

Perceptions Of Customers Towards Csr Of Public And Private Sector Banks : A Comparative Study

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1. INTRODUCTION

The filed of corporate social responsibility (CSR) has been exponentially in the last decade. Nevertheless there remains protected deate about the legitimacy and value of corporate response to CSR concerns. Corporate Social Responsibility is the mechanism through which the corporate organizations have executed their philanthropic visions for social welfare. It is an effective method of generating long-term competitive profit and creating lasting value for both stakeholders and shareholders. “Corporate Social Responsibility” is particularly popular in the finance sector, which was not as badly affected by the financial crisis as other developed economies. In recent years, a growing number of firms throughout the world have begun to promote their Corporate Social Responsibility policies in response to increased demand from consumers, the public, and investors who expect them to operate responsibly and sustainably. However, the specific concept of CSR is ambiguous, and its applicability varies by industry. Bankers includes social and environmental added value to their business operations and actions by implementing various financial initiatives such as microcredit and microfinance schemes, ethical, social and environmental funds, low-income banking, and removal of barriers to credit access In this way, banks and financial organizations adopts CSR practices that is claimed to be beneficial for society and sustainable economic development.

OBJECTIVES OF THE STUDY

The following are the objective of this research work

1. To analyse the level of perception of customers towards CSR of banks in Virudhunagar District.
2. To compare the perception of customers towards CSR practices of public and private sector banks in Virudhunagar District
3. To offer suitable suggestions based on the findings of the study.

HYPOTHESES OF THE STUDY

In order to achieve the objectives of the study, the following hypotheses have been framed

H1: There is no relationship between socio economic profile of the customers and their level of peception towards CSR of public sector banks

H2: There is no relationship between socio economic profile of the customers and their level of peception towards CSR of private sector banks

2. METHODOLOGY

This study is based on both primary and secondary data. Primary data were collected from customers of public and private sector commercial banks. The required secondary data collected from government reports, journals, books, bank records and websites.

SAMPLE DESIGN

The bank customers are large in number and it is not feasible to collect the data from all the bank customers in the study area. Therefore, it is decided to apply sampling technique to collect the data from customers. www.surveystem.com used for identifying the sample size. According to this website, 384 are identified as a appropriate sample size. The researcher collected data from 192 public sector bank customers and 192 private sector bank customer in by adopting judgement sampling method.

PERCEPTIONS OF CUSTOMERS TOWARDS THE CSR ACTIVITES OF BANKS

The view of customers on the services of the banks may differ from person to person. The level of perception of the customers is meant to indicate the extent to which the CSR activities have done by the banks.

Public sector banks

The resercher collected data regarding peception towards CSR, which constituted of 37 statements. While Confirmatory Factor Analysis (CFA)13, statements got deleted because of low factor loadings. Remaining 24 statements are taken into further analysis. The researcher has given score values for all the statements. The total score values are $(5+4+3+2+1 = 15)$. The average score value is $15/5 = 3$. Therefore, the total expectation value is $(24 \times 3) 72$. In analytical purpose, the researcher has classified into two levels that is strong perception and poor perception

- ❖ 72 and Above = Strong
- ❖ Below 72 = Poor

Table 1 represents the level of customers perception towards CSR of public sector banks

Table 1
 Level of Perception – Public sector banks

S.No	Level of Perception	Public Sector Banks	
		No of Respondents	Percentage
1	Poor	22	11.46
2	Strong	170	88.54
Total		192	100.00

Source: Computed Data

In public sector banks, out of 192 respondents, 22 (11.46 per cent) customers have poor perception on CSR activities to customers and the remaining 170 (88.54 per cent) respondents have strong perception on CSR activities to customers.

Socio Economic Profile of the Customer and their level of perception towards CSR of public sector banks

In order to analyse the relationship between the socio economic profile of the customers such as gender, age, place of residence, educational status and monthly income and their level of perception of CSR of banks, the researcher has applied Chi square test with the help of SPSS

There is no relationship between socio economic profile of the customers and their level of peception towards CSR of public sector banks

Table 2
 Result of hypothesis: Socio economic profile and their level of perception towards public sector banks

Particulars		Public Sector Banks			
		Value	Df	Sig	Remarks
Gender	Level of perception	7.841	1	0.005	Rejected
Age		7.495	4	0.112	Accepted
Place of residence		2.686	2	0.261	Accepted
Educational status		0.056	1	0.812	Accepted
Employment status		1.696	1	0.193	Accepted
Monthly income		9.778	5	0.082	Accepted

Source: Computed Data

From the Table 2, it is found that in public sector banks, there is a significant relation between gender of the respondents and their level of perception of CSR activities to customers. But for remaining all other socio economic profiles, which are insignificant with level of perception of CSR of banks.

