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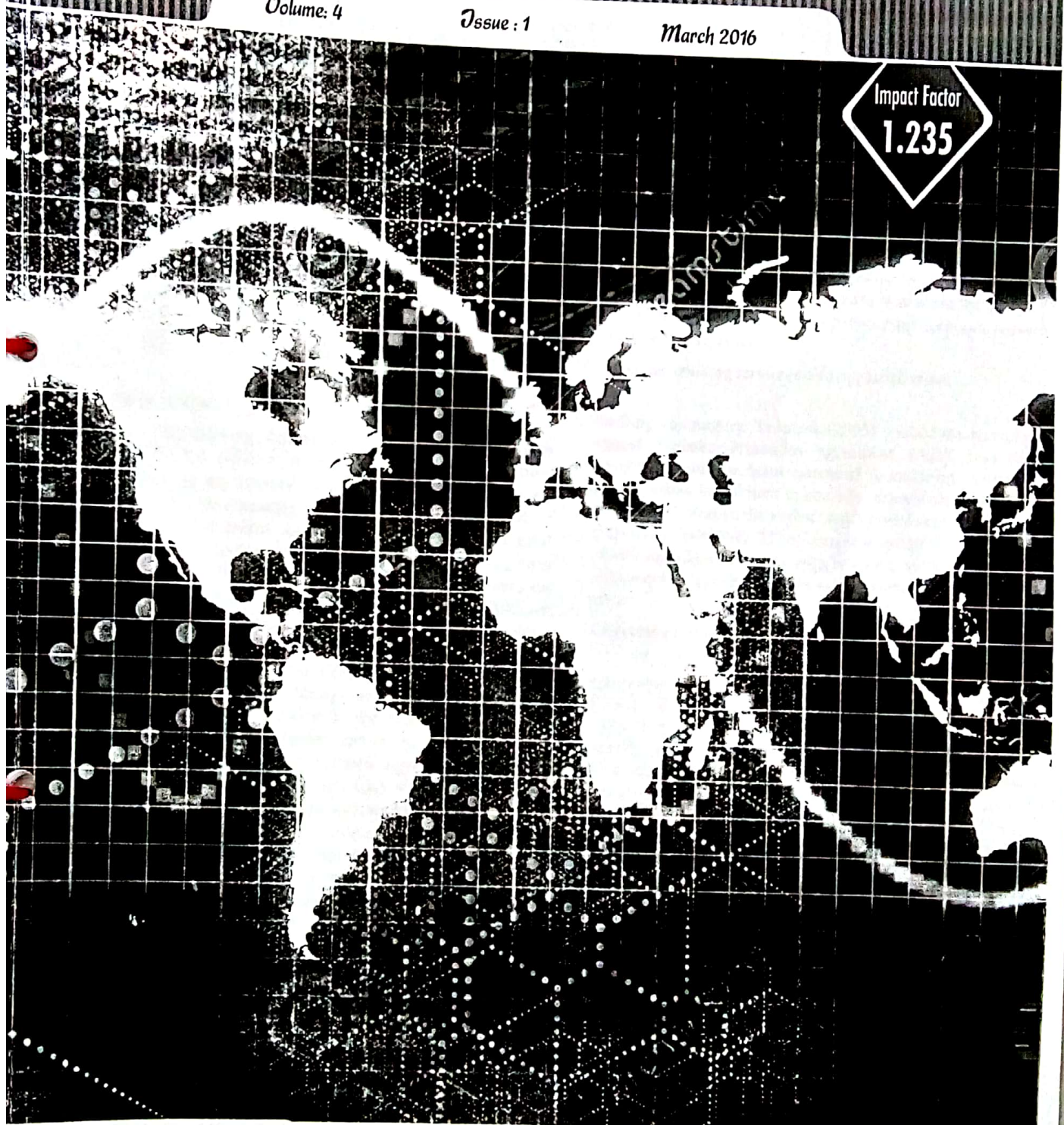
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## IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CUSTOMER SATISFACTION IN DINDIGUL DISTRICT CENTRAL CO-OPERATIVE BANK

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### ABSTRACT

The aim of this research is primarily to examine the roles of Corporate Social Responsibility (CSR) initiatives in the banking sector and how customers perceive this effort, what they expect and how they would benefit from the implementation of CSR activities as a whole. Corporate Social Responsibility (CSR) as a field of study and a framework for the role of business corporations and financial institutions in society. The paper on "IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CUSTOMER SATISFACTION IN DINDIGUL DISTRICT CENTRAL CO-OPERATIVE BANK" The paper aims to explore the perception of the customer on CSR in banking service and finding out the level of awareness related to among the bank customer in the study area. It also aims at analyse the overall customer satisfaction among the bank. Finally the paper aims to find out the relationship between the corporate social responsibility and customer satisfaction and their influence on the service quality.

