

PERCEPTION OF CUSTOMERS ON THE ELEMENTS OF CSR WITH SPECIAL REFERENCE TO PUBLIC SECTOR BANKS IN TIRUNELVELI

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Abstract

Corporate Social Responsibility (CSR) is a concept that suggests that it is the responsibility of the corporations operating within society to contribute towards economic, social and environmental development that creates a positive impact on society at large. The level of its impact on customers shall be measured by using some techniques. In the present study the researcher has concentrated on the view and perception of customers and their attitude towards the achievement of CSR of banking sector particularly in the study area and analysed by using statistical tools like percentage analysis, factor analysis, Garrett ranking technique etc.

Keywords : Perception, Model creation of CSR, factor analysis, Garrett ranking

I. INTRODUCTION OF THE STUDY

Banks function as financial intermediaries by receiving deposits and directing them towards lending activities, actively participating in the financial market. Their primary role is to facilitate the connection between those with capital and those in need of capital. The banking industry has experienced significant changes following economic liberalization and globalization, with many leading Indian banks expanding globally by establishing offices in foreign countries, either independently or through their subsidiaries. While the primary goal of banks has traditionally been profit maximization, there has been a shift in focus towards engaging in more corporate social responsibility (CSR) activities. Currently, CSR is gaining greater importance in the corporate world, including within financial institutions. In this paper the researcher has concentrated on the view and perception of customers on various elements of CSR particularly in public sector banks.

II. STATEMENT OF THE PROBLEM

Banks today spend a lot of money on CSR activities to build stronger relationships with customers and improve their reputation. Little research has been done on bank customers' reactions to various CSR initiatives. As this research is limited, it is still unclear how customers perceive the CSR initiatives implemented by the banking sector. Hence, it is important to investigate the actual customer satisfaction regarding the implementation of CSR practices by all banks. This will enable banks to optimally allocate resources to enhance CSR activities to satisfy

their customers. It is also important to ascertain whether customers of public sector banks have an optimistic mindset and attitude towards CSR initiatives provided by their banks.

III. OBJECTIVES OF THE STUDY

The following are the objectives of the study.

- ❖ To analyse the perception of customers on various dimensions of CSR adopted in public sector banks
- ❖ To find out the factors influencing customers related with various level of CSR elements.
- ❖ To offer suitable suggestions based on the findings of the study

IV. METHODOLOGY

• Primary Data

The primary data have been collected from 198 respondents by using a pre-tested interview schedule from the public sector bank customers.

• Secondary Data

The secondary data have been collected from books, journals, bank websites, periodicals and various internet sources.

• Sampling Design

Among the different banks operating in the study area, only the **State Bank of India (SBI)** from the public sector is selected for the present study since the selected bank is the biggest and leading banks in the study area. From the various bank branches in the study area, the researcher has selected 198 sample customers which are determined by using www.samplesurvey.com by adopting convenience sampling method.

• Plan of Analysis

To analyze and interpret the collected data, the researcher has used the following tools:

- ◆ Percentage Analysis
- ◆ Factor Analysis - formulation of CSR Model

V. ANALYSIS AND INTERPRETATION

Opinion of Customers about the Dimensions of CSR - Factor analysis

The researcher has collected the opinion of customers about the CSR of banks in three aspects namely Responsibility of banks towards *customers, environment and society* by using factor analysis. The high loading factors or the selected factors are the overall opinion of customers about CSR.

During the survey, the customers are asked to opine about the CSR activities of banks towards customers. The opinion is obtained for 18 statements which are related to the CSR activities of Banks towards their customers by adopting scaling technique, namely Likert's five point scale.

