

Performance of Social Goods in the Indian Banking Sector and its Impact

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Abstract

Purpose : The objective of the present article was to investigate corporate social responsibility (CSR) activities in the Indian banking industry. This study empirically examined the relationship between the two variables, CSR spent and net profits after tax of public and private sector banks, and how CSR by banks contributed to producing value in society.

Methodology : The study examined the key CSR initiatives — social, environmental, women's empowerment, employment, healthcare, and education, independently carried out by banks, and the CSR spent was taken as independent variables. Further, sustainability and net profits after tax as the financial performance were considered to be the dependent variables. For the study, annual reports from the years 2018 – 2021 were considered, and the analysis was conducted using the Pearson coefficient on NCSS 2022.

Findings : This analysis highlighted a correlation between an organization's annual CSR spending and its subsequent year's net profits after tax. Banking is crucial to the social and economic advancement of India.

Practical Implications : This study suggested that additional research in this field of CSR in the banking sector be conducted as banks have a well-defined structure to meet social demands and are working extremely hard to meet their goals.

Originality : Unlike the prior research on CSR, the present work created a relationship between the social performance and the financial performance of the companies irrespective of any industry and their step toward sustainability.

Keywords : banks, corporate social responsibility, CSR spent, net profits after tax, social and economic development, sustainability

JEL Classification Codes : G2, O1, O16

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The awareness of and control over (CSR) corporate social responsibility has grown significantly on a global basis. When CSR was first established in 1960, CSR aimed to bridge the gap between business and society. The term "corporate social responsibility" describes the methods that businesses and organizations employ to conduct their operations in a way that is morally upright, socially responsible, and beneficial to growth. The phrase "corporate social responsibility" refers to the moral obligations a business has to the community.

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Corporate social responsibility, referred to as corporate social performance or corporate sustainable responsibility, is a way where businesses can self-regulate. For the economy to prosper and the business to expand, CSR must be fully integrated into daily business activities. Concerns about natural resource management, environmental sustainability, and community development have raised awareness of the idea of corporate social responsibility. Corporate social responsibility is when a company does more to support society than is legally required. The word "responsibility" is used to emphasize the company's moral obligations to the community (Dhingra & Mittal, 2014).

CSR seeks to positively affect all stakeholders, including the environment and customers, staff members, investors, communities, and others. CSR is encompassing the societal expectations of corporations in terms of their adherence to the law, ethics, and discretion (Lentner et al., 2015). Since the 1950s, theoretical and empirical research has extensively examined CSR-related themes, and CSR is becoming more important in the era of globalization. Due to this, the majority of banks have implemented social and environmental programs that are advantageous to both them and society (Tran, 2014).

Chaudhury et al. (2012) stated that through public crises and misconduct, the idea of CSR is growing and becoming increasingly significant in the sector of banking. The popularity of CSR is due to increasing globalization and social growth, which raises awareness among all businesses about the need to be socially responsible by enhancing their environmental and social performance (Dutt & Grewal, 2018). Strategic implementation of CSR practices and perceived CSR practices varied significantly, with higher levels of perceived CSR (Govindasamy et al., 2018).

Since emerging markets' institutional characteristics differ greatly from those of developed markets, so do their corporate governance frameworks and financial reporting procedures (Rajpurohit & Rijwani, 2020). The rise in globalization and social development, which makes it more important for all firms to uphold their CSR by improving environmental performance, are to blame for the emergence of CSR (Hossain & Khan, 2016). Since the middle of the previous century, there has been debate on the place of business in society. CSR initiatives currently span a variety of fields, such as biological and environmental conservation (Behal & Gupta, 2022). People throughout the world are very concerned about the mounting demands that businesses are putting on people and the environment. Numerous national and international stakeholders now demand growing business power be used more responsibly. The basic framework of corporate social responsibility (CSR) may offer a way to organize the ethical use of corporate authority and societal involvement. Even if the body of research on the subject is growing, it is still difficult to come up with a definition of CSR that is widely accepted. Measuring CSR depending on how it relates to the stakeholder idea is another issue. Despite the fact that there are numerous measurement techniques described in the literature, practically all of them have certain drawbacks.

The convergence of corporate culture has been promoted by macroeconomic stability, economic growth, and opening up to the foreign competition. However, on the flip side, industrialization and commercialization of the service sector have been rooted in the greenhouse gas emission, global warming, the use of non-renewable energy sources, and the rising levels of waste that have detrimental repercussions on future generation (Dhingra & Mittal, 2014).

The contribution of the companies toward social activities should be understood in terms of cost analysis and gains in terms of revenue. The focus of the current study is on the banking industry and its contribution towards CSR. As banks themselves are profit makers from the deposits and loans, in the form of interest ; so, banks should also understand the contribution done and the financial benefits or the gains from it through a thorough analysis.

Traditionally, past research studies examined the relationship between perceptual CSR and customer loyalty within constrained frameworks and with an emphasis on one or more of its specific components (eg.: concern for community development, environmental responsibility, etc.,). Therefore, to cover a present gap in the literature, a scientific approach to the interaction is required, in which CSR is integrated in a complete manner

(Moisesescu, 2017). The gaps identified in the present study are the impact of CSR spent on the financial performance of the banks, the initiatives as a part of CSR, and their contribution toward sustainability.

The study's main objective is to identify bank CSR initiatives and the financial impact these initiatives have on banks. Banks have made people aware of banks' existence as well as the demands of society's other sectors, including the environment, culture, and social issues (Dutt & Grewal, 2018). The potential contribution of the present study is to understand how the companies contribute to the community or social activities and improve the financial performance of their business considering the example of banks in the present study. The analysis also creates awareness of the CSR initiatives that are given the least importance and the choice of choosing the kind of social services can be focused on the leftover areas that can balance sustainability.

The present study is in high demand as the banks stand to play a major role in United Nations' Sustainable Development Goals (SDG). The practice of banking entails the strategic planning and execution of bank operations and business ventures while taking into account the influence on the environment, society, and governance.

