

# A Private Bank Involvement in CSR with Special Reference to ICICI Bank

Mr.V.P.Vignesh Kumar<sup>1</sup>, Mrs.P.Bala Subbulakshmi<sup>2</sup>

Associate Professor / Research Scholar

Department of Management Studies, PSN College of Engineering and Technology  
Tirunelveli, Tamilnadu, India

## Abstract:

*In India the banking sector plays a very dominant role in the development of the economy. The banking sector can be separated into private sector banks and public sector banks. In this paper a study. It is piloted on ICICI Bank which is one of the big players of private sector bank. Apart from the basic banking services the ICICI bank is also indulged in taking CSR initiatives towards the benefit of society. CSR is a term which means Corporate Social Responsibility can be elucidated as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”. CSR is fair not the charity it is additional to that. In this paper the data of ICICI Bank for the five years is taken and deliberate. An increase in the involvement is seen by the bank as the year permits. The study stabs to through the light on different CSR initiatives accompanied by ICICI Bank in the recent time.*

**Key words:** CSR, CSR initiatives, CSR Spending Ratings.

## I. INTRODUCTION

Within the world of business, the main “responsibility” for corporations has historically been to make money and increase shareholder value. In other words, corporate financial responsibility has been the sole bottom line driving force. However, in the last decade, a movement defining broader corporate responsibilities for the environment, for local communities, for working conditions, and for ethical practices has gathered momentum and taken hold. This new driving force is known as corporate social responsibility (CSR). CSR is oftentimes also described as the corporate “triple bottom line” the totality of the corporation’s financial, social, and environmental performance in conducting its business. Corporate social responsibility is the commitment of business to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development. Just as business has certain expectation on society, the society also has a right to expect business to behave in responsible manner and to assume certain

social obligations. The social role of business is rooted in its economic role. In the business community, CSR is alternatively referred to as “corporate citizenship,” which essentially means that a company should be a “good neighbor” within its host community.

## II. ECONOMIC VS. SOCIAL

It is argued that economic goals and social responsibility of business are compatible to each Other, in fact they reinforce each other. The economic goals of business enterprise have great social relevance. They contribute directly and indirectly to social welfare and development. As economic organs of society, business enterprises are socially responsible to pursue their economic goals to the optimum extent by meeting the material needs of society. Even profit, which is a basic economic goal, has a big social role as a stimulant for human effort and initiative, as a reward for risk-taking, as a resource for growth, as a sign of sound corporate health and efficiency, and so on. It is an overall measure of how an enterprise contributes to society through its economic functions. Thus economic goals of business have built-in social purposes. They are in fact means to the social ends of welfare and public interest. After all business enterprises which are able to pursue their economic goals well, impact their capability for assumption of social responsibility.

## III. REVIEW OF LITERATURE

The basic necessity of any study is to find out the issues that had been taken by the past researchers. The findings in these studies will make the feasible opening of theoretical background that is need s for any fundamental research. The present literature collected, serves many varied interesting features, which forms the vital background for the study under consideration.

“A Comparative Study of Corporate Social Responsibility Initiatives Taken By Select Public and Private Sector Banks” 2016. The main purpose of the study is to analyze the corporate social responsibility (CSR) activities carried out by select Public and Private sector banks to connect emotionally with their customers in 2014 - 15. Given the obvious role that emotions play in work and everyday lives, now even banking sector has realized it but the researchers has given no importance to the topic till date in retail

banking sector.

Corporate Social Responsibility: A Check on Indian Banks for Responsible Investment  
Corporate social responsibility (CSR) is widely used concept these days, especially after companies' bill 2015. But CSR activities and its strategic values in policy formulation for an industry may differ from another industry. Even the importance of integral components of CSR is different for every industry and this is the reason that one industry feel more responsible for environmental issues while other industry feel like to invest in social issues

Namrata Singh & Rajlaxmi Srivastava (2014), "A Road Way to Corporate Social Responsibility: A Case Study of ICICI Bank", the present study elucidates the basic banking services the ICICI bank is also indulged in taking CSR initiatives towards the benefit of society. The data of ICICI Bank for the five years is taken and studied. An increase in the contribution is seen by the bank as the year passess. The study tries to through the light on different CSR initiatives conducted by ICICI Bank in the recent years.

