



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Social Initiatives in ICICI Bank

Dr. Lalita Parihar

Department Of Business Administration
Government College, Jodhpur

Introduction

ICICI Bank is an Indian multinational bank. It offers a wide range of banking products and financial services to corporate and retail customer through a variety of retail customer through a variety of delivery channels and through its specialized subsidiaries in the areas of investment and banking life and non-life insurance, venture capital and asset management.

According to Friedman(2006) " 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, which is to say, engages in open and free competition without deception or fraud" in contrast to Friedman's statement Robbins and Coulter (2007) explained that the management's social responsibility goes beyond making profit to include protecting and improving social's welfare of its stakeholders and the environment in which the firm carries out its operations. This statement is based on the belief that corporations are not independent entities responsible only to stakeholders. They also have the responsibility to the society that allow their formation through various laws and regulations and support them through purchasing their products and services (Carroll, 2008). Zain (2008) extending the Carroll's statement said that ethical standards play an important role in a firm's success in the long-run. The social responsibility standards and moral activities by a firm can create a positive report between the firm and all its stakeholders.

In the late 1960s and early 1970s the term "corporate social responsibility or CSR" came into common use. Holmes and Watts (1999) defined CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life the workforce and their families as well as of the local community and society at large. Some researchers argue that corporations make more long term profits by operating with a CSR perspective, while others argue that CSR distracts from the economic role of businesses. However, Matten & Crane (2005) emphasized that the firms will experience divergent degrees of internal, external, and lateral pressures to engage in CSR, as firm are embedded in different national business systems.

Recently the CSR has gained much attention in the corporate world. As explained by Hertz (2012), earlier it was a form of capitalism that put much more emphasis on what we owned, on whether we had a Gucci handbag for example, than on things like the quality of our environment, the quality of the air we breathe, the kind of healthcare we have, what makes us content and happy she called it Gucci capitalism and predicted that the gradual demise of Gucci capitalisms will be followed by a new era of responsible capitalism called Co-opt capitalism. The idea of Co-opt capitalism is that the community matters over individual and co-operation matters over competition.

Regarding the banking sector Bhatt (2008) stated that banks do not exist in a vacuum. They make a large contribution to the country's GDP growth meet the demand of the growing middle class, contribute to infrastructure spending, and reach out to the semi-urban and rural areas. The Reserve Bank of India (RBI) (2011) on stressing the need for CSR, suggested the banks to pay special attention towards integration of social and environmental concerns in their business operations to achieve

sustainable development. RBI also pointed out to start non financial reporting (NFR) by the banks which will cover the work done by the banks towards the social, economic and environmental betterment of society, The CSR in Indian Banking Sector is aimed towards addressing the financial inclusion, providing financial services to the unbanked or untapped areas of the country, by focusing on the activities like poverty, eradication health and medical care, rural area development self employment training and financial literacy trainings, infrastructure development, education, and environmental protection etc. ICICI Bank has to play a very important role in the future banking scenario, not in a traditional way, but in the way the regulators expect the sector to function .In all areas of functioning will go a long way in strengthening the fabric of the sector. It therefore necessary that ICICI Bank have to practice CSR on a continuous basis to remain as vibrant banking institution and play the role effectively, especially in the area of financial inclusion and micro level credit dispensation.

Objective of the study

The objectives of the study are:

1. To find out the relevance of practicing CSR in ICICI Bank
2. To find out the major social initiatives in ICICI Bank.

Hypotheses

1. ICICI Bank fulfills its CSR in various social initiatives.

Research Methodology -

The researcher made an attempt to study and find out the major social initiatives in ICICI Bank. The study has been descriptive and analytical in nature based on survey method. The Primary data has been collected from different type customers (salaries and businessman) in relation to various parameters adopted by the banks for the CSR for the assessment of the level of customer's satisfaction. Directors, managers and other bank officers were also interviewed to find out the extend of practice of CSR in the bank. A suitable questionnaire had designed and administered for collecting responses from the customers. A sum of 50 respondents, across 5 branches from Jodhpur has been selected for the purpose of the study the primary data collected from the respondents of ICICI Bank was analyzed.

Relevance of CSR in ICICI Bank

Bank is a corporate body or an institution which accepts surplus funds of money from the general public and lends this money to persons for various purposes. The bank allows interest on funds kept with it by depositors and charges interest from persons who borrow money from the bank besides accepting deposits and lending money, the bank renders a number of other services known as subsidiary or ancillary services like remittance of funds from one place to another, providing safe deposits, lockers, working as an agent for the customer. CSR covers a variety of aspects such as protection of shareholders right, enhancing the shareholder's value, increasing profitability, promoting company image, reducing costs and customer loyalty the disclosure requirements prescribing the accounting systems putting in place.