Review of Literature

Concept of Corporate Social Responsibility

CSR can be broadly defined as an organization's commitment to advancing social well-being through autonomous business decisions and monetary donations. Scholars do not often accept this description since it cannot capture the richness and breadth of the concept. The previous studies looked at over 37 definitions of CSR and found that, despite certain commonalities, there is still a need for a CSR definition that is acknowledged by everyone.

Corporate social responsibility (CSR), according to Matten and Moon (2008), refers to the practices and initiatives that companies formally declare and promote as part of their commitment to contributing to society's overall well-being. The same authors emphasized that, despite a significant and continually growing body of detailed literature on CSR and related principles, it is challenging to define CSR. They provide a wealth of cross-national statistics to back up their assertion. Some scholars (Van Marrewijk, 2003) go even further, contending that it is difficult to distinguish the concept of CSR from other closely related or conceptually identical ideas, such as social good performance at organizations. It has been determined that CSR disclosure has a favorable impact on earnings management (EM) procedures (Patro & Pattanayak, 2017). Women on the board significantly impacted the company's reputation and also moderated the association between corporate reputation and gender composition (Inamdar & Nagendra, 2017). Accordingly, Van Marrewijk (2003) claimed that corporate sustainability and CSR refer to firm activities that, by definition, are voluntary and show how social and environmental issues are taken into account in day-to-day operations as well as in contact with stakeholders.

According to the literature, there are at least three major methods for systematizing and quantifying CSR. As a result, one of the classic approaches describes the four components of CSR as being: economic, legal, ethical, and discretionary or philanthropic. Another critical viewpoint on CSR systematization and assessment views the relationship between the concepts of social responsibility and sustainable development (Kolk & van Tulder, 2010). According to this perspective, CSR has three components: social, environmental, and economic. Thirdly, a stakeholder-based perspective on CSR divides it into several components relating to corporate obligations to various stakeholder groups, including shareholders, employees, clients, the environment, business partners, and others (Freeman et al., 2010). It will be difficult for institutions or corporations to endure longer in this fast-paced and cutthroat modern world if they choose to disregard corporate social responsibility as a mere act (Malagatti, 2017). Based on these three main methods, academics have developed several metrics for assessing

how customers perceive a company's social responsibility (Arli & Lasmono, 2010; Öberseder et al., 2014; Pérez & Rodríguez del Bosque, 2013).

CSR is a type of corporate self-regulation incorporated into a business strategy. It is sometimes referred to as sustainable responsible business (SRB) or corporate social performance (Dhingra & Mittal, 2014). CSR, sometimes referred to as corporate social performance (CSP), is a subset of sustainable responsible business (SRB), which incorporates corporate self-regulation into company strategies. Due to the increasing demand for economic development globally, financial institutions are obliged to play a significant role in the battle against poverty, the building of just and accountable systems of government, and the preservation of the environment. In industrialized nations, corporate entities and regulatory authorities have largely established policies that are satisfactory in this regard. However, the state of financial institutions' CSR initiatives is not as thriving in poorer countries (Dhingra & Mittal, 2014). The long-term success of a company is significantly influenced by its ethics. A company's moral initiatives and social responsibility standards can foster goodwill among all of its stakeholders. CSR not only entails corporate requirements but also helps the business succeed by taking thoughtful, voluntary actions to address social and environmental issues that benefit society. A well-organized financial system, which includes subsystems of financial institutions, financial markets, and financial products, is essential for India's current economic progress (Moharana, 2013).

According to a thorough analysis of the literature, CSR can benefit a company in terms of enhanced brand recognition, customer loyalty, and purchase intent, all of which increase brand performance (Singh & Verma, 2017). Although CSR methods have been around for a while, India has been sluggish to adopt them and raise awareness of them. Credit for this belongs to the RBI, which, in 2007, issued a circular directing banks to implement CSR activities for sustainable development. This helped to focus on CSR practices in the Indian banking sector. As the economy extends into semi-urban and rural areas, the banks play a vital role in the GDP growth of the nation by meeting the growing demand for goods and services.

The Reserve Bank of India (RBI Notification, 2011) emphasized and advised businesses to consider social and environmental issues when conducting their operations to promote sustainable development. The RBI additionally suggested beginning non-financial reporting (NFR) for the effort done by the banks to support neighborhood and promote development. Banks work on a variety of projects, including the eradication of hunger and poverty, healthcare, rural development, athlete sponsorship, self-employment and financial literacy training, infrastructure development, education, and environmental sustainability. It is increasingly recognized that CSR extends beyond financial performance and is a crucial component of business operations. The authorities must also look into the organization's CSR and financial performance (Gupta & Wadera, 2021). This study is focused on the CSR initiatives undertaken by Indian commercial banks in light of the significance of the banking sector in India (Sharma & Mani, 2013). According to Sharma and Mani (2013), Indian banks highlight their CSR efforts mostly in the areas of children's welfare, community welfare, education, the environment, healthcare, poverty eradication, rural development, vocational training, women's empowerment, protecting young girls, and employment.

Research Hypotheses

The assessment of previous research revealed two research gaps in the study of CSR in India, which served as the inspiration for this study's research aims:

- (1) To determine whether banks' CSR efforts are aiding in national development.
- (2) To find the relationship between the CSR amount spent and the financial performance of the banks.

The hypotheses are:

- ⇒ **Ha1** : Indian banks are contributing to the country's socio and economic development.
- ⇒ **Ha2** : Banks' CSR activities contribute to the sustainable development goals of India.
- ⇒ **Ha3** : Indian banks' CSR spent is correlated to net profits after tax.

Methodology

In the present study, the deductive method of research was done based on the literature review for the first objective. Later, the inductive method of analysis was followed. The secondary data were retrieved from the Reserve Bank of India (RBI) reports and datasets, and public and private banks' financial annual reports. Qualitative-based tools such as NCSS 2022 were used to analyze the data. Using the linear and regression techniques by NCSS 2022, the correlation between the variables of CSR spent and net profits after tax for 3 years was studied.