Megha Mehta (2014) "the corporate social responsibility adopted by ICICI bank" the present study focuses particularly on ICICI bank and it explores the three layers of CSR activities for ICICI Bank, are primary or elementary education, health at birth and microfinance. While primary education connects the poor and the uneducated to the larger economy, activities in health and micro-finance have a direct link with the bank. The practice of carrying out the responsibility for the general population not only enhances the governance of the bank but also eases out attraction and retention of employees and customers.

Jones Brian (2009) "Corporate irresponsibility and corporate social responsibility: competing realities" the present paper explored and explained corporate social responsibility (CSR) as a theoretical construct that has implications and consequences for corporate governance in particular, and more generally for the economy, business and society.

Ventura and Vieira (2007) "Social responsibility as a displacement of capitalism: evidences from banks in Brazil" the present study to understand the dynamics of institutionalizing corporate social responsibility in the field of Banking Organizations in Brazil and found that from being an Isolated marginal action, CSR in the past ten years is now a structured action in banking organizations.

Marshall Judi (2007) "The gendering of leadership in corporate social responsibility"

reviewed the potential gendering of leadership in the emerging field of corporate social responsibility (CSR). It explores whose voices are becoming dominant, how leaders speak, and what forms men's and women's leadership takes.

#### IV. OBJECTIVES OF THE STUDY

The Present study aims to evaluate the different dimensions of Corporate Social Responsibility With respect to ICICI bank:

- To know the CSR initiatives done by the ICICI bank.
- To identify the rating of ICICI for CSR activities by comparing top five banks.

#### V. RESEARCH METHODOLOGY

Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type. Keeping in view of the set objectives, this research design was adopted to have greater accuracy and in depth analysis of the research study. Available secondary data was extensively used for the study. The investigator procures the required data through secondary survey method. Different news articles, Books and Web were used which were enumerated and recorded.

#### VI. CSR INITIATIVES OF ICICI BANK

##### A. Primary Health

The project titled 'Strengthening Convergent Action for Reducing Child Under nutrition' project at Baran, Rajasthan, aims to improve the nutritional status of 0-6 year olds through a three-pronged, comprehensive approach of preventing and managing under nutrition and the treatment of severe under nutrition. The project has been launched on a pilot basis in 253 Anganwadi Centres (AWCs) of Shahabad and Kishanganj blocks in Baran district and will subsequently be scaled across the district. The initiative aims to work with and strengthen the delivery of services in the Integrated Child Development Services with a focus on supplementary nutrition, growth monitoring, referrals, health and nutrition education and health checkups, as appropriate, for adolescent girls, pregnant and nursing mothers, 0-3 year olds and 3-6 year olds. The project is expected to be a demonstration intended to derive learning for scaling-up interventions to address the huge problem of under nutrition in India.

##### B. Elementary Education

The project titled 'School teacher and student education reform programme in Rajasthan'. In the area of elementary education, we work to improve the quality of schooling processes and outcomes in the public education system in India. After working in systemic curriculum and education reform through ICICI Bank for over a decade, ICICI Foundation has taken its dedication to achieving quality elementary education to the state level in

Rajasthan. ICICI Foundation has helped form a state-level teacher educator group comprising SIERT faculty, select DIET faculty, select block-level functionaries, schoolteachers and external resource persons from NGOs and universities. This group is divided into four sections to work on pre-service reform, in-service reform, curriculum and textbook development, and district and block-level support.

ICICI Foundation's collaboration with the Government of Rajasthan began in 2007, when ICICI Foundation began working on the Quality Education Programme (QEP) in Baran district, in partnership with two in-state NGOs, Digantar and Vidya Bhawan Educational Resource Centre. ICICI Foundation was involved in facilitating support to the programme toward improving classroom practices and providing a comprehensive model of teacher support across the district. The lessons and achievements from this programme encouraged the Government of Rajasthan and ICICI Foundation to carry forward their work at the state level for

Another six years.