ICICI Banks being part of the Indian banking industries. ICICI Bank's acquisition of bank of Madura limited in an all-stock amalgamation in fiscal 2001 and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955 at the initiative of the world bank, the government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term project financing to Indian businesses. CSR is very much applicable to ICICI Banks also since there are considered as corporate entities. CSR in banks including ICICI Bank is mainly about how banks must set corporate objectives including generating economic returns for the owners, run day to day operations of business, balance the interests of all the stakeholders with highest priority and emphasis on protecting the interest of depositors and align corporate activities and behaviors with the expectation that the bank will operate in a safe and sound manner and in compliance with applicable laws and regulations.

The CSR is most relevant today for ICICI Bank due to many factors like:-

- 1) Intense competition from other public and private sector banks and foreign banks is constantly increasing.
- 2) Risks are many fold in today's technology oriented and customer driven banking which are posing greater challenges to ICICI Bank.
- 3) Competitive edge of ICICI Bank is on the decline due to open market banking in globalised atmosphere.
- 4) ICICI bank is a Private sector Bank and its Success depend upon the role and contribution of several of the society, like investors, employee and customers etc.
- 5) ICICI Bank Contribute towards development of the county and hence the concept of CSR applies in ICICI Bank
- 6) CSR In ICICI Bank crates a positive image among the people and earns a special respect amongst its peers.
- 7) Active involvement in CSR activities builds a positive reputation with stakeholders in the ICICI bank.
- 8) CSR in ICICI Bank focuses on need to regulate corporate to reduce the chances of fraud financial statement and to create value to the stakeholder
- 9) CSR in ICICI Bank enhances corporate growth and ultimately gains the long term profit.
- 10) The Corporate social responsibility (CSR) is proving to be a marketing tool. It is being used as marketing tool for voluntary disclosure of the social welfare to the various stakeholders and to develop a social brand image for ICICI Bank.

The above factors are not exhaustive but indicative, which are posing multiple challenges for their existence, survival growth and prosperity. Among many measures, adoption of CSR can enable the ICICI Bank to bring success in its working.

CSR in ICICI Bank

A conscious society today has increasing appetite for the socially responsible investments made by organization. Business groups have now realized that in the global and highly competitive market place success rests on the firm's ability sustain its growth through inclusion of multiple stakeholders (Robbins & amp. 2006)

ICICI Bank as a responsible corporate citizen has been fulfilling its social responsibilities from time to time. Various CSR initiatives undertaken by ICICI Bank have benefited. A large population of India in way of education health, medical, women welfare, upliftment of poor through many loan schemes.

ICICI Bank mission is "we will promote inclusive growth in India through focused initiatives in the identified areas including primary health care, elementary education skill development and sustainable livelihoods and financial inclusion." Thus the Bank's CSR activities have taken three broad strategic directions: CSR through commercial activities, CSR in partnership with civil society and CSR through ICICI Foundation for Inclusion Growth.

Primary Health Program

ICICI foundation has been launched the project titled " Strengthening Convergent Action for Redacting Child Under Nutrition" its aims in delivery of services in the Integrated child development.(ICD) service with a focus on supplementary nutrition, growth monitoring, referrals, heath and nursing mothers 0-3 years and 3-6 years old.

The project has been developed after analyzing the situation on child health and nutrition in detailed consultations with the state and district officials who have identified improving ICSD service delivery and generating community awareness on child health and nutrition as a priority the project is expected to be a demonstration intended to derive learning for scaling up intervention to address the huge problem of under nutrition in India.

Elementary Education Program

ICICI foundation has taken its dedication to achieving quality elementary education in government school ICICI foundation has helped from a state level teacher educator group comprising SIERT (State Institute of education research and Training) faculty, select DIET (District Institutes of education and Training) faculty, select block level functionaries school teachers and external resource persons from NGO and universities ICICI foundation was involved in facilitating support to the programmer toward improving classroom practices and providing a comprehensive model of teacher support across the district.

Skill Development & Sustainable Livelihood

ICICI foundation's first step in its sustainable livelihood initiatives are to Inaugurated Self Employments Training Instituted (RSETTs) with the active support of state governments. ICICI foundation aims to promote not only general employment but self-employment and micro-ventures as well. Towards this objectives ICICI foundation focusing on the following strategic elements for creating successful employment programmed.

Skill and complementary development - ICICI foundation offers skill training programs are culturally relevant and locally in demand have low input cost and high returns, and are self sustainable. Such courses include beautician training, 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 understanding how to finance their own start-ups.