The hypotheses are empirically examined using secondary data obtained from the annual reports of banks in the public and commercial sectors for the four years from the year 2018–2021. The study's scope was restricted to public and private Indian banks, specifically Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Indian Bank, Indian Overseas Bank, Punjab & Sind Bank, Punjab National Bank, State Bank of India, UCO Bank, Union Bank of India, Axis Bank Ltd., Bandhan Bank Ltd., CSB Bank Ltd., City Union Bank Ltd., DCB Bank Ltd., Dhanalaxmi Bank Ltd., Federal Bank Ltd., HDFC Bank Ltd., ICICI Bank Ltd., Indus Ind Bank Ltd., IDFC First Bank Ltd., Jammu & Kashmir Bank Ltd., Karnataka Bank Ltd., Karur Vysya Bank Ltd., Kotak Mahindra Bank Ltd., Lakshmi Vilas Bank Ltd., Nainital Bank Ltd., RBL Bank Ltd., South Indian Bank Ltd., Tamilnad Mercantile Bank Ltd., YES Bank Ltd., and IDBI Bank Ltd. The study included 34 public and private banks since their consumer awareness and the volume of their associated transactions are higher than those of other banks. For analysis, the variables of CSR activities, CSR expenditures, and net profit after tax were taken into account.

Procedure of Data Analysis

To better understand the CSR actions of the businesses, yearly reports from banks were analyzed. From 2018–2021, or four years, the annual reports of each bank from the sample were taken into consideration as shown in Table 1. The constructs of education, healthcare, women's empowerment, environmental sustainability, employment, and social and economic development were framed by the actions carried out.

Table 1. CSR Activities Performed by Axis Bank from 2018–2021

Bank Name	CSR Activities 2018	2019	2020	2021
Axis Bank	Axis Dil Se aims to transform more than 100 rural schools in the districts of Leh and Kargil by building both physical and academic facilities. This program complements the border area development program of the Indian government (BADP)	The Govt. hospital in Alwar received 1,500 color lenses to help with the organization camps and medical services.	Education and Skill Development Environmental sustainability and rural development Armed forces veterans, war widows, and their dependents	Poverty alleviation and measures to reduce inequalities in sanitation and healthcare, humanitarian relief

Source : Axis Bank Annual Reports.

Considering Axis Bank, the CSR activities for four years from 2018–2021 were recorded as shown in Table 1. All the banks' details were recorded in the same manner. The code '1' was given if the banks' CSR activity was suitable to a particular construct, or '0'. The coding of Axis Bank with '1' and '0' is shown in Table 2. The total of all the banks was done and the average of the four years was analyzed. Tables 3, 4, 5, and 6 show the coding of the banks from 2018–2021 for the social activities performed by the banks.

Table 2. Coding of CSR Activities for Axis Bank

Bank Name	Education	Healthcare	Employment	Social and Economic Development	Women Empowerment	Environmental Sustainability
(Axis Bank)						
2018	1	0	0	1	0	0
2019	0	1	0	0	0	0
2020	0	1	0	1	0	0
2021	0	1	0	1	0	0

Table 3. Coding of the Banks' CSR Activities for the Year 2018

Bank Name	Education	Healthcare	Employment	Social and Economic Development	Women Empowerment	Environmental Sustainability
Bank of Baroda	1	1	0	1	0	0
Bank of India	1	0	0	1	0	1
Bank of Maharashtra	0	0	0	1	0	0
Canara Bank	1	1	1	1	0	0
Central Bank of India	0	1	0	0	1	0
Indian Bank	0	0	0	1	1	0
Indian Overseas Bank	0	0	0	0	0	0
Punjab & Sind Bank	1	0	1	0		1
Punjab National Bank	1	1	0	1	1	0
State Bank of India	1	1	0	1	0	1
UCO Bank	0	0	0	1	1	0
Union Bank of India	1	1	0	1	0	0
Axis Bank	1	0	0	1	0	0
Bandhan Bank Ltd.	1	0	1	1	0	0
CSB Bank	0	0	0	1	1	0
City Union Bank Ltd.	1	1	1	1	1	1
DCB Bank Ltd.	0	0	0	0	0	1
Dhanlaxmi Bank Ltd.	0	0	0	0	0	0
Federal Bank Ltd.	0	0	0	1	1	1
HDFC Bank Ltd.	1	0	0	0	1	1
ICICI Bank Ltd.	0	0	0	1	1	0

Indus Ind Bank Ltd.	1	1	0	1	0	1
IDFC First Bank Ltd.	1	0	1	1	1	0
Jammu & Kashmir Bank Ltd.	1	0	0	1	0	1
Karnataka Bank Ltd.	1	0	0	0	1	1
Karur Vysya Bank Ltd.	1	0	0	1	0	0
Kotak Mahindra Bank Ltd.	1	1	0	1	0	0
Lakshmi Vilas Bank Ltd.	1	1	0	1	0	1
Nainital Bank Ltd.	1	0	0	0	0	0
RBL Bank Ltd.	1	1	0	1	1	1
South Indian Bank Ltd.	1	0	0	0	0	1
Tamilnad Mercantile Bank Ltd.	1	1	0	0	0	0
YES Bank Ltd.	0	1	0	1	0	0
IDBI Bank Ltd.	0	0	0	0	0	1
	22	13	5	23	12	14

Source : Banks' annual reports.

Table 4. Coding of the Banks' CSR Activities for the Year 2019

Bank Name	Education	Healthcare	Employment	Social and Economic Development	Women Empowerment	Environmental Sustainability
Bank of Baroda	0	1	0	1	0	0
Bank of India	1	1	0	1	0	1
Bank of Maharashtra	0	0	0	1	0	0
Canara Bank	1	0	0	1	0	0
Central Bank of India	1	1	0	1	1	0
Indian Bank	1	1	0	1	0	0
Indian Overseas Bank	0	0	0	0	0	0
Punjab & Sind Bank	0	0	1	0	0	0
Punjab National Bank	1	1	1	1	1	1
State Bank of India	1	1	0	1	0	0
UCO Bank	0	1	0	0	0	0
Union Bank of India	0	1	0	0	0	0
Axis Bank	0	1	0	0	0	0
Bandhan Bank Ltd.	0	1	0	0	0	1
CSB Bank	0	0	0	1	0	0
City Union Bank Ltd.	0	1	0	0	0	0
DCB Bank Ltd.	0	0	0	0	0	1
Dhanlaxmi Bank Ltd.	0	0	0	0	0	0
Federal Bank Ltd.	1	1	0	0	0	0
HDFC Bank Ltd.	0	0	0	1	0	0
ICICI Bank Ltd.	1	1	1	1	0	0
Indus Ind Bank Ltd.	1	1	0	1	0	1