Table 5.1
Responsibility of Banks towards Customers

S.No	Responsibility towards Customers	SA	A	N	DA	SDA	Total
1.	Adequate safety measures available	79 (39.79)	107 (54.08)	12 (6.12)	-	-	198 (100.00)
2.	Speedy redressal for grievances	50 (24.49)	103 (52.04)	30 (15.31)	12 (6.12)	3 (2.04)	198 (100.00)
3.	Effective KYC schemes	59 (29.59)	103 (52.04)	22 (11.22)	6 (3.06)	8 (4.08)	198 (100.00)
4.	Increase ATM reliability	93 (45.92)	75 (38.77)	22 (11.22)	8 (4.08)	-	198 (100.00)
5.	Privacy of customer's data	59 (28.57)	75 (38.77)	32 (16.33)	32 (16.33)	-	198 (100.00)
6.	Speed settlement of payment to customers	59 (29.59)	59 (29.59)	26 (13.26)	51 (26.53)	3 (1.02)	198 (100.00)
7.	Friendly relationship with customers	38 (18.36)	65 (33.67)	32 (16.33)	51 (26.53)	12 (5.10)	198 (100.00)
8.	Setting up high level of secured transactions over internet/Apps	41 (21.42)	92 (45.92)	41 (20.41)	18 (9.18)	6 (3.06)	198 (100.00)
9.	Implementing CRM and E-CRM practices	59 (29.59)	70 (35.71)	38 (19.39)	19 (9.18)	12 (6.12)	198 (100.00)
10.	Variety of loan products	38 (18.36)	82 (41.84)	48 (24.49)	26 (13.26)	4 (2.04)	198 (100.00)
11.	Provide financial literacy to customers	28 (13.26)	74 (37.75)	54 (27.55)	38 (19.39)	4 (2.04)	198 (100.00)
12.	Minimize the procedure for obtaining loans	32 (16.33)	64 (32.65)	52 (26.53)	41 (20.41)	9 (4.08)	198 (100.00)
13.	Encourage youths for using up of e-banking services	48 (24.49)	85 (42.86)	26 (13.26)	34 (17.35)	5 (2.04)	198 (100.00)
14.	Transparency in levying service charges	29 (14.29)	94 (47.96)	26 (13.26)	31 (15.31)	18 (9.18)	198 (100.00)
15.	Moderate interest for loans and deposits	46 (23.46)	52 (26.53)	46 (23.46)	51 (25.51)	3 (1.02)	198 (100.00)
16.	No partiality in treatment of customers	18 (9.18)	61 (30.61)	40 (20.41)	60 (30.61)	19 (9.18)	198 (100.00)
17.	Provide additional counter facility in case of emergency	41 (20.41)	52 (26.53)	32 (16.33)	44 (22.45)	29 (14.29)	198 (100.00)

18.	Provide better infrastructure facilities to customers	36 (18.36)	81 (40.81)	26 (13.26)	30 (15.31)	25 (12.24)	198 (100.00)
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Source: Primary Data**Note: Figures within the brackets are percentage of****Total****Application of Cronbach's Alpha Test**

The Cronbach's Alpha Test is used to test whether the Likert's scale used to analyse the opinion of customers about the responsibility of banks towards customers is reliable or not.

Cronbach's Alpha Test

Number of items	Cronbach's Alpha
18	0.823

Source: Computed Data

The Cronbach's Alpha value of 0.823 infers that the scale used to analyse the opinion of customers about the banks responsibility towards customers is considered **highly reliable**.

	Component Factor loadings
Provide additional counter facility-emergency	.723
No partiality in treatment of customers	.720
Speed settlement of payment to customers	.659
Provide infrastructure facility in case of emergency	.648
Friendly relationship with customers	.622
Variety of loan products	.598
Setting up secured transactions over internet/app	.598
Privacy of customers data	.489
Increase ATM reliability	.468
Minimize the procedure for obtaining loans	.464
Moderate interest for loans and products	.461
Provide financial literacy to customers	.458
Implementing CRM and E-CRM practices	.403
Encourage youths for e-banking services	.392
Transparency in levying service charges	.305
Adequate safety measures available	.271
Effective KYC schemes	.232
Speedy redressal for grievances	.227