Private sector banks

The resercher collected data regarding peception towards CSR, which constituted of 37 statements. While Confirmatory Factor Analysis (CFA)17, statements got deleted because of low factor loadings. Remaining 20 statements are taken into further analysis. The researcher has given score values for all the statements. The total score values are (5+4+3+2+1 = 15). The average score value is $15/5 = 3$. Therefore, the total expectation value is (20 x 3) 60. In analytical purpose, the researcher has classified into two levels that is strong perception and poor perception

- ❖ 60 and Above = Strong
- ❖ Below 60 = Poor

Table 2 represents the level of customers perception towards CSR of private sector banks

Table 3
 Level of Perception – Private sector banks

S.No	Level of Perception	No of Respondents	Percentage
1	Poor	18	9.37
2	Strong	174	90.63
Total		192	100.00

Source: Computed Data

From the above Table it is observed that out of 193 respondents, 18 (9.37%) customers have poor perception of CSR of banks and the rest of 174 (90.63%) customer have strong perception of CSR banks.

Socio Economic Profile of the Customer and their level of perception towards CSR of private sector banks

In order to analyse the relationship between the socio economic profile of the customers such as gender, age, place of residence, educational status and monthly income and their level of perception of CSR of banks, the researcher has applied Chi square test with the help of SPSS

“There is no relationship between socio economic profile of the customers and their level of peception towards CSR of private sector banks”

Table 4

Result of hypothesis: Socio economic profile and their level of perception towards private sector banks

Particulars		Private Sector Banks			
		Value	Df	Sig	Remarks
Gender	Level of perception	0.085	1	0.771	Accepted
Age		1.257	4	0.869	Accepted
Place of residence		1.513	2	0.469	Accepted
Educational status		0.309	1	0.578	Accepted
Employment status		0.221	1	0.638	Accepted
Monthly income		1.706	4	0.790	Accepted

Source: Computed Data

From the Table, 4 it is noted that all the hypothesis significant values are more than the acceptable value of 0.050. It indicates that the framed null hypotheses are accepted. Therefore it is concluded that there is no significant relation between socio economic profile of the respondents and their level of perception of CSR activities to customers.

COMPARISON BETWEEN CUSTOMERS PERCEPTION TOWARDS CSR OF PUBLIC AND PRIVATE SECTOR BANKS

The comparison of customers perception towards CSR of public and private sector banks in Virudhunagar District, Chi quate test has been ussed

Level of perception

Table 5 shows the level of peception of customers towards CSR of public and private sector banks in Virudhunagar District

Table 5

Level of Perception

S.No	Level of Perception	Public Sector Banks		Private sector banks	
		No of Respondents	Percentage	No of Respondents	Percentage
1	Poor	22	11.46	18	9.37
2	Strong	170	88.54	174	90.63
Total		192	100.00	192	100.00

Source: Computed data

In comparative point of view both private and public sector bank customers have stong perception regarding CSR of concerned banks.

SOCIO ECONOMIC PROFILE AND LEVEL OF PERCEPTION

Table 6 shows how the socio economic profit of the customers have the relationship with the perception of customers towards CSR of public and private sector bank.

Table 6
 Socio economic profile and level of perception

Particulars	Public Sector Banks				Private sector banks			
	Value	Df	Sig	Remarks	Value	Df	Sig	Remarks
Gender	7.841	1	0.005	Rejected	0.085	1	0.771	Accepted
Age	7.495	4	0.112	Accepted	1.257	4	0.869	Accepted
Place of residence	2.686	2	0.261	Accepted	1.513	2	0.469	Accepted
Educational status	0.056	1	0.812	Accepted	0.309	1	0.578	Accepted
Employment status	1.696	1	0.193	Accepted	0.221	1	0.638	Accepted
Monthly income	9.778	5	0.082	Accepted	1.706	4	0.790	Accepted

Source: Computed data

In comparative point of view in public sector banks, there is a relationship between gender of the respondents and their level of perception towards CSR of banks, but in private sector bank there is no relationship between between gender of the respondents and their level of perception towards CSR of bank. All other hypotheses results are same in both the sector of banks.

FINDINGS

Important find of the study is given here

- ❖ 170 (88.54 per cent) respondents have strong perception on CSR of public sector banks.
- ❖ 174 (90.63%) customer have strong perception of CSR of private sector banks.
- ❖ In comparative point of view both private and public sector bank customers have strong perception regarding CSR of concerned banks.
- ❖ In public sector banks, there is a significant relation between gender of the respondents and their level of perception of CSR activities to customers. But for remaining all other socio economic profiles, which are insignificant with level of perception of CSR of banks.
- ❖ Under private sector banks, all the hypothesis significant values are more than the acceptable value of 0.050. It indicates that the framed null hypotheses are accepted. Therefore it is concluded that there is no significant relation between socio economic profile of the respondents and their level of perception of CSR activities to customers
- ❖ Comparative point of view in public sector banks, there is a relationship between gender of the respondents and their level of perception towards CSR of banks, but in private sector bank there is no relationship between between gender of the respondents and their level of perception towards CSR of bank. All other hypotheses results are same in both the sector of banks

3. CONCLUSION

As most of the customers have strong perception towards CSR of banks in the study area, it is suggested to continue the practice followed by now and find means to improve the present state of CSR practices in continuous manner. While comparing the public and private sector banks regarding the CSR activities, private sector banks are little better than public sector banks. Therefore it is also suggested that the public sector banks concentrate more on customer oriented CSR practices and involve them also in the CSR practices of the banks. Further both sectors banks are advised to popularise the CSR activities among the public.

4. REFERENCES

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