IDFC First Bank Ltd.	0	1	1	1	0	0
Jammu & Kashmir Bank Ltd.	1	0	0	0	0	1
Karnataka Bank Ltd.	1	0	0	0	0	1
Karur Vysya Bank Ltd.	1	0	1	0	1	0
Kotak Mahindra Bank Ltd.	0	0	0	0	0	1
Lakshmi Vilas Bank Ltd.	1	1	0	1	0	1
Nainital Bank Ltd.	1	1	0	0	0	1
RBL Bank Ltd.	0	0	0	0	0	0
South Indian Bank Ltd.	1	1	0	0	0	1
Tamilnad Mercantile Bank Ltd.	1	0	0	1	0	0
Yes Bank Ltd.	1	0	0	0	0	0
IDBI Bank Ltd.	0	0	0	1	0	1
	17	18	5	16	3	12

Table 5. Coding of the Banks' CSR Activities for the Year 2020

Bank Name	Education	Healthcare	Employment	Social and Economic Development	Women Empowerment	Environmental Sustainability
Bank of Baroda	1	1	0	1	1	0
Bank of India	0	1	0	1	0	0
Bank of Maharashtra	0	1	0	0	0	0
Canara Bank	1	1	0	1	0	0
Central Bank of India	1	1	0	0	0	1
Indian Bank	0	1	0	1	1	0
Indian Overseas Bank	0	1	0	0	1	0
Punjab & Sind Bank	0	1	0	1	0	0
Punjab National Bank	1	1	0	1	0	0
State Bank of India	0	1	0	0	0	0
UCO Bank	0	1	1	1	0	0
Union Bank of India	1	1	0	1	0	0
Axis Bank	1	0	0	1	0	1
Bandhan Bank Ltd.	1	1	0	0	0	0
CSB Bank	0	0	0	0	0	1
City Union Bank Ltd.	0	0	0	1	0	1
DCB Bank Ltd.	0	0	0	0	0	1
Dhanlaxmi Bank Ltd.	0	0	0	1	0	0
Federal Bank Ltd.	0	1	0	1	0	0
HDFC Bank Ltd.	1	1	0	1	1	1
ICICI Bank Ltd.	1	1	1	1	0	0
Indus Ind Bank Ltd.	1	1	0	1	0	1
IDFC First Bank Ltd.	0	1	1	1	0	0

Jammu & Kashmir Bank Ltd.	0	0	0	0	0	0
Karnataka Bank Ltd.	0	0	0	0	0	0
Karur Vysya Bank Ltd.	0	0	0	1	0	0
Kotak Mahindra Bank Ltd.	1	0	0	0	0	0
Lakshmi Vilas Bank Ltd.	1	1	0	1	0	0
Nainital Bank Ltd.	1	0	0	0	0	0
RBL Bank Ltd.	0	1	0	0	0	0
South Indian Bank Ltd.	0	0	0	1	0	0
Tamilnad Mercantile Bank Ltd.	1	1	0	1	0	1
YES Bank Ltd.	0	1	0	0	0	0
IDBI Bank Ltd.	1	1	1	1	0	1
	15	23	4	21	4	9

Table 6. Coding of the Banks' CSR Activities for the Year 2021

Bank Name	Education	Healthcare	Employment	Social and Economic Development	Women Empowerment	Environmental Sustainability
Bank of Baroda	1	1	0	0	1	1
Bank of India	0	0	0	1	0	0
Bank of Maharashtra	0	0	0	1	0	0
Canara Bank	1	0	0	1	1	1
Central Bank of India	0	1	0	1	0	0
Indian Bank	0	1	0	1	0	0
Indian Overseas Bank	0	0	0	0	0	1
Punjab & Sind Bank	1	1	0	0	0	0
Punjab National Bank	1	0	1	1	1	1
State Bank of India	0	1	0	0	0	0
UCO Bank	1	0	0	1	0	0
Union Bank of India	0	1	0	0	0	0
Axis Bank	0	1	0	1	0	0
Bandhan Bank Ltd.	1	0	1	0	0	0
CSB Bank	1	0	0	1	0	0
City Union Bank Ltd.	0	1	0	0	0	1
DCB Bank Ltd.	0	0	0	0	0	1
Dhanlaxmi Bank Ltd.	1	1	0	0	0	0
Federal Bank Ltd.	0	1	0	1	0	0
HDFC Bank Ltd.	1	1	0	1	0	0
ICICI Bank Ltd.	1	1	0	1	0	1
Indus Ind Bank Ltd.	1	1	1	1	0	1
IDFC First Bank Ltd.	1	0	0	0	0	1
Jammu & Kashmir Bank Ltd.	0	0	0	1	0	0

Karnataka Bank Ltd.	0	1	0	1	0	1
Karur Vysya Bank Ltd.	0	1	0	0	0	0
Kotak Mahindra Bank Ltd.	0	1	0	0	0	0
Lakshmi Vilas Bank Ltd.	1	0	0	0	1	0
Nainital Bank Ltd.	0	0	0	1	1	0
RBL Bank Ltd.	0	1	0	0	0	0
South Indian Bank Ltd.	1	1	0	1	0	1
Tamilnad Mercantile Bank Ltd.	0	1	0	1	0	0
YES Bank Ltd.	0	1	0	1	0	0
IDBI Bank Ltd.	0	1	0	1	0	0
	14	21	3	20	5	11

Table 7. Performance of Banks in CSR in the Respective Constructs

Social Good Constructs	Performance Average
Education	17
Healthcare	19
Employment	4
Social and Economic Development	20
Women Empowerment	11
Environmental Sustainability	7

The aggregate of all the banks and the average of four years were analyzed and the averages appeared as shown in Table 7.

