



ATTITUDE OF CUSTOMERS TOWARDS CSR OF BANKS: A COMPARATIVE STUDY OF PUBLIC AND PRIVATE SECTOR BANKS IN SIVAKASI

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ABSTRACT

In the liberalized economy, the Corporate Social Responsibility is a very important one to every banking business to achieve probable success. So, the banking industry especially all private and public sector banks are keenly concentrated in fulfilling the need of doing CSR and disclosure practices regularly. The level of its impact on customers shall be measured by using some techniques. For the purpose of the study, the researcher has used both primary and secondary data. The primary data have been collected from the customers of State Bank of India and ICICI in Sivakasi with pre-tested interview schedule by using convenient sampling technique. The secondary data have been collected from the bank websites, published and unpublished books, journals, magazines and e-books. For the purpose of analysis the researcher has used the statistical tools like Percentage analysis, Two independent sample t-test with the help of using SPSS.

1.1 INTRODUCTION

Banking system plays an important role in the economic development of the country. It is necessary to encourage people to deposit their surplus funds with the banks. These funds are used for providing loans to the industries thereby making productive investments. . Today, banks have diversified their activities and are getting into new products and services that include opportunities in credit cards, consumer finance, wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, etc. The main aim of banks aim is changed from profit maximization to do more and more CSR activities. RBI (2007) has also directed Indian banks to undertake CSR initiatives for sustainable development and also asked banks to begin non-financial reporting which is related to activities in the era of environmental, social and economic accounting. All private and public sector banks are keenly concentrated in fulfilling the need of doing CSR and disclosure practices regularly. 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.

1.2 STATEMENT OF THE PROBLEM

Due to tough competition across the banking industry, it is important for the banking industry to develop a well- working relationship with its customers. Today banks are spending much on CSR activities to create a stronger relationship with their customers and enhance their reputation. some banks are also using electronic billing instead of paper billing as a means of environmental protection. Banks are embracing CSR strategies because it increases profit, customer loyalty, trust and a positive brand attitude. Although banks are investing hugely towards CSR activities, they are experiencing that there is an increase in the number of customers who are dissatisfied and are shifting to other banks. Therefore, it is important to study about the customers' real pleasure with regard to the adoption of CSR practices particularly public or private sector bank customers.

1.3 SCOPE OF THE STUDY

The present study has to make an analysis of measuring the attitude of customers towards CSR of banks i.e., both public and private sector banks in the study area.



1.4 OBJECTIVES OF THE STUDY

The following are the objectives of the study.

- ❖ To study the socio-economic profile of the respondents.
- ❖ To analyse and measure the attitude of customers and their opinion about CSR of banks.
- ❖ To compare the attitude of customers of public and private sector banks towards CSR.
- ❖ To offer suitable suggestions based on the findings of the study.

1.5 METHODOLOGY

1.5.1 Primary Data

The primary data have been collected from 196 respondents by using a pre-tested interview schedule from the public and private sector bank customers.

1.5.2 Secondary Data

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

1.5.3 Sampling Design

Of the different banks operating in the study area, only the State Bank of India (SBI) from the public sector and ICICI Bank from the private sector are selected for the present study since the selected two banks are the biggest and leading banks in the study area. From these bank branches, the researcher has selected 196 sample customers which is determined by using www.samplesurvey.com i.e., 98 customers from each bank by adopting convenience sampling method.

1.5.4 Plan of Analysis

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

- ◆ Percentage Analysis,
- ◆ Two independent sample t-test.

1.6 ANALYSIS AND INTREPRETATION

1.6.1 PROFILE OF THE RESPONDENTS

The profile of the respondents covers both the socio-economic and banking profile such as gender, age, marital status, educational qualification, employment status, monthly income, period of having account in the bank, type of account in bank, purpose of opening account and so on.

