years of experience, and 34.3% have more than 15 years of experience.

**Table 1. Demographic Profile of the Respondents**

Demographic Characteristics	Groups	Number	Percentage
<b>Gender</b>	Male	144	61.8
	Female	89	38.2
<b>Age</b>	0-20 yrs (AG-I)	-	-
	21-40 yrs (AG-II)	83	35.6
	41-60 yrs (AG-III)	150	64.4
<b>Marital Status</b>	Married	211	90.6
	Single	22	9.4
<b>Qualification</b>	Upto 10 <sup>th</sup> (Group -I)	5	2.1
	Upto 12 <sup>th</sup> (Group -II)	6	3.9
	Graduates (Group -III)	157	64.7
	Post Graduates (Group-IV)	62	26.6
<b>Position</b>	Managers	50	21.5
	Non-managers	183	78.5
<b>Monthly Income</b>	Upto 20,000 (IG-I)	90	38.6
	21,000-40,000 (IG-II)	133	57.1
	41,000-60,000 (IG-III)	10	4.3
<b>Total Experience</b>	3-6 yrs	36	15.5
	6-10 yrs	85	36.5
	10-5 yrs	32	13.7
	Above 15 yrs	80	34.3
<b>Total</b>		<b>233</b>	<b>100</b>

**Table 2. Item Statistics, Scale Statistics and Cronbach Alpha Value for CSR Scale**

Item Statistics	Item Mean	Mean	3.85
		Variance	0.05
Item Variance		Mean	1.00
		Variance	0.14
Inter-item Correlations		Mean	0.12
		Variance	0.03
Scale Statistics	Mean	299.94	
	Variance	801.36	
	Standard Deviation	23.31	
Reliability Statistics		<b>Sample I</b>	<b>Sample II</b>
	Item-wise	0.87	0.88
	Respondent-wise	0.76	0.76
	Overall	0.88	

**Table 3. Factor-wise Cronbach Alpha ( ) Values for Overall Sample and Split Samples (Items and Respondent-wise) and KMO and Cumulative Variance Values for CSR Scale**

CSR Variables	Overall Sample Cronbach Alpha	Split-Samples			
		Respondents		Items	
		Sub-Sample I	Sub-Sample II	Sub-Sample I	Sub-Sample II
Community Considerations	0.90	0.70	0.92	0.91	0.74
Employees Considerations	0.85	0.86	0.81	0.81	0.62
Environment Considerations	0.82	0.66	0.87	0.76	0.68
Ethical Considerations	0.82	0.83	0.78	0.77	0.62
CSR Impact	0.84	0.88	0.81	0.80	0.63
General Considerations	0.63	0.61	0.59	0.46	0.19
Overall	0.88	0.76	0.90	0.85	0.78
Total Cumulative Variance Explained (%)	54.55				
KMO	0.76				

**Reliability and Validity**

The cronbach alpha value for the sample is found to be 0.88 (Table 3) which is above the threshold of 0.7 (Hair *et al.*, 2005), indicating high internal consistency of the scale. To further support the results, split half method of reliability is carried out. The split half cronbach alpha values for the CSR scale for the first and second split samples are found to be 0.76 and 0.76 (respondent-wise) and 0.87 and 0.88 (item-wise) respectively, which again supported the reliability of the scale. Further, scale item mean came out to be (3.85), item-variance as (1.00) and inter-item correlation as (0.12) indicating good psychometric properties of the scale (Netemeyer, Bearder & Sharma, 2003) (Table 3). Furthermore, factor-wise cronbach alpha values are arrived at 0.90 for community considerations 0.85 for employees’ considerations, 0.82 for environment considerations, 0.82 for ethical considerations and 0.84 for CSR impact which also support internal consistency of the scale. However, alpha value for the factor general considerations has come to be 0.63 which is less than the threshold value of 0.7. Majority of the alpha values for different factors under split samples (respondent and item-wise) are also above the threshold criterion (Table 4).

**CSR Practices of Banks**

The KMO (0.76) and BTS (chi-square = 7281.796, df = 1081, p = 0.000) values indicate CSR data quite adequate for factor summarisation. The application of variance rotation at 7 iterations helped in identifying six factors (Table 4) which explained 54.55 percent variance. The six factors are christened as community considerations, employees considerations, environment considerations, ethical considerations, CSR impact and general considerations. The detailed analysis of the factors is given as under.

