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Corporate Social Responsibility of the Private Commercial Banks in Bangladesh: Cultural Antecedents and Implications for the Stakeholders

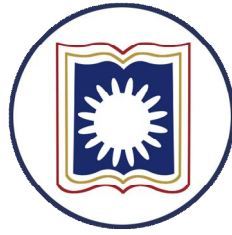
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**CORPORATE SOCIAL RESPONSIBILITY OF THE
PRIVATE COMMERCIAL BANKS IN BANGLADESH:
CULTURAL ANTECEDENTS AND IMPLICATIONS FOR
THE STAKEHOLDERS**



PhD Dissertation

By

Md. Zahangir Kabir

A Dissertation

**Submitted to the Institute of Bangladesh Studies (IBS), University of
Rajshahi in Partial Fulfillment of the Requirements for the Degree of**

Doctor of Philosophy

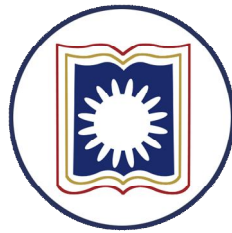
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**Institute of Bangladesh Studies (IBS)
University of Rajshahi
Rajshahi, Bangladesh**

September, 2015

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PhD Dissertation

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Rajshahi, Bangladesh

September, 2015

Dedicated
To
My Beloved Parents

Declaration

I declare that the thesis entitled **Corporate Social Responsibility of the Private Commercial Banks in Bangladesh: Cultural Antecedents and Implications for the Stakeholders** submitted to the Institute of Bangladesh Studies, University of Rajshahi for the degree of Doctor of Philosophy in Management is a record of independent research work carried out by me under the supervision and guidance of **Dr. M. Zainul Abedin**, Professor of Economics, Institute of Bangladesh Studies, University of Rajshahi. This has not been submitted to any other university or institute for the award of any degree, diploma, associateship or other similar purposes.

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Certificate

Certified that the thesis entitled **Corporate Social Responsibility of the Private Commercial Banks in Bangladesh: Cultural Antecedents and Implications for the Stakeholders** is a record of independent research work carried out by Mr. Md. Zahangir Kabir, under my supervision and guidance. I also certify that I have gone through the draft and final dissertation and found it suitable for submission to the University of Rajshahi for the degree of Doctor of Philosophy in Management.

Rajshahi,
September, 2015

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learned the value of life, the meaning of hard work and perseverance. Unfailingly and unendingly, they were patient, supportive, caring, and attentive. My parents-in-law who always believed in me and prayed for me through also deserve high praise and deepest thanks from me. I cannot adequately express in words how much I value, appreciate, and love all that they are.

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Acronyms and Abbreviations

CAR	:	Capital Adequacy Ratio
CFP	:	Corporate Financial Performance
CSR	:	Corporate Social Responsibility
DBBL	:	Dutch-Bangla Bank Limited
DirCSR	:	Direct CSR Expenditure
DSE	:	Dhaka Stock Exchange
EBL	:	Eastern Bank Limited
EEO	:	Equal Employment Opportunity
EPS	:	Earning Per Share
EXIM	:	EXIM Bank Limited
IBBL	:	Islami Bank Bangladesh LTD
MBL	:	Mercantile Bank Limited
NBL	:	National Bank Limited
NPL	:	Non Performing Loan
PBL	:	Prime Bank Limited
PCBs	:	Private Commercial Banks
ROA	:	Return on Asset
ROE	:	Return on Equity
TA	:	Total Asset
UCBL	:	United Commercial Bank Ltd

Abstract

Corporate approach towards global markets is increasingly aiming not only at creating value to its owners but also at setting the stage for the development of a strong awareness towards social issues. The business professional, academicians, national and transnational organizations, and media are now propagating the growing affirmative contribution of companies in the society. However, in our academic community, the concept remains new, and therefore, the concept require rigorous seminal studies to validate it.

The business case for CSR is concerned with the question: What do business community and organization get out of corporate social responsibility (CSR); that is, how they benefit substantially from engaging in CSR policies and practices? Although this stream of research has contributed a great deal of insight, there is still a limited understanding of whether and how CSR affects the bottom-line of the companies. Previous researchers have mostly discussed the impacts of CSR at a macro organizational level, focusing corporate outcome in a broad manner. And, most of the CSR studies conducted so far in the context of developed countries like, Western Europe, the USA, Australia, and Japan. The volume of CSR researches is very poor in the context of developing country like Bangladesh.

So there is an avenue for analyzing the underlying process of CSR at the individual stakeholder level along with its cultural antecedents in order to understand how CSR evolve within an organization and how companies benefit substantially from engaging in CSR policies and practices through improved attitudes of the primary individual stakeholders like consumers and employees. Given that practical interest in CSR has outstripped the currently available research evidence, fundamental questions, like how it can be enhanced and how and why it benefits individuals and organizations, still require answers.