Extraction Method: Principal Component Analysis

Table 5.5
Responsibility of Banks towards Environment

S.No.	Responsibility towards Environment	SA	A	N	DA	SDA	Total
1.	Actively promote broader acceptance of online usage	54 (27.55)	99 (50.00)	33 (16.33)	11 (5.10)	1 (1.02)	198 (100.00)
2.	Significantly reduce energy consumption	42 (21.42)	85 (42.86)	48 (24.48)	23 (11.22)	-	198 (100.00)
3.	Internal environmental guidelines for office practices particularly within banks	52 (26.53)	61 (29.59)	32 (16.33)	53 (27.55)	-	198 (100.00)
4.	Encourage paperless transactions	45 (22.45)	103 (52.04)	42 (21.42)	6 (3.06)	2 (1.02)	198 (100.00)
5.	Awareness about Cleanliness programmes	40 (20.41)	93 (46.93)	34 (17.35)	27 (13.26)	4 (2.04)	198 (100.00)
6.	Aggressively explore green technologies	44 (22.45)	81 (40.81)	44 (22.45)	22 (11.22)	7 (3.06)	198 (100.00)
7.	Opening up/ provide Green counter facility in all banks	78 (39.79)	67 (33.67)	21 (10.20)	30 (15.31)	2 (1.02)	198 (100.00)
8.	Awareness programmes about 'avoiding usage of plastic bags' and 'reduced use of paper in offices'	65 (37.75)	85 (42.86)	20 (10.20)	11 (5.10)	7 (4.08)	198 (100.00)
9.	Loan for solar water heating systems at concessional rates	46 (23.47)	56 (28.57)	38 (19.39)	58 (28.57)	-	198 (100.00)

Source: Primary Data

Note: Figures within the brackets are percentage of total

To study the opinion of customers about the CSR activities of banks towards their Environment 9 statements were framed. The data for 198 respondents is given in Table 5.5

Application of Cronbach's Alpha Test

The Cronbach's Alpha Test is used to test whether the Likert's scale used to analyse the opinion of customers about the responsibility of banks towards environment is reliable or not.

Cronbach's Alpha Test

Number of items	Cronbach's Alpha
9	0.679

Source: Computed Data

The Cronbach's Alpha value of 0.679 infers that the scale used to analyse the opinion of customers about the banks responsibility towards environment is considered **highly reliable**.

Component Matrix

	Component
	Factor loadings
Provide green counter facility in banks	.674
Awareness programmes about 'avoiding usage of plastic bags'	.631
Aggressively explore green technologies	.624
Internal environmental guidelines for office practices particularly within banks	.537
Loan for solar water heating systems at concessional rates	.534
Awareness about Cleanliness programmes	.523
Encourage paperless transactions	.484
Significantly reduce energy consumption	.414
Actively promote broader acceptance of online usage	.255

Extraction Method: Principal Component Analysis

Table 5.6**Responsibility of Banks towards Society**

S. No	Responsibility towards Society	SA	A	N	DA	SDA	Total
1.	Contributing to disaster relief work	47 (23.47)	99 (50)	49 (24.49)	3 (2.04)	-	198 (100.00)
2.	Awareness to health awareness programmes	64 (31.63)	72 (36.74)	36 (18.37)	26 (13.26)	-	198 (100.00)
3.	Health check ups to poor people	64 (31.63)	78 (39.80)	44 (22.45)	8 (4.08)	4 (2.04)	198 (100.00)
4.	Easy accessibility to disabled customers	36 (18.37)	89 (44.90)	22 (11.22)	47 (23.47)	4 (2.04)	198 (100.00)
5.	Conducting blood donation camps	39 (19.39)	104 (52.04)	21 (10.20)	34 (17.35)	1 (1.02)	198 (100.00)
6.	Rural extension programmes for farmers and entrepreneurs	44 (22.44)	74 (37.76)	38 (19.39)	31 (15.31)	11 (5.10)	198 (100.00)
7.	National insurance for agriculture	37 (18.37)	70 (35.71)	26 (13.26)	53 (26.53)	12 (6.13)	198 (100.00)
8.	Special credit card for farmers	40 (20.41)	58 (29.59)	56 (28.57)	39 (19.39)	5 (2.04)	198 (100.00)
9.	Commodity finance for agro products	25 (12.25)	66 (33.67)	82 (41.84)	18 (9.18)	7 (3.06)	198 (100.00)
10.	Gives utensils to orphanages	51 (25.51)	97 (48.99)	24 (12.24)	24 (12.24)	2 (1.02)	198 (100.00)