**Factor 1:Community Considerations**

The eleven items namely ‘activities relating to environmental protection’ (FL = 0.85, MS = 3.72), ‘community relations through charitable activities’ (FL = 0.81, MS = 3.66), ‘welfare schemes’ (FL = 0.80, MS = 3.92), ‘community relations through financial support’ (FL = 0.80, MS = 3.58), ‘policy for

**Table 4. Item-wise Degree of Correlation for CSR Dimensions in Banks (Conver**

Items	Factor 1 - Community Considerations									
	1	2	3	4	5	6	7	8	9	10
1	1									
2	0.73	1								
3	0.78	0.67	1							
4	0.73	0.84	0.64	1						
5	0.62	0.58	0.67	0.58	1					
6	0.51	0.46	0.54	0.40	0.44	1				
7	0.46	0.43	0.42	0.41	0.37	0.39	1			
8	0.44	0.45	0.39	0.42	0.57	0.21	0.33	1		
9	0.38	0.33	0.37	0.37	0.30	0.74	0.36	0.21	1	
10	0.35	0.36	0.36	0.39	0.44	0.35	0.76	0.29	0.38	1
11	0.47	0.41	0.45	0.43	0.41	0.28	0.38	0.30	0.14	0.41
Items	Factor 3- Environment Considerations									
	1	2	3	4	5	6	7	8		
1	1									
2	0.49	1								
3	0.55	0.36	1							
4	0.30	0.43	0.58	1						
5	0.44	0.58	0.30	0.39	1					
6	0.40	0.58	0.25	0.34	0.62	1				
7	0.33	0.33	0.30	0.27	0.21	0.27	1			
8	0.35	0.24	0.25	0.14	0.23	0.32	0.44	1		
Items	Factor 5- CSR Impact									
	1	2	3	4	5	6				
1	1									
2	0.75	1								
3	0.47	0.48	1							

**Table 5. Variable-wise Degree of Correlation Values Relating to CSR Practices of Banks (Discriminant Validity)**

Variables	Community Consideration	Employees Consideration	Environment Consideration	Ethical Consideration	CSR Impact	General Consideration
Community Consideration	1					
Employees Consideration	0.07	1				
Environment Consideration	0.09	0.31	1			
Ethical Consideration	0.33	0.37	0.00	1		
CSR Impact	0.08	0.08	0.16	0.03	1	
General Consideration	0.25	0.33	0.18	0.38	0.17	1

All the values of correlation are significant at the 0.01 level

handicapped persons’ (FL = 0.75, MS = 3.76), ‘relationship with local community’ (FL = 0.67, MS = 4.00), ‘donations to charity’ (FL = 0.61, MS = 3.60), ‘certified environmental management system’ (FL = 0.61, MS = 3.52), ‘improved bank image’ (FL = 0.58, MS = 3.90), ‘donations for community causes’ (FL = 0.58, MS = 3.54), and ‘sponsors cause related events’ (FL = 0.57, MS = 3.58) fall in first factor. The factor 1 depicts below average perception of bank personnel towards CSR. The factorial mean of items is valued at 3.70 and cumulative variance at 16.87 percent out of total variance of 54.55 percent explained by CSR dimensions (Table 7). All the communalities are found to be above 0.50 excluding values 0.45 and 0.49 arrived at for ‘certified environmental management system’ and ‘sponsors cause related events’ items respectively. Overall, the results depict that bank personnel have below average perception towards community consideration dimension of CSR.

**Factor 2: Employees Considerations**

The factor ‘2’ comprises eleven items namely ‘quality of life’, ‘benefits to employees’, ‘distribution of cash/non cash, items to the needy people’, ‘social benefits’, ‘health and safety’, ‘boosting employee morale’, ‘training programmes’, ‘appreciation of achievement’, ‘effective core business operations’, ‘initiatives in developing’ and ‘advances to

celebrate festivals’ which have scored factor loading values of 0.80, 0.65, 0.65, 0.60, 0.60, 0.59, 0.58, 0.57, 0.54, 0.51 and 0.46 and mean score values of 4.00, 4.11, 4.11, 3.72, 3.84, 3.88, 4.16, 4.14, 4.16, 3.87 and 4.07 respectively. The factorial mean depicts almost average degree of CSR perception towards employee’s consideration. The factor demonstrates 12.63 percent of variance (Table 8). In this regard even Achua (2008) remarked that organizations should provide economic satisfaction to employees, without subjecting them to dehumanising working conditions, to build social image.