Table No. 1.6.1
Socio-economic and banking profile of the Respondents

S.No.	Particulars		No. of Respondents		
			SBI	ICICI	Total
1.	Gender	Male	50 (51.00)	43 (43.90)	93 (47.40)
		Female	48 (49.00)	55 (56.10)	103 (52.60)
		Total	98 (100.00)	98 (100.00)	196 (100.00)
2.	Age group	Upto 30 years	57 (58.20)	50 (51.00)	107 (54.60)
		31-40 years	24 (24.50)	28 (28.60)	52 (26.50)
		41-50 years	8 (8.20)	11 (11.20)	19 (9.70)
		51 and Above	9 (9.20)	9 (9.20)	18 (9.20)
		Total	98 (100.00)	98 (100.00)	196 (100.00)
3.	Marital Status	Married	58 (59.20)	53 (54.10)	111 (56.60)
		Unmarried	40 (40.80)	45 (45.90)	85 (43.40)
		Total	98 (100.00)	98 (100.00)	196 (100.00)



4.	Educational qualification	Upto High School	7 (7.10)	5 (5.10)	12 (6.10)
		Diploma	3 (3.10)	7 (7.10)	10 (5.10)
		Graduation	32 (32.70)	31 (31.60)	63 (32.10)
		Post Graduation	38 (38.80)	42 (42.90)	80 (40.80)
		Professional	18 (18.40)	13 (13.30)	31 (15.80)
		Total	98 (100.00)	98 (100.00)	196 (100.00)
5.	Employment status	Yes	57 (58.20)	54 (55.10)	111 (56.60)
		No	41 (41.80)	44 (44.90)	85 (43.40)
		Total	98 (100.00)	98 (100.00)	196 (100.00)
6.	Category of employment	Private employee	26 (45.60)	26 (48.10)	52 (46.80)
		Government employee	15 (26.30)	11 (20.40)	26 (23.40)
		Businessperson	3 (5.30)	9 (16.70)	12 (10.80)
		Professional	13 (22.80)	8 (14.80)	21 (18.90)
		Total	57 (100.00)	54 (100.00)	111 (100.00)
7.	Unemployment Category	Student	24 (58.50)	23 (52.30)	47 (55.30)
		Housewives	2 (4.90)	6 (13.60)	8 (9.40)
		Jobseeker	6 (14.60)	11 (25.00)	17 (20.00)
		Retired	9 (22.00)	4 (9.10)	13 (15.30)
		Total	41 (100.00)	44 (100.00)	85 (100.00)
8.	Family Monthly Income	Upto ₹ 10000	29 (29.60)	17 (17.30)	46 (23.50)
		₹ 10001- ₹ 20000	18 (18.40)	34 (34.70)	52 (26.50)



		₹ 20001- ₹ 30000	16 (16.30)	17 (17.30)	33 (16.80)
		₹ 30001- ₹ 40000	9 (9.20)	12 (12.20)	21 (10.70)
		Above ₹ 40000	26 (26.50)	18 (18.40)	44 (22.40)
		Total	98 (100.00)	98 (100.00)	196 (100.00)
9.	Period of Having account with Bank	Below 2 years	21 (21.40)	17 (17.30)	41 (20.90)
		2-4 years	46 (46.80)	43 (43.90)	86 (43.90)
		4-6 years	12 (12.30)	20 (20.40)	32 (16.30)
		Above 6 years	19 (19.50)	18 (18.40)	37 (18.90)
		Total	98 (100.00)	98 (100.00)	196 (100.00)
10.	Type of account maintained	Savings Bank Account	66 (67.30)	70 (71.40)	136 (69.40)
		Current Account	8 (8.20)	17 (17.30)	25 (12.80)
		Fixed Deposit Account	11 (11.20)	8 (8.20)	19 (9.70)
		Recurring Deposit Account	13 (13.30)	3 (3.10)	16 (8.20)
		Total	98 (100.00)	98 (100.00)	196 (100.00)
11.	Frequency of having transactions	Daily	12 (12.20)	13 (13.30)	25 (12.80)
		Weekly	31 (31.60)	31 (31.60)	62 (31.60)
		Bi-weekly	13 (13.30)	18 (18.40)	31 (15.80)
		Monthly	42 (42.90)	36 (36.70)	78 (39.80)
		Total	98 (100.00)	98 (100.00)	196 (100.00)

Source : Primary Data

Note : Figures within the bracket are percentage of Total



From the above socio-economic profile, it is found that majority of the respondents in SBI (51.00%) are male and in ICICI (56.10%) they are female ; majority of the respondents (58.20%) in SBI and in ICICI (51.00%) are coming under below 30 years of age; majority of the respondents in SBI (59.20%) and in ICICI (54.10%) are married; 38.80 per cent in SBI and 42.90 per cent in ICICI are post graduates; majority of them in SBI (58.20%) and in ICICI (55.10%) are employed; it is clear that out of 57 employed respondents, 45.60 per cent in SBI are private employees and in ICICI out of 54 employed respondents 48.10 per cent are private employees; out of 41 unemployed respondents in SBI, 58.50 per cent and out of 44 unemployed respondents in ICICI, 52.30 per cent are belongs to student community; 29.60 per cent in SBI are having their family income of upto ₹

10000 and 34.70 per cent in ICICI are having their family income within ₹ 10001-₹ 20000.

