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**CORPORATE SOCIAL RESPONSIBILITY (CSR):  
ATTITUDES OF BANKERS AND CORPORATE PROFESSIONALS  
IN BANGLADESH**

*The main research issues of the study are: the necessity of CSR training in Bangladesh, attitudes of the respondents to CSR trainings, present scenario of CSR training, problems hindering the implementation of CSR and the measures to resolve them. The major findings of the study are: 1) the necessity of CSR training in banks and other corporate firms has been increasing day by day as stated by the managers; 2) the attitudes of both groups of the respondents have been highly positive in respect of training contents, influence of CSR training on banking industry performances; 3) most respondents mentioned the high inadequacy of the research and training programs of CSR department personnel and negligible investment in CSR by the selected organizations; 4) major problems as identified by the respondents are the reluctance of policy makers and the lack of adequate training on CSR and profit maximization motive and the lack of good corporate governance in banking.*

*Keywords:* CSR; training; banking; corporate managers.

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**КОРПОРАТИВНА СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ (КСВ):  
СТАВЛЕННЯ БАНКІРІВ ТА ТОП-МЕНЕДЖЕРІВ КОРПОРАЦІЙ  
В БАНГЛАДЕШІ**

*У статті досліджено необхідність тренінгів щодо корпоративної соціальної відповідальності (КСВ) у Бангладеші, ставлення топ-менеджерів до неї, чинний стан КСВ у країні, основні проблеми на шляху її розвитку та заходи, необхідні для подолання цих проблем. Основні висновки аналізу результатів опитування: 1) потреба у КСВ-тренінгах постійно зростає у Бангладеші, як у банках, так і у корпоративному секторі в цілому; 2) обидві групи респондентів не ставлять під сумнів позитивний вплив КСВ на продуктивність роботи компаній; 3) головними проблемами розвитку КСВ у країні названо недостатність досліджень та тренінгових програм та незначне інвестування у даній сфері; 4) найважливішими заходами названо мотивацію топ-менеджерів організовувати такого роду тренінги та здатність продемонструвати взаємозв'язок між КСВ та прибутком.*

*Ключові слова:* корпоративна соціальна відповідальність (КСВ); тренінг; банківська справа; менеджери корпорацій.

*Табл. 3. Літ. 23.*

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**КОРПОРАТИВНАЯ СОЦИАЛЬНАЯ ОТВЕТСТВЕННОСТЬ (КСО):  
МНЕНИЯ БАНКИРОВ И ТОП-МЕНЕДЖЕРОВ КОРПОРАЦИЙ  
В БАНГЛАДЕШЕ**

*В статье исследована необходимость тренингов по корпоративной социальной ответственности (КСО) в Бангладеше, отношение топ-менеджеров к ней, текущее состояние КСО в стране, основные проблемы на пути её развития и меры, необходимые для решения данных проблем. Основные выводы анализа результатов опроса: 1) потребность в КСО-тренингах постоянно растёт в Бангладеше, как в банках, так и в*

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корпоративном секторе в целом; 2) обе группы респондентов не ставят под сомнение положительное влияние КСО на продуктивность работы компаний; 3) главными проблемами развития КСО в стране названы недостаточность исследований и тренинговых программ и низкое инвестирование в данной сфере; 4) как самые важные меры названы мотивация топ-менеджеров организовывать такие тренинги и способность показать взаимосвязь между КСО и прибылью.

*Ключевые слова:* корпоративная социальная ответственность (КСО); тренинг; банковское дело; менеджеры корпораций.

## 1. Background

CSR is defined as economic, legal, ethical, and discretionary expectancies that society has as for organizations (Valentine, Fleischman, 2008). This definition is based on Carroll's study (1979) where he defined 4 components of social responsibility and broadened the scope of its understanding (Maignan, 2001; Popa, 2010). Carroll suggested that businesses have to fulfill economic, legal, ethical, and philanthropic responsibilities in order to address their obligations to society. Economic responsibilities designate the obligations for businesses to be productive and profitable (Maignan, 2001). Legal responsibilities refer to the framework of legal requirements which businesses need to meet while practicing economic duties (Carroll, 1979). Unfortunately, many companies awoke to the importance of CSR only after being surprised by public responses to the issues they had not previously thought were part of their business responsibilities (Porter and Kramer, 2006). Especially after negative public responses and global boycotts, there has been a trend toward promoting corporate changes and CSR implications that has associated with business strategies of companies (Filho et al., 2010; Sobon and Wolowiec, 2010). Moreover, in the implementation process, companies had realized that, if used properly, CSR strategies can be profitable and create value propositions such as competitive advantage and corporate reputation (Smith, 2007; Porter, Kramer, 2006; Husted, Allen, 2001).