#### **C. Skill Development & Sustainable Livelihoods**

India has an urgent need to create employment opportunities for those below the poverty line. The Foundation's first steps in its sustainable livelihood initiative will be to strengthen two Rural Self-Employment Training Institutes (RSETIs) in Udaipur and Jodhpur, run by ICICI Bank. ICICI Foundation will work to upgrade the infrastructure at the RSETIs, facilitate the recruitment of required staff, spread awareness about the work of these institutes amongst the community and introduce new training courses. Through this work, ICICI Foundation aims to promote not only general employment, but self-employment and micro-ventures as well.

Towards this objective, ICICI Foundation is focusing on the following strategic elements for creating successful employment programmes:

#### **D. Skill and Competency Development**

ICICI Foundation offers training programmes that are culturally relevant and locally in demand, have low input cost and high returns, and are self-sustainable. Such courses include beautician training, mobile phone repairing, tailoring, cattle breeding and vermin composting, as well as support to youth in building their own ventures.

Sustainability: ICICI Foundation is working to put in a place a mechanism for facilitating job placement through industry linkages, support structures for candidates starting their own ventures and regular follow-up with those who have completed their training. Students are guided in

technical skills and in understanding how to finance their own start-ups.

#### **E. ICICI Academy for Skills**

The ICICI Group has always been committed to playing a role in nation building. The initiative of ICICI Academy for Skills focuses on imparting vocational skills to the youth and creating a direct impact by enabling livelihood. The Academy is targeting youth between the ages of 18 to 26 at two levels:

- Youth who drop out of the formal education system after Class X
- Youth who have recently completed graduation

ICICI banks offering vocational trainings to both these sets of people, keeping in mind their background, education and aspirations. The courses currently offered are Selling Skills, Office Administration and Web Designing for graduates and undergraduates; Electrical & Home Appliance Repair, Refrigeration & AC Repair and Pumps & Motor Repair for Class X educated youth. ICICI Foundation will build a capacity to skill about 5,000 youth across the six skills in the first year of operation. The delivery architecture will contain a mix of both residential and non-residential training centres spanning locations, which will include Jaipur, Pune, Bangalore, Chennai, Hyderabad, Sangli and Coimbatore. The duration of the training programmes will be of around 8-12 weeks. The model is proposed to scale year on year. The academy aims to train 15,000 youth across the country by the year 2016 and will be further scaled up thereby increasing its reach and impact across the country.

#### **F. Financial Inclusion**

The project titled Universal Access to Finance. In the area of access to finance, our goal is to ensure universal financial inclusion. Over the last decade, ICICI Group has had a significant impact on virtually every aspect of India's expansion in access to finance, including:

#### **G. Channel and Technology Architecture**

This is perhaps the area in which ICICI Group has had the most impact, virtually changing the entire financial inclusion landscape within the country. By introducing new models to deliver rural and micro credit, promoting the SHG-Bank Linkage, steering the introduction of Business Correspondents in India, and supporting organisations like FINO and Micro Save, ICICI Bank has provided considerable leadership and technical expertise to enable financial inclusion.

#### **H. Training, Research and Policy Advocacy**

ICICI Bank is conscious that for mainstream financial institutions, working in rural India and with poor households is relatively uncharted territory. It

has tried to base its growth strategies on sound evidence on what works at the household and local economy levels. In order to catalyze high quality work in the areas of training, research and policy advocacy, it supports and works closely with centers that research issues related to access to finance.

**I. Effective and Affordable Risk Management Solutions**

ICICI Lombard General Insurance Company launched India’s first index-based insurance to protect farmers from weather-related risks. Through a transparent and easy to administer rainfall- index, ICICI Lombard General Insurance Company reduced transaction costs, enabled quick payouts and made insurance and its benefits more accessible to small and marginal farmers.

**J. Outpatient Healthcare Project On The RSBY Card**

ICICI Foundation’s flagship healthcare programme – the Outpatient Healthcare Pilot is a unique programme that rides on the existing Government of India’s inpatient healthcare platform the Rashtriya Swasthya Bima Yojana. The pilot seeks to strengthen the delivery of outpatient healthcare at public healthcare facilities and involve private players to further improve the healthcare accessibility for BPL households in the Districts of Puri, Odisha and Mehsana, Gujarat.