Financial Inclusion

ICICI Bank has expanding access to financial services. ICICI Bank has introducing new models to deliver rural and micro credit. ICICI Bank has provided considerable leadership and technical expertise to enable financial inclusion.

ICICI Bank working in rural media 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 catalyses high quality work in the areas of training, research and policy advocacy, it support and works closely with centers that research issues related to access to finance.

ICICI Bank and other ICICI group of companies have designed and are taking to scale a number of product including health insurance, working capital facilities for agricultural traders, credit to low – income households through the banking correspondent modal.

Findings

- It has been found that ICICI Bank practice many CSR initiatives with respect to corporate mission and goals, transparency and effective board of directors.
- It has been found that ICICI Bank used to operate with the sole objective of earning profits. But over the years the bank entity has become not only our most important economic institution have become a major source of power and influence and community has become conscious towards the role of ICICI Bank.
- It has been found that many CSR initiatives and programs are taken up in urban areas and localities As a result the impact of such project dose not reach the needy and the poor in the rural area.
- It is been found the ICICI bank performing well related to financial and community development activities throughout the while lowest performance has been shown by ICICI bank in CSR activity. Related to education and health ICICI bank has shown best performance related to skill development.

- It has found that a lack of interest of the local community in participating CSR activities of ICICI banks.
- The ICICI bank have highest contribution in CSR initiatives the analysis's shows that the ICICI bank are making efforts in the CSR areas but still there is a requirement of more emphasis on CSR The ICICI bank have focused for education and Health are not sizeable.
- ICICI bank shall also focus on more important social issue (pollution, wild animal protection project energy saving project, tree plantation) and other problems plaguing the economy.
- The business ethics, value system and code of conduct should be clearly defined and the banks shall take necessary initiative and steps for its proper implementation both at individual and institutional level.
- Effort of the CSR initiatives in ICICI Bank will also motivate other corporate houses to join the league and play an effective role in addressing issues such as access to education, healthcare and livelihood opportunities for a large number of people in India through their CSR.

CONCLUSION

ICICI bank have been taking up social welfare activities from time to time but still there is a requirement of more emphasis on CSR initiatives ICICI bank have focused on the skill development, community welfare and farmer welfare programs but the efforts for women welfare, health and education are sizeable. Banks are usually judged from the point of their financial performance but this study would help in benefits and present situation of various CSR projects of ICICI bank the study will provide innovation ideas in designing new strategies policies and roadmaps. CSR has been a vital component for any organization to have perpetual success and to create brand loyalty.

Following suggestions may be helpful in strengthening CSR in ICICI bank:-

- Banks are beginning to recognize that they have a social responsibility to fulfill as they emerge from the shadow of traditional banking. As per relatively indirect nature of their environmental and social impacts, bank need to examine the effects of their lending and investment decision. Incorporating environmental and social criteria into business decision making can reduce the impacts of operating activities.
- ICICI Bank should make sure that the companies for which they are financing or investing incur the risks that the impacts due to their anti environmental acts create can be legal, financial and reputational and ICICI Bank banks themselves are increasingly accountable the effects their portfolio have in the environment and society, The costs that can be in cured by social issued include:-
 - Pollution, wild animal protection project, energy saving project, tree plantation.
 - Legal Claims
 - Women empowerment through donation of sewing machines for self employment.
 - Better communication between top management and organization
 - Appoint for CSR Position, Good relationship with customer, annual CSR Audit.
- As an important player in the Indian economy the banks realize that its role should intend beyond the commercial sector to include the social sector as well. The group can achieve its mission by supporting initiatives that are:-
 - Cost effective, Measurable
 - Capable of large scale replication and have the potential for both near and long term impact
- ICICI Bank need for creation of awareness about CSR amongst the general public to make CSR initiatives more effective by the media.

REFERENCES

- Mathur B. L. 2008. Banking perspectives and development, Jaipur, Book Enclave.
- Hertz, Noreena. (2012), “Gradual demise of Gucci capitalism to be followed by responsible capitalism”, The Economic Times, 23 January 2012.
- McDonald, L. M. and Rundle –Thiele, S. (2008), “Corporate social Responsibilities and banks customer satisfaction”, International Journal of Bank Marketing, vol.26 (3), pp. 170-182.
- Sharma, Nishi. (2011), “CSR practices and CSR reporting in India banking sector”, International Journal of Advanced Economic and Business Management, Vol.1 (2), pp. 58-66.
- Friedman Milton, (September 13, 1970), “The Social responsibility of Business is to Increase its profits”, The New York Times Magazine, the New York Times Company.
-
- WWW. ICICI BANK. COM
- WWW. Corporate Social Responsibility. Com