This study attempts to examine CSR at the stakeholders' perspective; with a focus on its cultural antecedents and potential strategic outcomes through improved customers' and employees' attitude. To attain the core objective efficiently, it's broken down in to specific objectives. To understand the CSR phenomenon, an extensive literature review was conducted. CSR in Bangladesh is a new research area, as most of the literature favors developed and industrialized nations, and gives little empirical evidence and attention to the developing economies. This widespread review of literature justifies CSR research into banking sector in Bangladesh for theoretical, methodological, and contextual reasons; and lack of empirical evidence from Bangladesh.

This study empirically tested relationships among antecedents and consequences of CSR in the bank setting in Bangladesh. In particular, this study provides theory-based empirical evidence regarding whether organizational culture affect banks CSR postures. This study also investigates how CSR directly and indirectly leads to corporate financial performance, employee attitude, and customer attitude. In accordance with the purpose and objectives of the study, 15 hypotheses were constructed based on several theories: stakeholder theory, social exchange theory, and business case for CSR proposition.

To test the hypotheses, data were collected from 201 bank employees and 206 bank customers. The proposed relationships were examined by using hierarchical multiple regression and partial correlation. Results of hypothesis testing show that the accounting-based financial performance like, ROA and ROE change, in a less statistically significant manner than market-based financial performance like, Tobin's Q in response to direct CSR expenditure increases and decreases.

The results of the study expose that most private commercial banks in Bangladesh are dominated by a strong hierarchy culture. The findings show that private commercial banks in Bangladesh are very formalized and structured place, have a leadership style generally associated with a coordinator, an organizer, or an administrator, emphasize chain of command, emphasize stability and the ability to

maintain control, and define success on the basis of efficient, reliable, and smooth operations. According to the employees' perception, private commercial banks in Bangladesh are comparatively more aware of complying legal responsibilities than other aspects of CSR.

The study findings suggest that organizational culture play an important role in achieving high level of CSR. This result underlines the positive organizational effects of clan culture and adds to previous investigations linking clan culture to high levels of employee morale and satisfaction, human resource development, and teamwork. This study also upholds relation between market orientation and CSR and brings to light another benefit of market culture beyond the accomplishment of superior value for the customer and superior business performance for the organization. As seen in this study, adhocracy culture type predicts only cumulative CSR not any distinct aspect of CSR. At last, no significant link has observed between hierarchy culture and CSR.

This study provides an understanding that employees of the private commercial banks in Bangladesh are moderately satisfied with their job, fairly involved in their job, and reasonably obliged to stay with their organization. According to results of regression analyses in this study, employees of socially responsible firms are likely to be satisfied with their job. But, the results of this study also found that concern of the social issues does not mediate the CSR–job satisfaction relationship. CSR was found to significantly affect job involvement of the employees in the private commercial banks in Bangladesh. Employees, who perceived their organizations as proactive in case of CSR, are prone to be identified with their jobs because they perceive the firm ensuring work environment. The results of this study also found that employees' concern for social issues mediates the CSR-Job involvement relationship.

According to the results in this study, members of socially proactive organizations likely to feel committed to their organization and to be supportive of its mission. CSR was found to significantly affect organizational commitments

(affective, continuance, normative) of the employees in the private commercial banks in Bangladesh. Employees, who perceived their companies as proactive in case of CSR, are likely to be committed to their organization because they perceive the firm ensuring an environment designed to enhance workplace experience and working in a company whose goals go beyond the mere maximization of profit. Thus CSR is an excellent tool to motivate employees, to educate them about the organization, and to gain their patronage. Regression analysis shows that the concern for social issue by the employees of banks did not significantly moderate the relationship between the perceived CSR and dimensions of organizational commitment.

According to the customers' perception, private commercial banks in Bangladesh are most aware of complying legal responsibilities than other aspects of CSR. Alongside, philanthropic responsibilities ranked second among the dimensions of CSR. Ethical responsibilities have been being paid lowest attention by private commercial banks in Bangladesh. This study also presents a perceptible that customers of the private commercial banks in Bangladesh are reasonably satisfied with the products and fairly loyal to the brand and firm.

Customers, who perceived their banks as social responsible entity, are likely to be satisfied with their services because they perceive the organization appealing to the multidimensionality of the customer as not only an economic being but also a member of a family, community, and country. As exposed in this research, satisfied customer typically cares for philanthropic responsibilities of their banks. Testing for control variables found that Service Quality and Access had significant effects on customer satisfaction. However, even if the effect of price was positive, it was insignificant. Regression analysis shows that the concern for social issue by the customers of banks did not significantly moderate the relationship between the perceived CSR and customer satisfaction. This study further indicates that proactive CSR is conducive of customer loyalty. Results of regression analyses show compelling support that the influence of CSR is quite strong on customer loyalty. Additionally, philanthropic and legal responsibilities were found to be the most important concern of loyal customers of the private commercial banks in

Bangladesh. Testing for control variables found that customer satisfaction had significant effects on customer loyalty.