**K. Rating Of Icici With Respect To Csr Spending**

Five banks are chosen based on the CSR performance for past 5 years. the overall raking is out of 40. Here the rating is classified into lending rate, interest rate, rural banking rate and mouth shut.com (which gives information about consumers)

**Table 1**

BANK	CSR spending Rating	Priority sector lending rating	Interest Rate Ratings	Rural Branch Rating	Mouth Shut.com Rating	Overall Ranking Out of 40
AXIS	7	7	7	5	3	29
HDFC	6	10	7	4	4	31
ICICI	10	6	7	6	3	32
Kotak	4	9	7	5	2	27
SBI	4	7	7	10	5	33

According to this above information it shows that ICICI plays 32 in overall ranking for this rating, 10 in CSR spending rate, 6 in priority sector lending rate, 7 in interest rate ratings, 6 in rural branch rating respectively.

**Table 2**

BANK	CSR Spending (Cr)	Customer Base (No of Br)	Interest Rates (%)	Priority sector lending (%)	Rural Branch Expansion (No of Br)
AXIS	42.42	2225	9	28.56	133
HDFC	39.01	3251	9	32.68	177
ICICI	116.5	3611	9	23.37	285
Kotak	4.08	525	9	31.47	33
SBI	123.27	17000+	9	28.84	5250

From the table 2, the CSR spending is 116.5 Crores in ICICI bank.

**Table 3**

BANK	Priority sector lending (%)	Priority sector lending rating	Rural Branch Expansion/Total Banks	Rural Branch Rating
AXIS	28.56	7	6%	5
HDFC	32.68	10	5.4%	4
ICICI	23.37	6	7.9%	6
Kotak	31.47	9	6.3%	5
SBI	28.84	7	30.9%	10

From the table 3, rural branch expansion rate is 7.9% and rural branch rating 6, it denotes that ICICI take importance for the rural development of the country.

**L. Limits To Social Obligation Of Bank**

Even we do not attach much to the arguments against social responsibility, it would be wise for corporate management to clearly recognize the inevitable constraints and limits in the pursuit of the objectives of social responsibility. These constraints are several: It is pointed out that a bank should safeguard and ensure its profitability and viability while assuming social responsibility. A losing or a financially unsound enterprise cannot be expected to assume unbearable burden of social responsibility. It does not mean, however, that such an enterprise should be allowed to behave in a socially irresponsible manner. There is need to balance economic viability and social responsibility. A socially responsible behavior should not prove to be economically suicidal. Corporate management should confine itself to its areas of competence while pursuing social responsibility goals. If it operates in areas of social action programmes with which it is not familiar and in which it cannot make use make of distinct competence, serious adverse and



dysfunctional results will follow. There is the constraint of lack of authority and legitimacy of corporate management in some social areas. Corporate interference in social areas in which it has no authority amounts to usurpation of authority and corporate imperialism. Bank is only a creature authority, servant and organ of society. An unlimited social responsibility may lead to unlimited corporate authority over society which is unacceptable to society. Corporate management should not seek to substitute its authority for the authority of government and other appropriate institutions.

## VII. CONCLUSION

Banking sector is highly contributing towards the Corporate Social Responsibilities for the benefit of society along with their basic banking services, ICICI is a emerging private sector bank which is stepping positively towards the social banking apart from earning the profit, ICICI is increasing their amount of expenditure as the year possess, by seeing its contribution in the year 2017-18. We can say that this Bank can give a tough competition to other private sector banks. The Bank must try to increase the amount of expenditure in the future which will shows a positive attitude by the banking sector. The concept of CSR is now turning in to the act in the year 2013, supported by the government. Banks can play an important role in the growth of nation's economy ,when the people get additional support in the form of different social

programmes then their standard of living will raise and it help in making a developed nation. The banks must focus on making the people aware about what they are doing for them so that they can get the benefit from such CSR initiatives. The Banks work for their profit along with contributing towards the society because corporate social responsibility is just not the charity but a practical implementation of ethical ideas towards the society.

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