In general, competitive advantage can be achieved through internal resources and obtained by implementing valuable, rare, inimitable and non-substitutable actions (Barney, 1991). Consequently, when CSR is implemented properly and internalized within a company, the actions can create a competitive advantage for the company.

CSR can be a source of opportunity, innovation and competitive advantage for companies. Changes in the operating environment have increased the importance of CSR. Numerous research findings reveal that CSR practices add value to business operations. Without taking care of the society, no business activity can be transacted into the society. There are also cases where business enterprises have got all the expertise to initiate steps necessary to solve social problems. 4 general types of business cases for CSR are: costs and risks reduction; profit maximization and competitive advantage over industry rivals; reputation and legitimacy; and synergistic value creation, meaning finding win-win situations between a company and its stakeholders. Weber (2008) lists business benefits deriving from CSR activities. These benefits are positive effects on company's image, reputation, employee motivation, retention and recruitment, cost savings, revenue increases from higher sales and market share.

The importance of CSR is gaining popularity in today's era and has certainly become an area of recent concern. While business organizations focus on these matters a lot more it has not been so much in consideration in other domains. Starting from the ground level it should be taken as a part of their core responsibility where corporate managers and executives take up initiative for betterment of the community. From this point of view, this study aims to investigate the CSR perspective among bankers, corporate managers and executives of corporate sectors.

### **1.1. Objectives**

- a) To find the necessity of CSR training for Bangladesh.
- b) To know the attitudes of the respondents towards CSR training contents and its major components.
- c) To identify the problems hindering the implementation of CSR training in banking.
- d) To suggest probable measures to eliminate the problems of CSR training and thereby improve the CSR performance, especially in the banking sector of Bangladesh.

### **2. Literature review**

CSR has been discussed in different forums throughout the world. It has been recognized that like profit and other key result areas, social responsibility is an important field in which every business must set objectives and produce result (Singhe, 1978; Weymans, 2010; Gumpert, 2000; Goia, Thomas, 1996; Sokteris et al., 2011). In contrast, Friedman (1962) expressed the other view on CSR: business must play an active social role in the society in which it functions, since many business houses are large and economically powerful, this role may be played successfully. Thus, their social responsibility grows gradually when organizations grow in size. Drucker (1964) argued that a business enterprise must be managed in such a manner that it can make public goods as the private goods of the enterprise.

Hoque (1985) in the article "Social Responsibilities of Business: Myth or Reality?" explained the concepts of CSR, its major areas and the proper direction in which a firm can think of being socially responsible. Reviewing the available literature in the field, the study identified the major areas to be focused for a business enterprise so as to be responsible to different concerns of the society.

Mannan (1986) discussed the concept of CSR in the aspect of organizational contextual changes. The study reviewed the literature on the areas of social responsibility. It also tried to focus the arguments of both for and against the concept. Mahmud (1988) analyzed different aspects of the concept to show the practice of social responsibility at public enterprises in Bangladesh. After a brief discussion of the aspects of social responsibility the study examined the performance of social responsibility in different public corporations of the country. The study pointed out that public corporations in Bangladesh should have some sort of obligatory responsibilities to the society.

Arif (1990) conducted a study over 10 private and 10 public corporations in Chittagong. He found that employees' welfare and national development were the objectives of the public sector management, while the objectives of private enterprises were profit, growth and self-sufficiency. Chowdhury and Kabir (2006) argued that

environmental marketing and management integrate all the 3 areas of business society environment interrelationships. But corporate social responsibility or corporate citizenship are attributed to be more extensive terms than business society environment relationships or the circle model.

And yet, if a company can manage to develop CSR projects connected to its core business, it can also create valuable and this time rare CSR actions and thereby a strong and unique competitive advantage (Filho et al., 2010; Melewar, Akel, 2005). Therefore, it is suggested that reputation needs to be based on accomplishments or worthwhile efforts to gain goodwill, it has to be more than mere publicity efforts (Mohamad et al., 2007). Moreover it is commonly accepted that a good reputation can create a strong competitive advantage (Filho et al., 2010; Smith, 2007). Thus, CSR trainings can be essential for bankers, corporate managers and other executives to retain their reputation (Atakan, Eker, 2007; Stensaker, 2007; Porter, Kramer, 2006; Melewar, Akel, 2005).