The social good performed by the banks as a part of corporate social responsibility or social performance by the banks is indirectly contributing to the sustainable growth of the country and extends to be part of the sustainability development goals. In a similar way to the annual reports, the CSR spent and net profits after tax of all the sample banks were recorded as shown in Table 8. Using the NCSS 2022 tool, the correlation between the two variables

Table 8. CSR Spent and NPAT of Banks (₹ in Crores)

Bank Name	CSR 2018	CSR 2019	CSR 2020	CSR 2021	NPAT 2018	NPAT 2019	NPAT 2020	NPAT 2021
Bank of Baroda	23.952	19.047	5.474	6.9045	-1912.06	1087.07	942.18	1453.9
Bank of India	2.18	3.96	5.65	5.68	-6072.88	-5497.42	-2929.4	-2198.78
Bank of Maharashtra	0	0	26.91	6.66	-1112.03	-4783.05	389.32	551.41
Canara Bank	28.97	23.88	26.82	26.56	-4222.24	347.02	-2235.72	2,557.58
Central Bank of India	0.33	0.39	0.42	0.42	-5104.90	-5641.48	-1121.35	-887.58
Indian Bank	0.68	0.74	0	0	1258.99	321.95	753.36	3004.68
Indian Overseas Bank	0.28	0	0	0	-6299.5	-3737.88	-8527.4	831.47

Punjab & Sind Bank	0	0	0.134	0.54	-743.8	-543.48	-990.8	-2732.9
Punjab National Bank	28.618	29.54	29.214	40.38	-12282.82	-9975.49	336.19	2021.62
State Bank of India	112.96	6.24	27.47	144.88	-4187.41	3069.07	18176.83	24279.72
UCO Bank	10.41	8.18	4.68	6.59	-4436.37	-4321.08	-2436.83	167.03
Union Bank of India	4.67	0.454	1.635	1.01	-5247.37	-2947.45	-2897.78	2905.97
Axis Bank	133.77	137.59	100.96	0	464.02	5047.09	1878.75	7252.39
Bandhan Bank Ltd.	30	60.09	50.54	54.17	1345.56	1951.5	3023.74	2205.46
CSB Bank	14.14	27.83	67.09	0	-97.47	-197.42	12.72	218.4
City Union Bank Ltd.	10.68	13.49	17.06	10.95	592	682.85	476.32	592.82
DCB Bank Ltd.	3.14	3.87	7.77	0	245.34	325.37	337.94	335.79
Dhanlaxmi Bank Ltd.	0	0	0	0.0167	-24.87	11.67	66.78	37.19
Federal Bank Ltd.	41.73	55.744	98.142	0	878.85	1243.89	1542.78	1590.30
HDFC Bank Ltd.	374.54	443.8	535	634.91	18560.84	22445.61	27296.27	31856.77
ICICI Bank Ltd.	170.38	92.2	134.35	200.5	6777.42	3363.3	7930.81	16192.68
Indus Ind Bank Ltd.	70.17	88.61	108.11	0	3605.99	3301.1	4417.91	2836.39
IDFC First Bank Ltd.	14.23	20.82	7.24	0	859.30	-1944.18	-2864.21	452.28
Jammu & Kashmir Bank Ltd.	31.71	12.46	2.41	0.00	202.72	464.88	-1139.41	432.12
Karnataka Bank Ltd.	6.96	8.96	9.32	6.8	325.61	477.24	431.78	482.57
Karur Vysya Bank Ltd.	3.7	7.09	6.08		345.67	210.87	235.02	359.39
Kotak Mahindra Bank Ltd.	26.4	36.55	85.2	79.42	4084.3	4865.33	5947.18	6964.84
Lakshmi Vilas Bank Ltd.	0.62	0.3	0.2		256.07	-584.87	-894.10	-836.04
Nainital Bank Ltd.	1.09	0.96	0.83	0.92	97.68	26.88	-68.06	1.26
RBL Bank Ltd.	6.95	10.55	13.79	18.74	635.09	866.95	505.67	507.78
South Indian Bank Ltd.	7.28	13.265	12.01	0	334.89	247.53	104.59	61.91
Tamilnad Mercantile Bank Ltd.	2.21	16	17.4	5.6	221.92	258.58	407.69	603.33
YES Bank Ltd.	45.21	53.78	40.54	0	4224.56	1720.28	-16418.03	-3462.23
IDBI Bank Ltd.	1.36	0.24	0.258	1.045	-8237.92	-15116.29	-12887.33	1359.46

Source : Banks' annual reports.

was implemented. Here, CSR spent of the year is the independent variable and the net profits after tax for the following year is the dependent variable. This correlation technique is implemented for CSR spent in 2018, 2019, and 2020 and its successive years of net profit after tax in 2019, 2020, and 2021.

The correlation between the CSR spent in the previous year and net profits after tax (NPAT) of the financial year are analyzed for 3 years using the NCSS 2022 tool, and the Pearson correlation technique. The Pearson correlation between the CSR spent in 2018 and NPAT 2019 is 0.6858, CSR spent in 2019 and NPAT 2020 is 0.6549, CSR spent in 2020 and NPAT 2021 is 0.7738. CSR spending of the year and the NPAT of the following year are considered as we try to observe the impact of spending on the financial performance of the next year.

Discussion

Change must occur not only in terms of the services or products offered, but also in terms of the performance of social good. Based on the hypotheses framed, the observations of secondary data were done and the framework model is created. The highest average of the CSR activities performed by the banks is analyzed where the analysis through the Excel graphical representation is depicted in Figure 1. It can be seen that the banks are contributing to

the country's socio and economic development. Second comes healthcare followed by education, women empowerment, environmental sustainability, and the least employment. As India has a huge population of youngsters, the banks can focus on employment and training which builds the nation. Therefore, Ha1 is accepted.