This study triangulates the relationship between CSR and corporate financial performances. To test the hypothesized relationships, partial correlation analysis has conducted. Total Assets and Non-Performing Loans (NPL) of the banks have been used as control variables to subtract the extraneous effects. Results of the partial correlations point out that the sign of the link is positive. The findings designate that perceived CSR by different stakeholders is positively related to corporate financial performance and this relationship is statistically significant, triangulating, therefore, the notion that CSR can be associated with a series of accounting based and market based financial constructs of private commercial banks in Bangladesh.

In this study, the relationship between individual stakeholders' attitudes (job satisfaction, job involvement, organizational commitment, customer satisfaction, and customer loyalty) and corporate financial performance (CFP) has been examined through empirical analysis. Results show that, all stakeholder attitude variables were found partially and positively associated with corporate financial performances. Results of the partial correlations show that employee attitude have positive relationships with ROE. Results also show that employee attitude excluding continuance commitment have positive relationships with ROA. However, analyses in this study failed to find the anticipated positive relationship between employee attitude constructs and market-based indicator like Tobin's Q. So, improved employee attitudes in the private commercial banks in Bangladesh resulted from proactive CSR initiatives: are found to be related to the enhanced level of accounting-based financial performance—measured in terms of ROA and ROE. Results of this study show that customer satisfaction and loyalty have positive relationships with ROE and Tobin's Q. However, analyses in this study failed to find the anticipated positive relationship between customer attitude constructs and ROA. So, improved customer attitudes, resulted from upbeat CSR initiatives, predict accounting-based and market-based financial performances accordingly.

Despite the volume of practical literature on the effects of CSR on stakeholders' attitudes, very little academic research has tried to unravel the relationship mechanism explaining how CSR predicts outcome variables. By filling this gap, this study provides a valuable contribution to the literature on CSR in banking sector in a developing country. Though many studies were conducted to attempt to show the influence on corporate financial performance, the substantiation was considered to be somewhat questionable due to methodological issues which are not surprising given that it is almost impossible to prove the influence on profitability. There are so many other potential antecedents and moderators that could influence profit, that it is difficult to attribute the increase of profit to CSR. It is only now that a modified survey instrument was adapted to measure perceived CSR at the individual level, that the influence of CSR on individual stakeholders was studied. As a result, this is the first known study is completed with academic rigor that provides strong evidence that CSR can positively influence stakeholders' attitudes in developing country like Bangladesh.

Considering the findings provided in this study, a set of policy guidelines for the development of CSR posture and functioning of private commercial banks in Bangladesh have presented in this study.

The empirical results suggest that CSR expenditure has a considerable impact on financial performance for banks listed in DSE. So, for the enhancement of financial performance the management of the banks in Bangladesh should ensure enough investment in diversified CSR activities.

The study findings suggest that organizational culture play an important role in achieving high level of CSR and clan culture is found to be most conducive of proactive stance of CSR. So, management of the banks in Bangladesh should take the initiative to encourage teamwork, participation, trust, commitment, and cooperation within their organization to strengthen clan culture to foster CSR posture.

To ensure improved employee attitudes of an organization like bank should take initiative to uphold employee perception regarding their CSR activities. To do

this organization not only improve their CSR posture but also communicate the CSR activities through out the firm.

This study presents a perceptible that, customers, who perceived their banks as social responsible entity, are likely to be satisfied with their services. Results of regression analyses also show compelling support that the influence of CSR is quite strong on customer loyalty. Therefore, to enhance customer satisfaction and loyalty, bank management should take the initiative to ensure proactive CSR as strategic tools for market establishment.

Using empirical methods, the sign of the relationship between perceived corporate social responsibility and corporate financial performance has been tested. Hence, for the improvement of company bottom line, an organization should produce mechanism to boost up perceived CSR by different stakeholders like, employee and customers.

This study evidently exhibits the potential strategic implications of improved stakeholders' attitudes in the private commercial banks in Bangladesh. So, management of the private commercial banks in Bangladesh should provide an environment where CSR can boost up and eventually contribute to improve the individual stakeholders' attitudes like, job satisfaction, job involvement, organizational commitment, customer satisfaction, and customer loyalty to confirm handsome corporate financial bottom line.

On the whole, this study suggests that CSR is not just expenditure it is an investment. By investing diversified CSR activities management can reap competitive advantage in marketplace.

By and large, this study constitutes a preliminary attempt at gaining a holistic understanding of CSR from stakeholder perspective. This empirical research suggests that complying social requirements does not come at the expense of performance levels. Instead, with actions undertaken to depict their obligation to meeting economic, legal, ethical, and philanthropic responsibilities, business may able to generate a presence of positive attitudes in both employees and customers.