### **3. Methodology**

The study is the outcome of both the library and the field surveys. With the help of library survey the necessary secondary data in the form of relevant text and reference books, research studies, articles, papers and theses were collected. The inductive research was carried out to fulfill the objectives set. The samples size of 60 (30 corporate managers from 10 private companies and 30 bankers from 15 private and public banks) is purposively selected for the study with the help of a structured questionnaire prepared in line with the stated objectives. Only descriptive statistical methods (mean score, weighted average score, rank and percentage) are adopted to examine the necessity, present scenario, attitudes, problems and remedies of CSR education. The requisite data were processed via SPSS. After processing the data a report in the present form has been prepared in order to make the study more useful and analytical to readers.

### **4. Findings and discussions**

The results from the primary data and findings of the study are discussed as follows:

#### *1) Necessity of CSR trainings in Bangladesh*

Table 1 reveals that considering the weighted average score (WAS) of the respondents, the necessity for CSR training has been ranked first with WAS of 4.67 for corporate managers' (CM) group and 4.50 for bankers. Again, the necessity for CSR training in banking industry has been ranked second for bankers group with WAS of 4.33, but for CMs group the necessity of CSR training has been ranked 3rd position with WAS of 4.33. The necessity for CSR trainings at corporate level has been ranked 2nd position in case of CMs of WAS of 4.50, and 3rd position of WAS 4.00 in case of bankers. Lastly, the necessity for CSR training at other firms' level has been ranked 4th position both as per the opinions of managers with WAS of 3.83 and bankers with WAS 3.67 respectively.

If we compare the responses of CMs with bankers group it can be said that in the case of CMs the per variable WAS has been 4.33; whereas, in the case of bankers the same has been 4.13. Thus, it signifies that the necessity of CSR training has been felt much more by the CMs group than by bankers.

Table 1. WAS and Rank

		CMs		Bankers	
		WAS	Rank	WAS	Rank
Necessity of CSR Training in Bangladesh					
A	Corporate policy level	4.50	2 <sup>nd</sup>	4.00	3 <sup>rd</sup>
B	Corporate firms levels	4.67	1 <sup>st</sup>	4.50	1 <sup>st</sup>
C	Banking sector level	4.33	3 <sup>rd</sup>	4.33	2 <sup>nd</sup>
D	Other firms level	3.83	4 <sup>th</sup>	3.67	4 <sup>th</sup>
	WAS per variable	4.33		4.13	
Attitudes of the respondents towards CSR training					
A	Course contents of CSR training at corporate level	4.43	6 <sup>th</sup>	4.50	3 <sup>rd</sup>
B	Course contents of CSR training in banking sector	4.50	5 <sup>th</sup>	4.33	6.5
C	Favorable influence of CSR training on corporate policy	4.67	1 <sup>st</sup>	4.50	3 <sup>rd</sup>
D	Favorable influence of university and college education policy	4.60	2.5	4.50	3 <sup>rd</sup>
E	Favorable influence on banking industry performances	4.40	7 <sup>th</sup>	4.33	6.5
F	Research on CSR	4.60	2.5	4.40	5 <sup>th</sup>
G	Training on CSR	4.57	4 <sup>th</sup>	4.83	1 <sup>st</sup>
	WAS per variable	4.54		4.49	

Source: Compiled by the authors based on the field survey.

### 2) Attitudes of the respondents towards CSR trainings

Attitudes of the respondents towards CSR trainings and their major components are important issues of CSR. The responses from the CMs group depict that the influence of CSR training on corporate policy has stood first with the WAS of 4.67. On the other hand, bankers opined the same with the WAS of 4.50, thus ranked 3<sup>rd</sup>. Training on CSR has been ranked 1<sup>st</sup> by the bankers group with the WAS of 4.83 whereas, by the CMs it has been ranked 4<sup>th</sup> with the WAS of 4.57. The significant finding of this study is that both respondent groups had low points for course contents of CSR training for banking sectors and influence on banking industry performance. These have been ranked the least by both groups. If we compare the responses of CMs with bankers, it can be said that in the case of CMs group per variable WAS has been 4.54; whereas, in the bankers group the same has been 4.49. Thus, it signifies that the attitudes of the respondents towards CSR training and its major components have been felt much more positive by the CMs group than by bankers.

