

A Road Way to Corporate Social Responsibility: A Case Study of ICICI Bank

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Abstract: In India the banking sector plays a very important role in the development of the economy. The banking sector can be divided into private sector banks and public sector banks. In this paper a study is conducted 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 explained 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 just not the charity it is additional to that. In this paper 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 time.

Key words: CSR, CSR initiatives, Expenditure, Five year study, ICICI Bank,

I. INTRODUCTION

ICICI Bank is the India’s largest private sector bank with total assets of RS 5367. 95 billion at March 31, 2013 and profit after tax is RS 83.25 billion for the year ended march31, 2013. The bank has a network of 3,588 branches and 11,162 ATMs in India and has a presence in 19 countries, including India ICICI offers a wide range a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the area of investment banking. The vision of this largest private bank is to become a leading institution for the promotion of inclusive growth in India by contributing to the key enablers required for widespread participation in economic opportunities in the country. The mission of this bank is to promote inclusive growth in India through focused initiatives in the identified areas including primary healthcare, elementary education, skill development & sustainable livelihoods and financial inclusion. Along with its basic banking services ICICI is also involved in conducting CSR initiatives for the benefit of society. In 2000, ICICI Banks social initiative group (SIG), a non-profit group was set up within ICICI bank. Main focus on primary health, elementary education and access to finance. .

II. Objective Of The Study

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

- To study the CSR initiatives conducted by the ICICI bank in India.
- To study the amount of expenditure made for CSR in last five years.

III. Methodology

Research methodology is the blue print of the research which is going to be conducted. The Research design in this study is Descriptive research design, the ICICI Bank; a private sector bank is randomly selected for this Study. The data of five years is collected from the annual report of ICICI bank of respective years from bank’s web site and from various journals.

IV. Literature Review

In the United States, CSR has been explained with the term Philanthropic model. European commission :CSR is a voluntarily contribution of companies for a better society and cleaner environment, CSR is a concept in which companies integrate social and environmental factors while operating their business and must be in interaction with their stakeholders.

Michael Hopkins’ Definitions [1]

- With processing the profitability of the institution and stakeholders.

- CSR is Michael said that CSR means treating the institutions or stakeholders ethically or in a responsible manner.
- In his definitions of CSR he had given the importance to the term Stakeholder because they exist both within a firm and outside. According to him the word social includes both the economic and environmental responsibility,
- According to him, the basic aim of corporate social responsibility is to create higher standards of living along explained as a process for achieving the sustainable development towards the society.

According to Mallenbaker, CSR Is the way by which companies reflect a positive impact on society by their business processes. Gray (1987) Emphasizes on the communication of social and environmental actions within the society. [2] According to Wood (1991), talked about social performance of firm, social impact and outcomes of CSR practices [3]. According to Lee (1997) he talked towards the interest of stakeholders along with maximization of economic, social and environmental value. [4]. According to Uhlaner, aspects of CSR is relating to economic, ethical, legal and philanthropic parameters [5.] According to Deniz and Suarez (2005) talked about the differences between classical, socio-economic, philanthropic and modern views relating to CSR. [6]

V. Contribution of ICICI Bank towards the CSR Initiatives with its amount of Expenditure:

The ICICI Bank has made a huge amount of expenditure towards the Corporate Social Responsibility in different ways related to different programmes of education , health , environment and many more are their which is shown in the below tables. The data of five years is taken from the annual report of ICICI Bank from the year 2008 to 2013.

Year 2008-2009

5.1 Disbursements January 4, 2008 To March 31, 2009

GRAND BENEFICIARIES	AMOUNT (IN MILLIONS)
IFIG Programmes: ICICI centre for child health and nutrition	150.00
IFMR finance foundation	200.00
Environmentally sustainable finance	20.00
CSO partners	50.00
Care policy (unit)	5.00
Strategy and advisory group	20.00
ICICI group Corporate Social Responsibility Programmes: Read to lead	25.00
MITRA (ICICI fellow programme)	55.00
CARE (Disaster Management Unit)	5.00
Range De	25.00
Total	555.00

Table no. 1 (source – ICICI annual report 2009) [7]

YEAR 2009-2010

5.2 Disbursements (April 1, 2009 to March 31, 2010)

GRAND BENEFICIARIES	AMOUNT (IN MILLIONS)
ICICI Foundation programmes Elementary Education	
1. Centre for learning resources	1.65
2. Education support Organisation	5.00
3. Eklavya foundation	1.34
4. Pratham	0.34
5. Vidya Bavan society	9.95
Access to Finance	
6. Centre for Micro finance at IFMR	4.00
7. Gujarat Mahila housing seva trust	5.00
Civil society	
8. Centre for communication and development	2.00
9. CSO Partners	2.50
10. Common purpose india	4.50
ICICI Group Corporate Social Responsibility Programmes ICICI Bank	