**Factor 3: Environment Considerations**

The environment considerations dimension recognizes eight items that include ‘socially responsible decision’, ‘environment friendly decisions’, ‘jobs for the local people’, ‘community health projects’, ‘environmental impact’, ‘policy to protect environment’, ‘cause-related marketing’, and ‘complaints from stakeholders’ with factor loading values of 0.72, 0.71, 0.70, 0.69, 0.64, 0.62, 0.56 and 0.56 respectively. The factorial mean for same came out to be 3.71 which shows that bank personnel perception is below average towards environment dimension of CSR. This factor demonstrated 9.04 percent variance (Table 9). Christensen *et al.*, (2007) remark that social and environment are significant components of CSR, and banks by focusing on

**Table 6. Mean, Factor Loading, KMO, MSA, Percentage of Variance and Community Values for Community Considerations Dimension of CSR**

S.No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
<b>Factor 1: Community Considerations</b>						
1.	Activities relating to environmental protection	3.72	0.85	0.90	16.87	0.79
2.	Community relations through charitable activities	3.66	0.81	0.85		0.77
3.	Welfare schemes	3.92	0.80	0.90		0.74
4.	Community relations through financial support	3.58	0.80	0.83		0.74
5.	Policy for handicapped persons	3.76	0.75	0.85		0.65
6.	Relationship with local community	4.00	0.67	0.76		0.85
7.	Donations to charity	3.60	0.61	0.77		0.82
8.	Certified environmental management system	3.52	0.61	0.83		0.45
9.	Improved bank image	3.90	0.58	0.70		0.85
10.	Donations for community causes	3.54	0.58	0.72		0.87
11.	Sponsors cause-related events	3.58	0.57	0.92		0.49
<b>Factorial Mean</b>		<b>3.70</b>				

the items so identified can improve their contribution towards CSR.

**Factor 4: Ethical Considerations**

The factor loading and mean score values for ‘efficient business activities’ (FL = 0.85 & MS = 4.01), ‘social responsibility beyond making profit’ (FL = 0.74 & MS = 3.91), ‘acts ethically’ (FL = 0.64 & MS = 4.03), ‘timely response to stakeholders complaints’ (FL = 0.63 & MS = 4.06), ‘ethical

decisions’ (FL = 0.59 & MS = 4.10), ‘corporate friendly decision’ (FL = 0.56 & MS = 3.79) and ‘transparency’ (FL = 0.51 & MS = 4.06) with respective communality values as 0.68, 0.48, 0.57, 0.40, 0.58, 0.41 and 0.37 reflect ethical image of the bank (Table 10). The factor demonstrates 7.18 percent of variance out of 54.55 percent of variance. Further, Maignan and Ferrell (2004) and Zairi (2000) opine that such items are important for the development of social image of a concern.

**Table 7. Mean, Factor Loading, KMO, MSA, Percentage of Variance and Communality Values for Employees Considerations Dimension of CSR**

S.No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
<b>Factor 2: Employees Considerations</b>						
1.	Quality of life	4.00	0.80	0.88	12.63	0.66
2.	Benefits to employees	4.11	0.65	0.80		0.80
3.	Distribution of cash/non cash item to the needy people	4.11	0.65	0.81		0.58
4.	Social benefits	3.72	0.60	0.84		0.64
5.	Health and safety	3.84	0.60	0.72		0.79
6.	Boosting employee morale	3.88	0.59	0.80		0.54
7.	Training programmes	4.16	0.58	0.91		0.44
8.	Appreciation of achievement	4.14	0.57	0.74		0.82
9.	Effective core business operations	4.16	0.54	0.68		0.77
10.	Initiatives in developing	3.87	0.51	0.89		0.45
11.	Advances to celebrate festivals	4.07	0.46	0.67		0.51
<b>Factorial Mean</b>		<b>4.00</b>				

**Table 8. Mean, Factor Loading, KMO, MSA, Percentage of Variance and Communality Values for Environment Considerations Dimension of CSR**