### 3) Problems hindering the implementation of CSR

The respondents were asked to identify the major problems hindering the implementation of CSR trainings in Bangladesh. The CMs group has opined the followings issues as the major problems hindering the implementation. Policy makers' reluctance regarding CSR trainings has been ranked 1<sup>st</sup> with the score of 63% followed by the absence of up-to-date contents as to CSR training, the lack of proper training on CSR and the lack of qualified trainers and researchers in different sectors have been ranked 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> scoring 18%, 11% and 8% respectively.

In the opinion of bankers, "Irresponsive motive of higher profit maximization" has been ranked first scoring 73% as a major problem that is hindering the implementation of CSR training followed by the reluctance of top management and the absence of direct benefits from CSR practice having 15% and 12% respectively.

**Table 2. Problems hindering the implementation of CSR trainings**

No	Problems	% of the respondents	Rank
As identified by the CMs			
1	Policy makers' reluctance regarding CSR training	63	1 <sup>st</sup>
2	Lack of proper training on CSR	8	4 <sup>th</sup>
3	Absence of up to date contents as to CSR training	18	2 <sup>nd</sup>
4	Lack of qualified trainers and researchers in different sectors	11	3 <sup>rd</sup>
As identified by the bankers			
1	Irresponsive motive of higher profit maximization	73	1 <sup>st</sup>
2	Absence of direct benefits from CSR practice	12	3 <sup>rd</sup>
3	Reluctance of top management	15	2 <sup>nd</sup>

Source: Compiled by the authors based on the field survey.

#### 4) Probable measures to remove the problems of CSR training

The respondents were requested to identify some probable measures to remove the problems of CSR training and thereby improve the existing CSR training contents. The respondents' opinions have revealed that "Formation of strong high level committee with proper knowledge and experience", "Ensuring proper training contents on CSR and arrangements of proper training on CSR" can solve the abovementioned problems ranking the top with the views of 55% respondents followed by "formation of adequate up-to-date training contents on CSR" "making available of qualified trainers on CSR areas" and "incorporation of CSR related courses at different level of graduate programs" ranked 2nd, 3rd and 4th with the voices of 18%, 17% and 10% respondents respectively. In the bankers group (Table 3) it has been stated that reasonable profit motive for corporations should be ranked top with the opinions of 65% respondents as a probable remedy for the abovementioned problems. Good corporate governance practices and mandatory supervision and monitoring policy of regulators, e.g. Bangladesh Bank, have been ranked 2nd and 3rd with the comment of 19% and 16% of the respondents respectively.

**Table 3. Probable measures to eliminate the problems in CSR trainings**

No	Measures	% of the respondents	Rank
As identified by the CMs			
1	Formation of strong high level committee with proper expertise and experience, ensuring proper training contents on CSR and arrangements of proper training on CSR can solve the mentioned problems	55	1 <sup>st</sup>
2	Incorporation of CSR related courses at graduate programs	10	4 <sup>th</sup>
3	Formation of adequate curriculum on CSR	18	2 <sup>nd</sup>
4	Making available qualified trainers on CSR areas	17	3 <sup>rd</sup>
As identified by the bankers			
1	Reasonable profit motive for corporations	65	1 <sup>st</sup>
2	Good corporate governance practices	16	3 <sup>rd</sup>
3	Mandatory supervision and monitoring policy of regulators	19	2 <sup>nd</sup>

Source: Compiled by the authors based on the field survey.

#### Concluding remarks

The analysis of the study findings reveals that there is a necessity for CSR training for professionals of corporate and banking sectors in Bangladesh. Course contents

of CSR training are not adequate and up-to-date, thus should be revised. Moreover, practicing what is taught and thereby generating a real example of academic knowledge can create a unique proposition for corporations, farms and banks. Thus, reasonable training contents and their practices will not only contribute to the well-being of the interest groups and public in general, but also these practices will become a long-term value proposition for the institution itself. The information generated in the study and its findings would definitely contribute to the existing stock of knowledge on CSR. Corporate firms will very much benefit while corporate managers and bankers with special knowledge and skills in ethical issues and social values are holding the relevant positions. The concerned authority would also be able to modify the existing policy incorporating CSR training which will be internationally acceptable and comparable in the context of business globalization.

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