11. Give India - Read to lead	46.98
ICICI Prudential Life insurance company 12. Dignity foundation – dignity millions	19.70
ICICI Lombard general insurance company 13. Bhavishya Alliance – Healthy lokshakti	1.93
ICICI SECURITIES 14 PARAGON charitable trust for Muktangan School	1.50
15. Door step school	1.50
TOTAL	107.89

Table no. 2 (source – ICICI annual report 2010) [8]

Year 2010-2011

5.3 Disbursements (April 1, 2010 to March 31, 2011)

ICICI Foundation Programmes	AMOUNT Millions
CSO Partners	10
DigantarShikshaEvamKhelkudSamiti	12.28
Tata Institute of Social Sciences	9.56
The America India Foundation Trust	3.00
Eklavya Foundation	6.52
Jana Sanskriti Centre for Theatre of the Oppressed	2.08
Vikramshila Education Resource Society	2.00
Centre for Learning Resources	1.81
Janagraaha Centre for Citizenship and Democracy	1.94
Education Support Organisation	1.63
Save the Children	0.90
Other Grants / Project Expenses	1.10
ICICI Group CSR	
Give India - ICICI Bank Read to Lead Project	26.59
Dignity Foundation	25.00
Bhavishya Alliance	1.61
Give India – Speak for Smiles	7.00
TOTAL	112.93

Table no. 3 (source – ICICI annual report 2011) [9]

Year 2011-2012

5.4 Disbursements (April 1, 2011 to March 31, 2012)

ICICI Group CSR	AMOUNT(MILLIONS)
Sevadham Trust Healthy Lokshakti Project	2.8
Bhavishya Alliance	1.0
Paragon Charitable Trust	1.3
Healthy Lokshakti Project	3.0
TOTAL	75.9

Table no. 4 (source – ICICI annual report 2012)[10]

Year 2012-2013

5.5 Disbursements (April 1, 2012 to March 31, 2013)

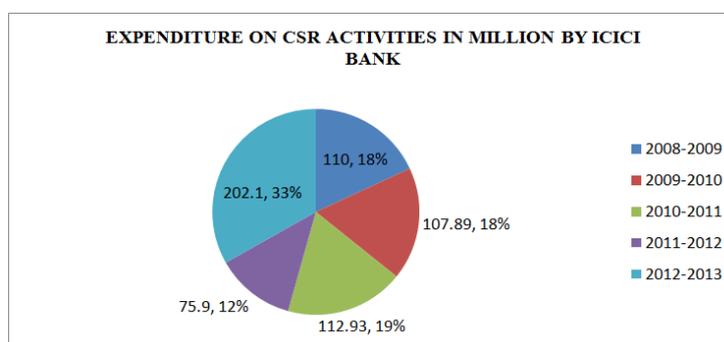
Programme Expenses / Grant Beneficiaries	Amount
A. Elementary Education	
1.Rajasthan Programme Expenses	40.7
2.Chhattisgarh Programme Expenses	6.0
3.Muktangan Education Programme	3.5
4.Other Education Projects	16.0
Sub Total A	66.2
B.Primary Health	
1.Outpatient Healthcare Programme (RSBY)	39.5
2. .Malnutrition Reduction, Baran	13.3
3.Healthy Lokshakti (Promoting Institutional Delivery)	2.5

4.Truckers Programme (Apna Clinic)	7.1
5.Other Health Projects	14.8
Sub Total B	77.2
C. Other Projects	
1.ICICI Fellows Programme	13.9
2.Blood Donation Programme	0.4
3.Joy of Giving Week	4.2
4.Inclusive India Awards (CNBC TV18)	24.7
5.Communications	3.1
6.Magic Bus Foundation (Sports for Development)	4.5
7.Financial Literacy	4.0
8.Sustainable Livelihoods (RSETI)	3.3
9.Others	0.6
Sub Total C	58.7
Total	202.10

Tableno. 5 (source – ICICI annual report 2013)[11]

The summary of all the above tables are written below with the amount of expenditure done on CSR activities in respective years:

YEAR	EXPENDITURE ON CSR ACTIVITIES IN MILLION
2008-2009	110
2009-2010	107.89
2010-2011	112.93
2011-2012	75.9
2012-2013	202.1



Explanation of the pie chart:

In the year 2008-2009, ICICI Bank had spent 110 million towards CSR initiatives which is 18% , in the year 2009-2010 the amount spent were 107.89 million little bit lesser than the early year. In the year 2010-2011 the amount increased to RS 112.93 towards the CSR ,RS 75.9 million spent during 2011-2012 again the expenditure decreased and in the current year 2012-2013 the amount of expenditure increased to RS 202.33 towards CSR activities which is the highest contribution till now.

VI. 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 2013 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 sothat they can get the benefit from such CSR initiatives.

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