S.No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
<b>Factor 3: Environment Considerations</b>						
1.	Socially responsible decisions	3.78	0.72	0.78	9.04	0.55
2.	Environment friendly decisions	3.66	0.71	0.85		0.69
3.	Jobs for the local people	3.75	0.70	0.69		0.83
4.	Community health projects	3.76	0.69	0.72		0.71
5.	Environmental impact	3.66	0.64	0.82		0.76
6.	Policy to protect environment	3.67	0.62	0.81		0.76
7.	Cause-related marketing	3.79	0.56	0.77		0.65
8.	Complaints from stakeholders	3.62	0.56	0.77		0.76
<b>Factorial Mean</b>		<b>3.71</b>				

**Table 9. Mean, Factor Loading, KMO, MSA, Percentage of Variance and Communality Values for Ethical Considerations Dimension of CSR**

S.No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
<b>Factor 4: Ethical Considerations</b>						
1.	Efficient business activities	4.01	0.85	0.78	7.18	0.68
2.	Social responsibility beyond making profit	3.91	0.74	0.73		0.48
3.	Acts ethically	4.03	0.64	0.73		0.57
4.	Timely response to stakeholders complaints	4.06	0.63	0.88		0.40
5.	Ethical decisions	4.10	0.59	0.75		0.58
6.	Corporate friendly decision	3.79	0.56	0.81		0.41
7.	Transparency	4.06	0.51	0.90		0.37
<b>Factorial Mean</b>		<b>3.99</b>				

**Factors 5: CSR Impact**

This factor has taken six items viz ‘social image’, ‘economic image’, ‘integrated organizational strategies’, ‘adequate focus on social, ethical and environmental responsibilities’, ‘good overall performance’ and ‘social v/s economic goal’. Schlotens (2009) remarks that social image and economic image are strongly related with CSR. Zairi (2000) on the other side observe the impact of environment and ethical issues on CSR. The respective factor loading values of statements are arrived at 0.81, 0.76, 0.75, 0.73, 0.71 and 0.65 and mean score values are arrived at 3.95, 4.00, 4.01, 4.08, 4.04 and 3.86 respectively which reveal that impact of CSR on banks is appreciable. The factorial mean of CSR impact is found to be 3.99 and the communality values of these statements ranged between 0.38 to 0.72. (Table 11).

**Factor 6: General Considerations**

This factor has taken four items which include ‘corporate governance’, ‘micro credit’, ‘competitive CSR practices’, and ‘consumer awareness camps’ showing factor loading values of 0.62, 0.57, 0.55 and 0.54 respectively. Amongst these items, micro credit for the deprived and poor is also given due significance by Schlotens (2009). These statements showed respective communality values as 0.56, 0.54, 0.46 and 0.37. The factorial mean is 3.91 reflect that employees perceive bank is making some efforts to work on corporate governance, micro credit, and consumer awareness. This factor demonstrated 3.82 percent as variance (Table 12)

**Table 10. Mean, Factor Loading, KMO, MSA, Percentage of Variance and Communality Values for CSR Impact.**

S.No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
<b>Factor 5: CSR Impact</b>						
1.	Social image	3.95	0.81	0.73	5.01	0.72
2.	Economic image	4.00	0.76	0.74		0.68
3.	Integrated organizational strategies	4.01	0.75	0.84		0.56
4.	Adequate focus on social, ethical and environmental responsibilities.	4.08	0.73	0.86		0.57
5.	Good overall performance	4.04	0.71	0.77		0.52
6.	Social V/s economic goal	3.86	0.65	0.79		0.38
<b>Factorial Mean</b>		<b>3.99</b>				

**Table 11. Mean, Factor Loading, KMO, MSA, Percentage of Variance and Communality Values for General Considerations of CSR**

S.No.	Factors	Mean	Factor loading	MSA	Variance (%)	Communalities
<b>Factor 5: General Considerations</b>						
1.	Corporate Governance	3.70	0.62	0.65	3.82	0.56
2.	Micro Credit	4.02	0.57	0.67		0.54
3.	Competitive CSR practices	3.99	0.55	0.60		0.46
4.	Consumer awareness camps	3.93	0.54	0.60		0.37
<b>Factorial Mean</b>		<b>3.91</b>				