From the banking profile of the respondents, it is inferred that out of 98 respondents from each bank, 46.80 per cent in SBI and 43.90 per cent in ICICI are keeping their account with the banks for a period of 2 – 4 years; majority of the respondents in SBI (67.30 %) and in ICICI (71.40 %) are having savings bank account; 42.90 per cent in SBI and 36.70 per cent in ICICI are approaching their bank only once in a month.

1.6.2 Preference given by the Bank

The Customers' attitude should be measured out by knowing their personal opinion regarding the preference given by banks. By knowing the value or significance given by the bank to the customers decides their attitude towards the bank. Therefore, this factor should be considered in this study. The collected details are shown in Table 4.12.

Table 1.6.2
Preference given by the Bank

S.No.	Particulars	No. of Respondents		
		SBI	ICICI	Total
1.	Customers	48 (49.00)	46 (46.90)	94 (48.00)
2.	Employees	19 (19.40)	20 (20.40)	39 (19.90)
3.	Society	20 (20.40)	17 (17.30)	37 (18.90)
4.	Shareholders	11 (11.20)	15 (15.30)	26 (13.30)
	Total	98 (100.00)	98 (100.00)	196 (100.00)

Source : Primary Data

Note : Figures within the bracket are percentage of Total

1.6.3 Level of Importance of CSR Activity of Banks

The customers are asked about their opinion regarding the level of importance of CSR activity

provided by the banks to the society. The researcher has organized the responses given by the respondents and sorted it out in Table 1.6.3



Table 1.6.3
Level of Importance of CSR Activity of Banks

S.No.	Particulars	No. of Respondents		
		SBI	ICICI	Total
1.	Not at all important	5 (5.10)	6 (6.10)	11 (5.60)
2.	Low level	7 (7.10)	10 (10.20)	17 (8.70)
3.	Medium level	52 (53.10)	43 (43.90)	95 (48.50)
4.	High level	34 (34.70)	39 (39.80)	73 (37.20)
	Total	98 (100.00)	98 (100.00)	196 (100.00)

Source: Primary Data

Note: Figures within the bracket are percentage of Total

It is elucidated that out of 98 respondents from each bank, 53.10 per cent in SBI and 43.90 per cent in ICICI consider that the CSR activity is important for every bank at a medium level.

1.6.4 OVERALL OPINION OF CUSTOMERS ABOUT THE LEVEL OF CSR

In order to evaluate the overall opinion, the collected data for customers' opinion about various dimensions in the form of likert scale are taken for analysis. The scores are assigned in the order of 5 for

Strongly Agree, 4 for Agree, 3 for Neutral, 2 for Disagree and 1 for Strong Disagree. While the score value of the respondent $>(\bar{X} + SD)$ is stated as Good and the score value of the respondent $<(\bar{X} - SD)$ is classified under the category of Poor and the scores between $(\bar{X} + SD)$ and $(\bar{X} - SD)$ indicates the Moderate level of CSR according to the opinion of customers of each bank, \bar{X} and SD are the Arithmetic mean and Standard Deviation which are calculated from the score values of 196 respondents.

	SBI	ICICI	
$\bar{X} + SD$	90.796	93.991	Good
$\bar{X} - SD$	66.724	66.769	Poor
$\bar{X} + SD$ and $\bar{X} - SD$	67 to 91	67 to 94	Moderate

1.6.4 Overall Opinion of Customers about the Level of CSR

S. No	Level of CSR	No. of Respondents		
		SBI	ICICI	Total
1.	Good	17 (17.30)	15 (15.30)	32 (16.32)
2.	Moderate	68 (69.40)	65 (66.30)	133 (67.85)
3.	Poor	13 (13.30)	18 (18.40)	31 (15.83)
	Total	98 (100.00)	98 (100.00)	196 (100.00)