11.	Provide water or cool drinks during local festivals	71 (35.71)	90 (45.08)	17 (8.16)	13 (6.12)	7 (3.06)	198 (100.00)
12.	Education to poor and deaf and dumb student	63 (31.63)	71 (34.69)	22 (12.25)	40 (20.41)	2 (1.02)	198 (100.00)
13.	Tree plantation during special occasions	68 (34.69)	67 (33.67)	22 (11.22)	32 (16.34)	9 (4.08)	198 (100.00)
14.	Savings habit by opening special accounts	48 (24.49)	82 (41.84)	30 (15.31)	22 (11.22)	16 (7.14)	198 (100.00)
15.	Adoption of child for education purposes	36 (18.37)	88 (43.88)	26 (13.26)	38 (18.37)	12 (6.13)	198 (100.00)

Source: Primary Data**Note: Figures within the brackets are percentage of Total**

To study the opinion of customers about the CSR activities of banks towards their society 15 statements were framed. The data for the 198 respondents is given in Table 5.6

Application of Cronbach's Alpha Test

The Cronbach's Alpha Test is used to test whether the Likert's scale used to analyse the opinion of customers about the responsibility of banks towards society is reliable or not.

Cronbach's Alpha Test

Number of items	Cronbach's Alpha
15	0.788

Source: Computed Data

The Cronbach's Alpha value of 0.788 infers that the scale used to analyse the opinion of customers about the banks responsibility towards society is considered **highly reliable**.

Component Matrix

	Component
	Factor loadings
National insurance for agriculture	.690
Conducting blood donation camps	.639
Rural extension programmes for farmers	.596
Education to poor and deaf and dumb student	.577
Adoption of child for education purposes	.552
Commodity finance for agro products	.537
Tree plantation during special occasions	.536
Special credit card for farmers	.519
Contributing to disaster relief work	.503
Awareness to health awareness programmes	.499
Savings habit by opening special accounts	.493

Provide water or cool drinks during local festivals	.465
Free Health checkups to poor people	.406
Easy accessibility to disabled customers	.266
Giving utensils to orphanages	.201

Extraction Method: Principal Component Analysis

From the above factor analysis, the highly loaded factors are highlighted and the selected factors are presented in the form of Model for CSR representing public sector banks in the study area.

VI. MODEL FOR CORPORATE SOCIAL RESPONSIBILITY OF BANKS

The opinions of customers of SBI towards various three dimensions of responsibility of banks are gathered for measuring the attitude of customers towards CSR of banks. And the collected data are analyzed by using factor analysis for the purpose of data reduction.

Further, the result of the factor analysis could be presented in a MODEL separately for each bank which is Figure 1. Under this model only the factor which is having loading value of above 0.5 only taken for deciding CSR of banks.