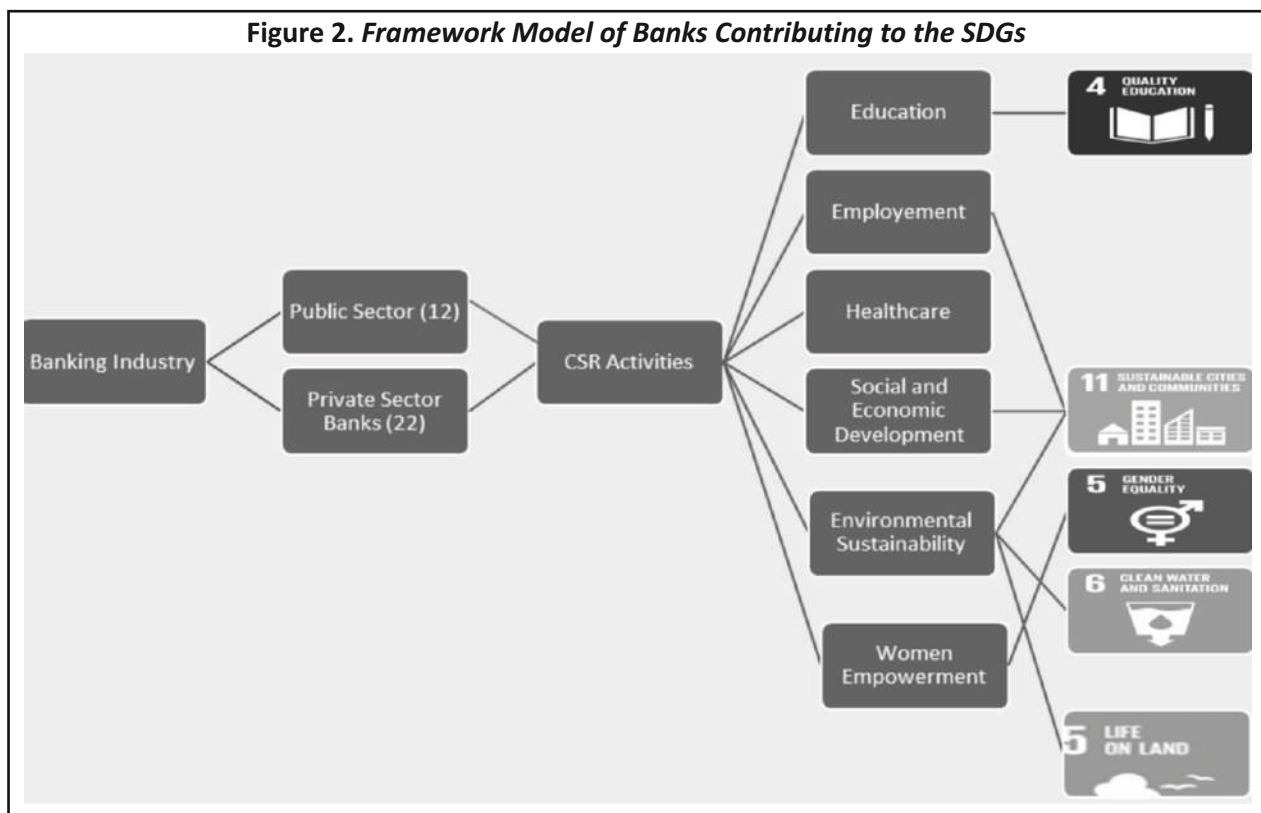
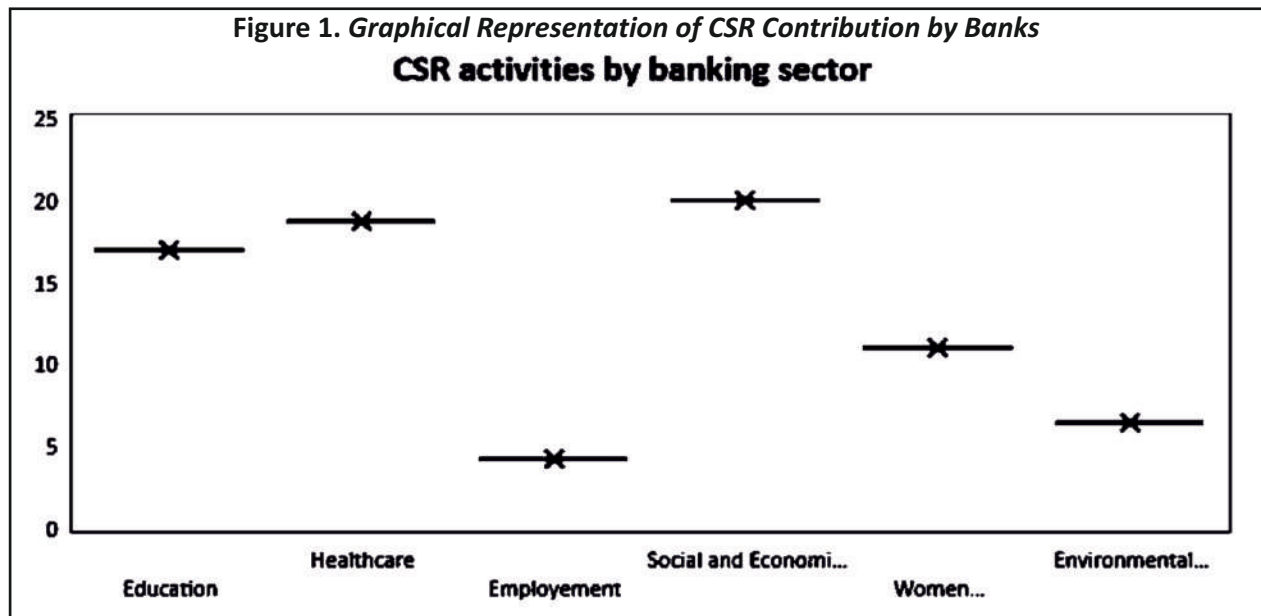


Table 9. Correlation Matrix for the Dependent and Independent Variables

		Independent Variables		
		CSR 2018	CSR 2019	CSR 2020
Dependent Variable	NPAT 2019	0.6858		
	NPAT 2020		0.6549	
	NPAT 2021			0.7738

The results of CSR initiatives performed by banks have been observed very closely and as illustrated in Figure 2. Each activity supports the country's Sustainable Development Goals (SDGs), which are quality education (SDG 4), gender equality (SDG 5), clean water and sanitation (SDG 6), sustainable cities and communities (SDG 11), and life on land (SDG 15). Therefore, Ha2 is accepted.