**Key words:** Corporate social responsibility, level of awareness, banking service, customer satisfaction.

### Introduction

The banking system in India is considered to be significantly different from that of other Asian nations because of the country's unique geographic, social, and economic characteristics. Liberalization and deregulation of the financial sector, coupled with rapid technological advancement and improved communication systems, have contributed to the integration process. As a result, banks are now faced with very high and intense competition. With hot winds of competition blowing across Indian banking industry, developing a symbolic relationship with customers has become more important. The perceptions of the customer have undergone a sea change and customers are more demanding. Since customer is the heart of any service industry, delivering superior service to the customer is increasingly important today. There is growing recognition of the significant effect the activities of the private sector have on society on employees, customers, communities, the environment, competitors, business partners, investors, shareholders, governments and others. It is also becoming increasingly clear that firms can contribute to their own wealth and to overall societal wealth by considering the effect they have on the world at large when making decisions. Corporate social responsibility (CSR) is also often referred to as business responsibility and an organisation's action on environmental, ethical, social and economic issues.

### CSR in banking

The merits of corporate social responsibility (CSR) for companies, including increased profits, enhancing customer loyalty, trust, enhancing the brand attitude and skirmishing negative publicity, In light of these known optimistic effects, CSR strategies have been embraced by the international

banking community. Yeomans (2005) studied the recently signed Equator Principles agreement which supports socially-responsible development of 30 major international private banks investment in socially responsible activities. Scott (2006) studied the varied bank's investment in socially responsible initiatives. The extensive adoption of CSR by the global banking community suggests we may be reaching a situation where parity has once again returned to the banking sector.

### Literature Review

The concept of CSR does not currently have a specific cast-in-the-stone definition or description as it tends to assume different meaning depending on the context within which it is used or applied. A wide range of definitions therefore exist, which reflects the different perspectives and priorities of the stakeholders involved in the CSR debate. The primary goal of business has traditionally been seen as meeting the economic expectations of the owners of the business (shareholders). According to Friedman, 'There is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game' (Friedman, 1962).

### Objective of the Study

- To find out the awareness of corporate social responsibility among the bank,
- To analyze the overall customer satisfaction among the bank,
- To find out the practices relating to corporate social responsibility,
- To find out the opinion about corporate social responsibility,



## Methodology

This type of research being descriptive in nature, questionnaire method of data collection was followed primary method of data collection from different category of employees are collected various aspects. Around 50 samples are selected in a systematic manner.

**Research Design** - This study is applicable to the corporate social responsibility of the Dindigul district Central Co-Operative bank located at rural and semi urban areas. The researcher proposes directly visit the banks and collected the necessary data with the help of pre-tested

interview schedule. As the numbers of employees are large, the researcher decided to adopt convenient sampling for collecting information from 50 employees as sample respondents of bank. The required data are collected from the respondents by the studying in the bank during the banking hours.

**Tools for Data Analysis** - The study used following financial tools for analysis- Percentage analysis and Multiple regression

## Findings

**Table-1 Demographic Factor of the Respondents**

Variable	Majority category	Percentage
Age	25(35-40)	50
Gender	35(male)	70
Marital status	30(married)	60
Educational qualification	25(PG)	50
Religion	30(Hindu)	60
Native	35(other than Theni)	70
Years of experience	25(5-10yrs)	50
Monthly income	25(30000-40000)	50
Previous experience	45(yes)	90
Types of family	35(nuclear family)	70

The above table shows that the majority of the employees are in the age group of 35-40,(50%) mostly (70%) married male (60%). They are with a monthly income of 30000-40000/. (50%), and most of their designations are supervisor (80%). Most of the employees are experience in the group of 5-10yrs (50%). Most of the 35 employees are (70%) other than Dindigul district. Most of the employees are dependent nuclear family (70%).