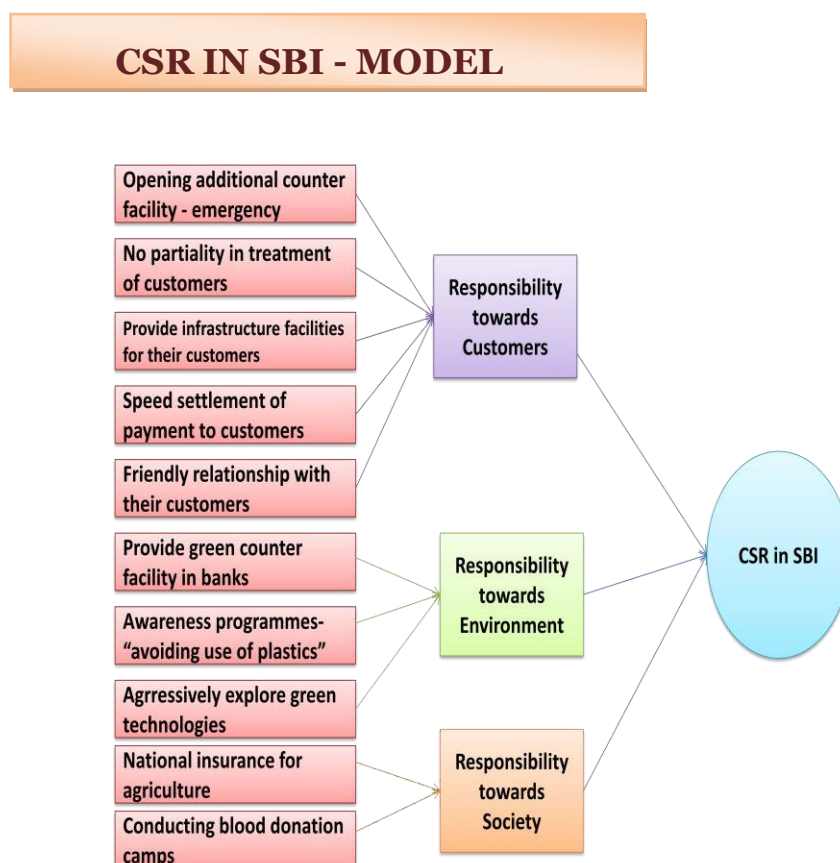


Figure 1

VII. FINDINGS OF THE STUDY

The findings of the research work are presented here under in detail.

Socio-economic profile of the respondents

- It is found that majority of the respondents (51.00%) are male
- It is clear that majority of the respondents (58.20%) in SBI
- Majority of the respondents (59.20%) are married.
- It is explicit that out of 198 respondents from each bank, 38.80 per cent are post graduates.
- It is elucidated that out of 198 respondents from each bank, majority of them are employed.
- It is clear that out of 57 employed respondents, 45.60 per cent in SBI are private employees
- It is evolved from the analysis that out of 41 unemployed respondents in SBI, 58.50 per cent are belongs to student community.
- It is found that out of 198 respondents from each bank, 29.60 per cent are having their family income of upto ₹ 10000

Banking profile of the respondents

- It is inferred that out of 198 respondents from each bank, 46.80 per cent are keeping their account with the banks for a period of 2 – 4 years.
- It shows that out of 198 respondents from each bank, majority of them are having savings bank account.
- Majority 42.90 per cent are approaching their bank only once in a month.
- It explores that out of each 198 respondents, 49.00 per cent of the are thought that bank should give much importance only to their customers rather than others.
- It is elucidated that out of 198 respondents from each bank, 53.10 per cent consider that the CSR activity is important for every bank at a medium level.
- The analysis shows that out of 198 respondents from each bank, 19.40 per cent are availing the knowledge of CSR through their Bank employees.

Result of Factor Analysis

The result of factor analysis is presented in the form of model of CSR by the researcher.

VIII. SUGGESTIONS OF THE STUDY

Based on the findings of the study, the researcher has made the following suggestions.

- ☉ It is revealed that the opinion of customers about level of CSR are at moderate level - Therefore, *the banks may creating separate department for planning and regulating CSR practices and maintaining records for the same in every month to increase the level of CSR as Good.*

For SBI

- Banks should maintain a well working relationship with their customers that will lead to improve their reputation.

- SBI should give importance also to the less educated customers by inviting them on any special occasions like bank day for attending special feedback meetings regarding CSR.
- The following CSR practices are needed to concentrate more by the banks due to the lowest factor loadings.

Transparency in levying service charges

Speedy redressal for grievances

Actively promote broader acceptance of online usage

Easy accessibility to disabled customers

Giving utensils to orphanages

IX. CONCLUSION

Implementing CSR has become essential for the overall well-being and success of banks. It serves as a vital supporter and facilitator in guiding enterprises towards achieving their goals while upholding the highest ethical standards. By engaging in CSR, banks can effectively contribute to the betterment of society and establish appropriate mechanisms for monitoring and evaluating the impact of their CSR initiatives. Additionally, incorporating various forms of business organization is a crucial aspect of CSR. Embracing good CSR practices is imperative for ensuring the long-term success of businesses and creating value for all stakeholders, including shareholders. Even though private organizations primarily focus on profitability, they are now voluntarily taking the initiative to engage in CSR.

X. REFERENCES

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