The relationship between two variables is evaluated using the Pearson correlation analysis, and it can gauge how closely the independent and dependent variables are related, as shown in Table 9. Table 9 represents the correlation between the two variables and how CSR spent is strongly correlated to the dependent variable : NPAT for three years. The Pearson correlation of CSR spent in the previous year and NPAT 2019, 2020, and 2021 is above 0.65, which shows a strong correlation between the two variables with a 95% confidence interval.

Figures 3, 4, and 5 show the relationship between the CSR spent and NPAT of its successive year through

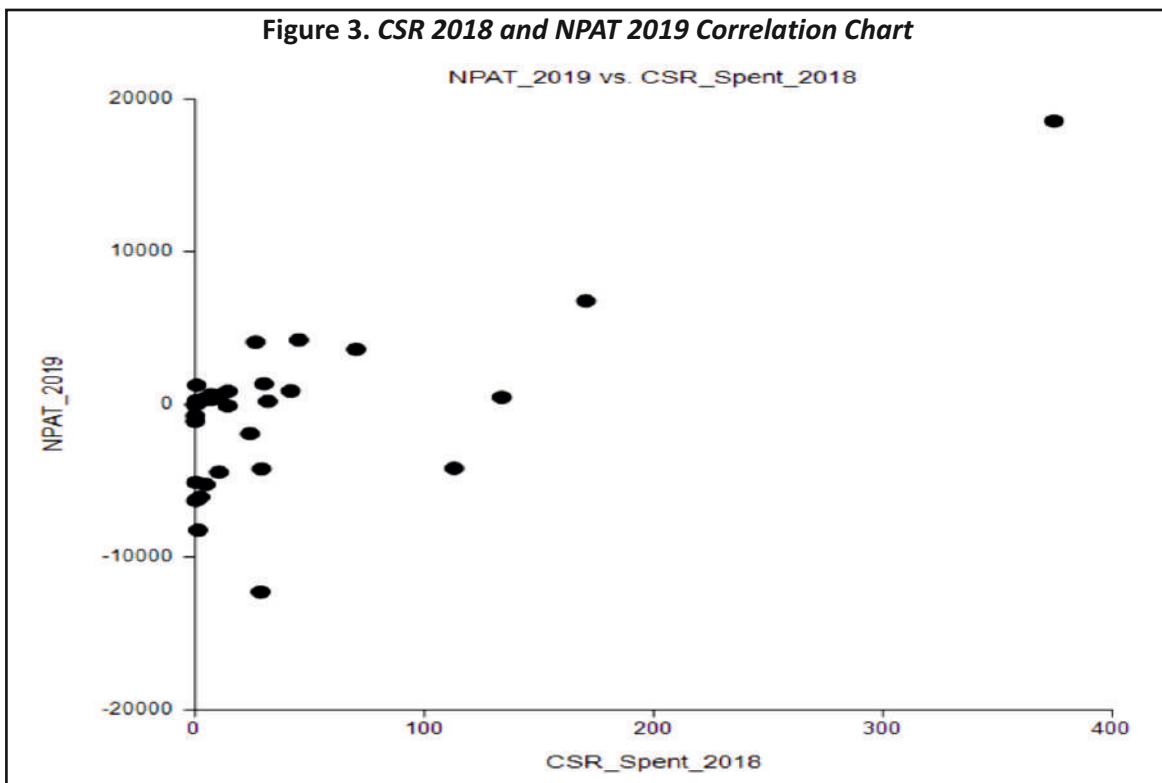


Figure 4. CSR 2019 and NPAT 2020 Correlation Chart

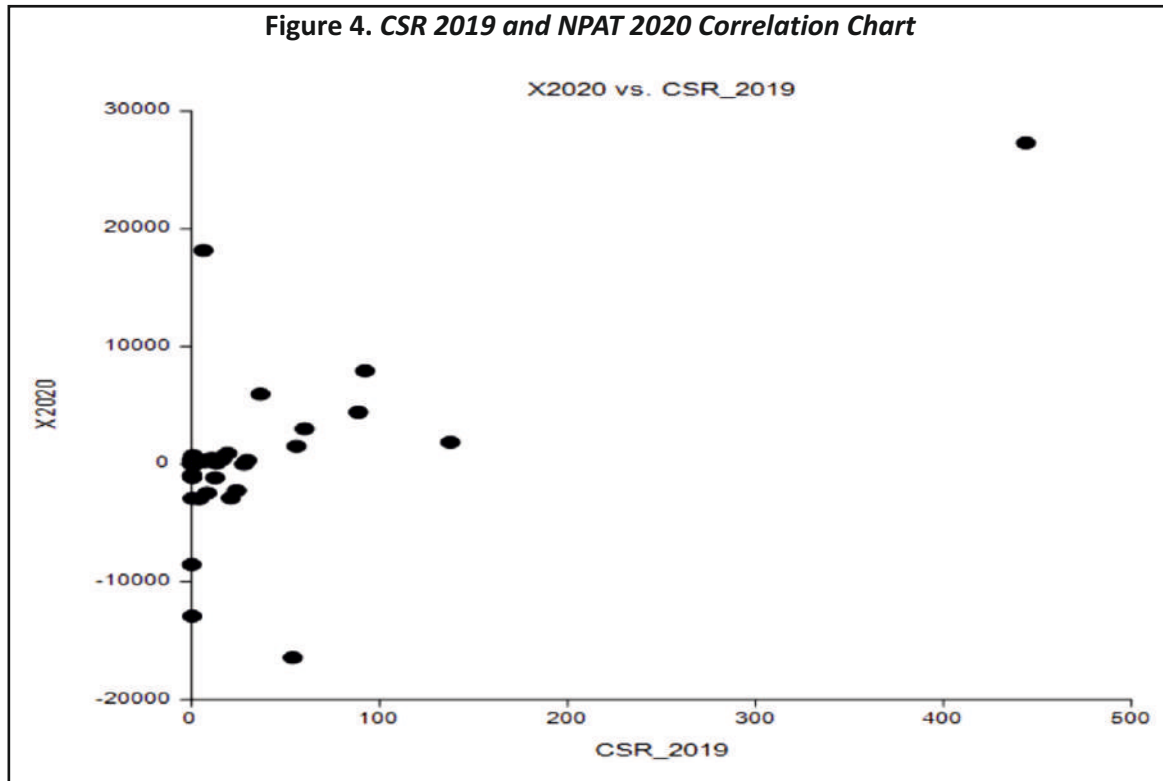
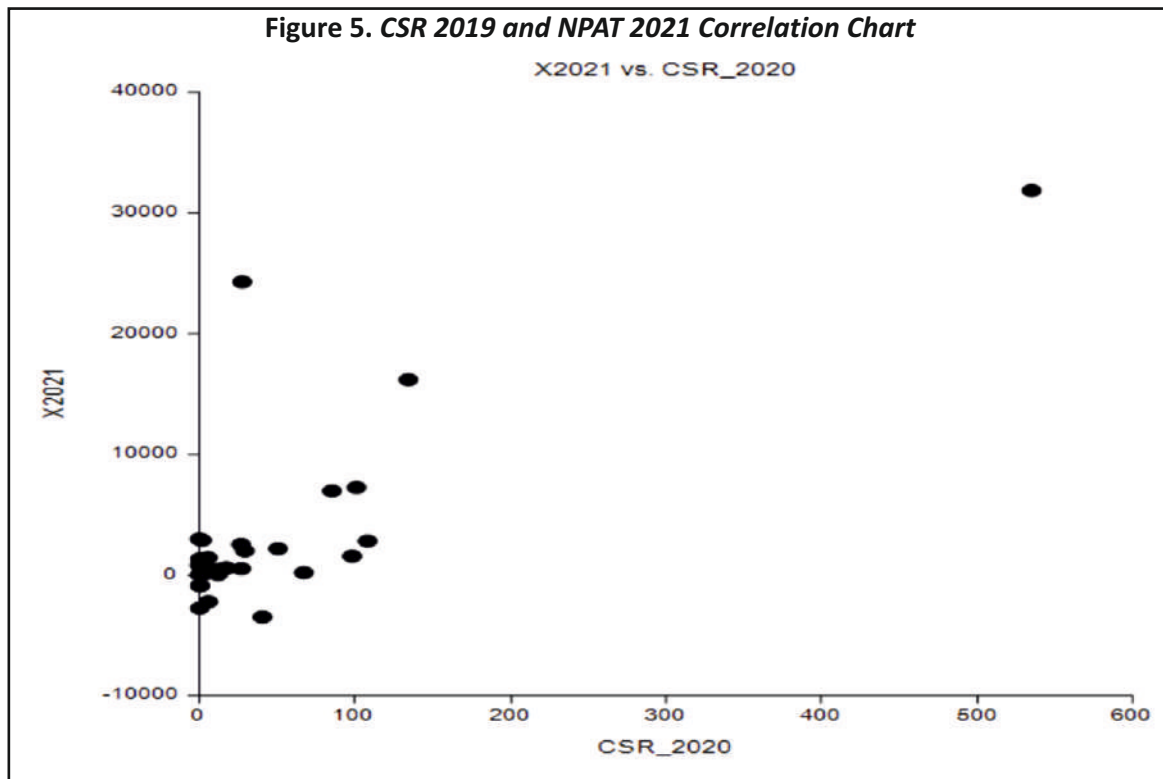


Figure 5. CSR 2019 and NPAT 2021 Correlation Chart



NCSS 2022 quantitative tool. Education also helps people understand CSR better, offering companies that cater to more educated customers an incentive to invest in CSR. Therefore, Ha3 is accepted.

Conclusion

This study's empirical evidence demonstrates that the vast majority of Indian corporations nationwide are aware of the idea of CSR. This conclusion is consistent with and supports the findings of the preceding research. The extent of CSR-related activities is advancing social and economic growth. CSR spending is also highly impacted by the firms' age, size, and return on assets (Kumar et al., 2021). Contrary to an assertion, the study's second-ranked measure of relevance is for the dimension of healthcare. Overall, the study supports the applicability of the CSR pyramid model in the Indian market, and it also questions the original model's hierarchy of values, which give economic responsibility priority. The assumption is that a company might not be able to make a significant contribution to society unless it is profitable. But as this survey demonstrates, Indian corporations believe that until a company can turn a profit while upholding moral and legal standards, it would not be adhering to their definition of CSR.

Implications

Contribution to Knowledge

The present study adds to the growing body of knowledge on CSR orientation as a distinctive relationship marketing approach, which necessitates additional study as a change in the activities of retail banking. However, a more thorough approach to Indian CSR for Indian banks will offer the much-needed association between businesses and society.