**Table 12. Variable-wise and Overall CSR Results of ANOVA for Different Demographic Groups**

Groups	CSR Practices	F	p-value
<b>Bank</b>	<i>Community Considerations</i>	1.55	0.21
	<i>Employees Considerations</i>	6.34	0.00
	<i>Environment Considerations</i>	2.98	0.05
	<i>Ethical Considerations</i>	5.34	0.01
	<i>CSR Impact</i>	0.51	0.60
	<i>General Considerations</i>	4.21	0.02
	<b>Overall CSR</b>	<b>1.86</b>	<b>0.16</b>
<b>Gender</b>	<i>Overall CSR Practice</i>	0.00	0.95
<b>Income</b>	<i>Overall CSR Practice</i>	1.13	0.33
<b>Age</b>	<i>Overall CSR Practice</i>	2.65	0.11
<b>Position</b>	<i>Overall CSR Practice</i>	0.00	0.99
<b>Qualification</b>	<i>Overall CSR Practice</i>	0.77	0.51



**HYPOTHESES TESTING RESULTS**

**Overall Perception of Bank Personnel**

The ANOVA analysis was used to test the hypothesis (Table 13). Variable-wise, results indicate that there exists significant difference among bank personnel of the three banks with respect to dimensions namely employee considerations,

environment considerations and general considerations and insignificant difference with respect to community considerations and CSR impact. However, overall the ANOVA results indicate insignificant difference with respect to CSR practices. Hence, the hypothesis 1 is partially accepted for dimension-wise but rejected for overall perception.

**Table 13. Standardized Coefficients Values and Collinearity Statistics of CSR Dimensions (Overall)**

Variables	Standardized Coefficients		Collinearity Statistics		
	Beta	t-values	Sig.	Tolerance	VIF
Community Considerations	0.05	0.69	0.49	0.86	1.17
Employees Considerations	0.01	0.10	0.92	0.74	1.36
Environment Considerations	0.13	1.86	0.07	0.87	1.16
Ethical Considerations	-0.04	-0.50	0.62	0.71	1.42
General Considerations	0.43	1.96	0.05	0.78	1.28

Dependent Variable – CSR Impact

**CFARESULTS**

**Community Consideration**

		CR	SRW	SE	SMC
S40	C <sub>1</sub>	-	0.881	-	0.776
S41	C <sub>2</sub>	14.773	0.813	0.061	0.661
S39	C <sub>3</sub>	17.227	0.826	0.047	0.682
S42	C <sub>4</sub>	14.697	0.817	0.055	0.668
S38	C <sub>5</sub>	12538	0.717	0.059	0.515
S68	C <sub>6</sub>	9.703	0.595	0.061	0.355
S57	C <sub>7</sub>	8.611	0.540	0.061	0.292
S37	C <sub>8</sub>	8.064	0.511	0.061	0.262
S58	C <sub>9</sub>	7.481	0.501	0.061	0.251
S44	C <sub>10</sub>	8.630	0.538	0.056	0.290
S67	C <sub>11</sub>	6.844	0.444	0.054	0.198

**Employees Consideration**

		CR	SRW	SE	SMC
S14	E <sub>1</sub>	-	-	0.707	0.500
S15	E <sub>2</sub>	12.110	0.092	0.895	0.802
S13	E <sub>3</sub>	7.372	0.121	0.531	0.282
S16	E <sub>4</sub>	11.617	0.089	0.842	0.709
S26	E <sub>5</sub>	7.003	0.099	0.492	0.242

**Employees Consideration**

		CR	SRW	SE	SMC
S31	E <sub>1</sub>	-	0.577	-	0.333
S32	E <sub>2</sub>	8.055	0.762	0.156	0.581
S33	E <sub>3</sub>	8.155	0.785	0.172	0.616
S34	E <sub>4</sub>	8.051	0.761	0.180	0.580

Models	X <sup>2</sup>	CMIN/DF	NFI	REMSEA
Community Considerations	39.2	1.454	0.977	0.044
Employees Considerations	3.7	1.217	0.992	0.031
Environment Considerations	5.2	2.618	0.983	0.084

**Ethical Considerations**

**CSR Impact**

**Demographic Characteristics and Overall Perception**

The ANOVA tests for different demographic characteristics that is gender, age, position, income and qualification education indicate that there exist no difference in the perception of bank personnel belonging to these groups (Table 13). Hence, the hypothesis 2 is rejected.