**Table-2**

The above table shows that 90% of the respondents are aware of CSR out of this 90%, 70% say that their bank is practicing it. 80% of respondents strongly agree to the fact that CSR is socially responsible bank and 60% agree that it can be conducted on a regular basis, followed by 60%

strongly agree to the fact that CSR is closed related to banking strategy. 50% of the respondents strongly agree that it ethical and moral reasons and 50% of the respondents no opinion about community relation, 60% of the respondents strongly agree that customer loyalty (60%). CSR activities can be motivating employee (70%), business partners (50%), economic performance (70%) and bank reputation (50%).40% of the respondents' avail of public incentive. The majority of the respondents i.e 60%,50%,40%, 60%, 60% of the respondents that it create barrier to furthering CSR activities among banks, 60% of the respondents strongly agree that banks give service and accurate information, followed by 60% disagree the customer complaints in a timely manner, our bank provide good

CSR Awareness about	Variable	Majority category	%
CSR Awareness about	Are you familiar with the term corporate social responsibility	45/50 (YES)	90
	If yes, is your bank practicing it	35/50 (YES)	70
	Our bank is a socially responsible bank	40/50 (S.A)*	80
	The CSR activities of the bank are conducted on a regular basis	30/50 (A)**	60
	Our CSR activities are closely related to our banking strategy	30/50 (S.A)*	60
The following factors motivated your bank to undertake CSR	Ethical and moral reasons	25/50 (S.A)*	50
	To improve community relations	25/50 (N) ***	50
	To improve customer loyalty	30/50 (S.A)*	60
	To improve employee motivation	35/50 (S.A)*	70
	To improve relations with business partners/ investors	25/50 (S.A)*	20
	To improve economic performance	35/50(S.A)*	70
	Pressure from third parties (e.g. clients or competitors)	25/50(S.A)*	50
	To avail of public incentives (e.g. tax incentives)	20/50(S.A)*	40
	To preserve or improve the reputation of the bank	25/50(S.A)*	50
	A commitment to reducing the bank's impact on the environment	25/50(S.A)*	50
	To give something back to the community	35/50(D)*****	70



The following act as a barrier to furthering Banks various activities	Bank's CSR activities		
	Lack of time	30/50(S.A)*	60
	Lack of money	25/50(S.A)*	50
	Not related to the activities of the bank	20/50(N)***	40
	CSR is not an issue for a bank of this size	30/50(S.D)****	60
	Lack of human resources	30/50(S.A)*	60
	Activities- customers		
	Our bank give service and accurate information	25/50(S.A)*	50
	Our bank retrieve the customer complaints in a timely manner	30/50(S.A)*	60
	Our bank provide service quality in assurance	25/50(A)**	50
	Our banks committed to value the customers	20/50(S.A)*	40
	Our bank considered the disabled customer	20/50(D)*****	40
	Activities-employees		
	Our bank encourage the employees to develop required skills & to continue in long term careers	35/50(S.A)*	70
	Our bank ensure adequate steps that are taken against all forms of discrimination	25/50(A)**	50
	Our bank consult employees in decision making skill	25/50(S.A)*	50
	Our bank committed to the safety, health and welfare measure in the work environment	25/50(N)***	50
	Our bank ensure a work/life balance to every employees	30/50(S.A)*	60
	Financial performance		
	The impact of the CSR activities of the bank on the financial performance of the bank	40/50(S.A)*	80
	The financial implications of CSR are experienced in the long term	30/50(A)**	60
	A bank must first be profitable before undertaking CSR	20/50(S.A)*	40

customer service quality, the majority of the respondents i.e 70%,50%,50%,50%,60% of the respondents it encourage employee careers, decision making skill and welfare measure of the employee, CSR highly financial performance respectively.

\*S.A- Strongly Agree, \*\*A- Agree\*\*\*, N- Neutral\*\*\*\*, S.D-Strongly Disagree, \*\*\*\*\*D Disagree

Table-3Demographic variables influencing awareness about corporate social responsibility

Variables	R	R <sup>2</sup>	Increment
Age	0.782	0.611	-
Gender	0.795	0.632	0.021
Marital status	0.809	0.655	0.023
Educational qualification	0.812	0.660	0.005
Types of family	0.891	0.794	0.134
Previous experience	0.956	0.915	0.121
Years of experience	1.000	1.000	0.015

From the above table it is found that age contributes to 61% relating to the awareness of CSR. It is concluded that age is most influencing factor with respect to the awareness of CSR.

### Conclusion

The study clearly shows that awareness of corporate social responsibility is an important factor for successful running bank. Corporate social responsibility is a suitable study for evaluating CSR activities towards bank organization's performance. Even through CSR is suitable study for evaluating the customers, employees and financial performance of the bank. As a result, banks are now faced with very high and intense competition. With hot winds of competition blowing across Indian banking industry, developing a symbolic relationship with customers has

become more important. The perceptions of the customer have undergone a sea change and customers are more demanding. Since customer is the heart of any service industry, delivering superior service to the customer is increasingly important today.

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