Contribution Toward Business Applications

Most businesses focus more on project-by-project CSR budget fulfilment and have picked the same industries for CSR (such as healthcare or education) (doing some health camps, adopting a village, building a road, maintaining a facility, and so on). This suggests a lack of a targeted strategy and insufficient alignment with business activities. Businesses will be able to better leverage their CSR expenditures if they make an effort to match their business plan with their CSR strategy. Using an ROI method, where returns are assessed as the generation of socioeconomic value and investments as the opportunity costs for society may also be helpful.

Limitations of the Study and Scope for Future Research

Choosing the right sample size is challenging in a nation with more than a billion consumers. Convenience sampling is used in this academic study due to time and budgetary restrictions, as opposed to more statistically sound and bias-free techniques. The goal was to include both public and private banks in India to make the sample more representative of all Indian banks. Only secondary information obtained from the banks' annual reports was used in the study. In the future, studies can be conducted using both financial and non-financial indicators. This will give a clearer picture of the performance of the banks. The study is expected to have a substantial impact on bank performance by assisting academics and high-caliber practitioners in better understanding the social activities related to bank performance within the context of structural relationships.

Authors' Contribution

Prabhavathi K. conceived the idea and developed qualitative and quantitative designs to undertake the research study. She extracted research papers with high-repute, reports, filtered these based on keywords, and generated concepts and codes relevant to the study design. Dr. Dinesh G. P. verified the analytical methods and supervised the study. The analysis and numerical computations were done by Ms. Prabhavathi K. using NCSS 2022 tool. Prabhavathi K. wrote the manuscript in consultation with the other author.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

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