**Relationship Between CSR Practices and CSR Impact**

The impact of community considerations, employees considerations, environment considerations, ethical considerations and general considerations on CSR image is examined using multiple regression. The independent factors are checked for multicollinearity using variance inflation factor and tolerance values. The values indicate that all are independent and the influence of multicollenearity is not significant (Table 14). The multiple regression results reflect that general considerations ( $\beta=0.43$ ) followed by environment considerations ( $\beta= 0.13$ ), community considerations ( $\beta=0.05$ ) and employees considerations ( $=0.01$ ) positively impact CSR image of the bank. However, the impact of ethical consideration on CSR performance is found to be negative. Overall, the results show that the impact of all factors on CSR practices is insignificant excluding general considerations factor which shows significant value at  $p=0.05$ . Thus, hypothesis 3 is partially accepted.

**CFA Results**

**COMMUNITY CONSIDERATION**

All the values are significant as they except for C<sub>11</sub> as they have scored regression weight greater than 0.5. The SMC values are greater than 0.3 except for C<sub>11</sub>, C<sub>10</sub>, C<sub>9</sub>, C<sub>8</sub> and C<sub>7</sub>. Initially structural equation model was applied but models were found to be unfit. But after applying modification indices again all the model were examined for fitness. The model fitness given in the table indicate community consideration to be fit model.

### Employees Consideration

All the values are significant as they except for  $E_5$  as they have scored regression weight greater than 0.5. The SMC values are greater than 0.3 except for  $E_5$ . Initially structural equation model was applied but models were found to be unfit. But after applying modification indices again all the model were examined for fitness. The model fitness given in the table indicate employees consideration to be fit model.

### Environmental Consideration

All the values have scored regression weight greater than 0.5. The SMC values are greater than 0.3 except for  $E_1$ . Initially structural equation model was applied but models were found to be unfit. But after applying modification indices again all the model were examined for fitness. The model fitness given in the table indicate environmental consideration to be fit model.

### CONCLUSION

The study findings depict that JKB is about averagely involved with the activities relating to general considerations with overall mean score as 3.96 (Table 6.6). The employees remarked that the bank is associated with activities such as providing microcredit for the poor and deprived, consumer awareness camps etc. and these activities have scored above average mean score values. About 24.2% employees remarked that bank is organizing consumer awareness camps and 28.8% employees remarked that corporate governance practices are not duly performed by the bank.

PNB is comparatively below averagely involved with the activities with overall mean as 3.71. Specifically 13.2% of employees agreed with competitive CSR practices and 54.7% disagreed with nature of corporate governance practices.

SBI has scored above average overall mean as 4.01. Two activities namely micro credit (finance to the poor and deprived) and consumer awareness camps have scored above average mean score values as 4.06 and 4.17 respectively. In terms of percentage, 31.3% employees supported bank involvement in organizing consumer awareness camps. About 33.4% disagreed with CG practices being undertaken by the bank.

To conclude, CSR image of banks revolves around their commitment to ensure positive impact of banking activities and operation on internal and external (social, environment, etc.) environments. Per se, the appropriate focus of banks on socially responsible activities can improve their relationship with legal and political entities, effectively address the concerns of external stakeholders, discover areas of strategic advantage and improve the overall management system.

### Limitations and Future Research of the Study

The research is conducted amidst certain limitations:

1. The elements of subjectivity could not be avoided as employees might have been hesitant to provide accurate response to the items. But at the same time, an endeavour

was made using validity and reliability analysis to check the objectivity and rationality of the responses.

2. The study being focused on three banks operating in Jammu city can be extended to generalize the findings across region, state and country. Further, the study results need also to be examined for other national and foreign banks.
3. The study although applied factor analysis mainly for data grouping however comparative small sample size can be considered as its one of the limitations.
4. The study has examined CSR practices from employees perspective only and as such other stakeholders like customers, community, government etc. are not included. The comprehensive CSR perspective focusing on different stakeholders can be considered for future research.
5. CSR is conceptualized in terms of employees, community, environment, ethical, general considerations and their impact on business performance. Perceived risk, which includes social risk, time risk and technological risk and other mediating and moderating factors such as corporate governance, perceived rests, corporate reputations need to be included for examining their impact on CSR practices of the banks.
6. The CSR practices and their impact on business performance need to be examined in other service sectors such as insurance sector, healthcare sector, education sector, etc. to establish the CSR framework from services perspective.

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