Source : Analysed Data

Note : Figures within the bracket are percentage of Total



APPLICATION OF TWO INDEPENDENT SAMPLE T-TESTS

Ho: “There is no significant difference in the overall opinion of customers of SBI and ICICI about CSR of banks”

To test the above hypothesis the researcher has applied two independent sample t-tests. The results are presented in Table 5.26

Table 1.6.5 Overall Opinion of Customers in SBI and ICICI about CSR – Application of t-test

Overall opinion of customers about CSR	SBI		ICICI		t-test	'p' value
	Mean	S.D	Mean	S.D		
	78.76	12.036	80.38	13.611	-.884	.378

Source : Computed data

From the above analysis, it is found that the significance value is 0.378. It is greater than 0.05. Therefore the null hypothesis is accepted.

Hence it is inferred that the overall opinion of customers in SBI and ICICI about CSR of banks do not differ significantly.

1.7 FINDINGS OF THE STUDY

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

- It is found that majority of the respondents in SBI (51.00 per cent) are male and in ICICI (56.10 per cent) are female.
- It is clear that majority of the respondents (58.20 per cent) in SBI and in ICICI (51.00 per cent) bank are having below 30 years of age.
- It is observed from the table that majority of the respondents in SBI, (59.20 per cent) and in ICICI (54.10 per cent) are married.
- It is explicit that out of each 98 respondents, majority of the respondents in SBI (38.80 per cent) and in ICICI (42.90 per cent) are post graduates.
- It is elucidated that out of each 98 respondents, majority of them in SBI (58.20 per cent) and in ICICI (55.10 per cent) are employed.
- It is clear that out of each 98 respondents, majority of the respondents of both SBI and in ICICI (26.50 per cent) are private employees.
- It is evolved from the analysis that out of each 98 respondents, majority of them in SBI (24.50 per cent) and in ICICI (23.50 per cent) are come under the cadre of Student community.
- It is found that out of each 98 respondents, majority of them in SBI (29.60 per cent) are having the income of below ₹ 10000 and in

ICICI (34.70 per cent) are earning income of ₹ 10001- ₹ 20000.

- It is inferred that out of each 98 respondents, majority of the respondents in SBI (43.90 per cent) and in ICICI (43.90 per cent) are having the account for a period of 2 – 4 years.
- It shows that out of each 98 respondents, majority of the respondents in SBI (67.30 per cent) and in ICICI (71.40 per cent) are having savings bank account.
- The analysis reveals that out of each 98 respondents, majority of them (42.90 per cent) in SBI and (36.70 per cent) in ICICI are approaching their bank once in a month only.
- The analysis explores that out of each 98 respondents, majority of them (49.00 per cent) in SBI and (46.90 per cent) in ICICI are thought that bank should give much importance only to their customers rather than others.
- It is elucidated that out of each 98 respondents, majority of the respondents (53.10 per cent) in SBI and (43.90 per cent) in ICICI considers that the CSR activity is important by every bank at the stage of medium level.
- The analysis shows that out of each 98 respondents, majority of them (19.40 per cent) in SBI and (21.40 per cent) in ICICI are availing the knowledge of CSR only because of the Bank employees who are solely responsible for their success.

Result of two independent sample t-test

- It is inferred that the overall opinion of customers of SBI and ICICI about CSR of banks do not differ significantly.



1.8 SUGGESTIONS OF THE STUDY

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

- It is elucidated that out of each 98 respondents, majority of the respondents (53.10 per cent) in SBI and (43.90 per cent) in ICICI considers that the CSR activity is important by every bank at the stage of medium level only. Therefore, bank should undertake primitive measures to create in the mind of the customers how important the CSR activity is for every bank.
- the researcher suggested that the banks should maintain a well working relationship with their customers that will lead to improve their reputation.

1.9 CONCLUSION

CSR has become necessary for organizational health and wealth. It plays a role of supporter and facilitator in the journey that enterprises undertake to reach the peak along with highest ethical standards. It will help banks in their endeavors in serving the cause of society. It will also help the banks in evolving a suitable mechanism for implementing the CSR programmes and keep a close watch on their effects. The Various form of business organization was under took second part of CSR. Good CSR practices are essential for sustainable business. It generates long-term value to all its shareholders and other stakeholders. Even Private organization is only constructing the profit motive. So the private sector is voluntarily initiating the CSR.

1.10 REFERNCES

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