These findings highlight the business case for CSR and rationalize the stakeholder theory of business organization.

Despite the efforts to provide a meaningful understanding and evaluation of CSR, the study is not without limitations. The study relied solely on the information provided by employees and customers in a survey. Thus, the findings may not generalize to other industrial contexts or other cultures; research in other settings or geographical areas might yield different results. Future research could address this caveat by relying on multi-informants research design. Surveys on social pressure group members, government agencies officials, and public stakeholders could be combined to obtain a better posture of organizational initiatives.

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Chapter 1

Introduction

1.1 Prelude

The public demands that businesses should make social issues as a part of their strategies. Corporate approach towards global markets is increasingly aiming not only at creating value to its owners but also at setting the stage for the development of a strong awareness towards social issues. Today, managers continually meet demands from various stakeholder groups to devote resources to corporate social responsibility (CSR). Such pressures come from stockholders, employees, customers, government, community, and environment.

The business professional, academicians, national and transnational organizations, and media are now propagating the growing affirmative contribution of companies in the society. The old trade-off illusion seems to be fading. The classical perception that, management has only one responsibility and that is to maximize the profit¹ is starting to be replaced by the notion that successful companies need a healthy society, at the same time, a healthy society needs successful companies.²

CSR has irrevocably become part of the corporate framework. Many public companies have developed extensive corporate social responsibility (CSR) programs designed to generate stakeholders' goodwill and boost market value. The banks globally are pouring millions of dollars into different kinds of CSR strategies in the race to strengthen their reputation and improve relationships with stakeholders, including customers, both business and retail.³ But, in Bangladesh, proactive initiatives of helping arrest environmental degradation, like adoption of more energy efficient and harmful emission reducing internal practices have been

¹ Milton Friedman, "The Social Responsibility of Business is to Increase Its Profits," *New York Times Magazine*, 13 September 1970, p. 126.

² Michael E. Porter and Mark E. Kramer, "Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility," *Harvard Business Review*, vol. 84 (December 2006): p.85.

³ Lynette M. McDonald and Sharyn R. Rundle-Thiele, "Corporate Social Responsibility and Bank Customer Satisfaction: A Research Agenda," *International Journal of Bank Marketing*, vol. 26, no. 3 (2008): p. 173.

largely absent in the CSR initiatives, even in the branches of foreign banks with such practices in their home offices.

Recent theories of CSR, thus conjecture that companies engage in profit-maximizing CSR, based on anticipated benefits from these actions. Examples of such benefits might include reputation enhancement, the potential to charge a premium price for its product, or the enhanced ability to recruit and retain high quality workers. For a CSR action to be undertaken by a company, the benefits of engaging in this activity must offset the higher costs associated with the additional resources that must presumably be allocated for the firm to achieve CSR status.⁴

During the course of the past few years individual stakeholders have been gaining an ever larger awareness about the fact that the way companies produce goods and conduct business can make the difference in a global context of impoverishing environmental, social and economic resources. Taking a stakeholder-driven perspective on the return to CSR, individuals react to a company's CSR initiatives in diversified ways—by not just buying more products but by enacting other stakeholders behaviors, such as seeking employment with the company and investing in the company.

A number of researchers investigated the relationship between organizational culture and company success, performance and competitiveness, and organizational effectiveness.⁵ Particularly after the 1990's, parallel to the paradigm shift in the management literature where the adaptation process gained more importance than ever due to increased globalization, organizational change became the focus of many cultural studies. Corporate social responsibility is part of organizational culture and a value in the organizational culture environment. Development of social responsibility is a change in value orientation, whose task is shaping the attitudes, transformation of the personal position so that it matches individual and public interests.

⁴ Catherine J. Morrison Paul and Donald S. Siegel, "Corporate Social Responsibility and Economic Performance," *Rensselaer Working Papers in Economics*, no. 0605 (March 2006): pp. 3–4, <http://www.rpi.edu/dept/economics/www/workingpapers/> (accessed on 05 May, 2011).

⁵ J. B. Barney, "Organizational Culture: Can It Be A Source of Competitive Advantage," *Academy of Management Review*, vol. 11, no. 3 (1986): p. 656.

1.2 Statement of the Problem

The argument against the CSR began with Friedman's statement that social issues are not the concern of business,⁶ which got a momentum with the notion that CSR may diverse business from its basic mission and purpose.⁷ Another contender against CSR argued that the managers of business organizations are mostly experienced with the core business value chain activities and do not have the required social knowledge to undertake social responsibility, consequently by focusing largely on CSR policies business may result in weak competitive position.⁸ Bert Spector, one of the major opponents of CSR argued that, the pioneer advocates of CSR used this as means of aligning business interest with the defense of free market capitalism against what was then perceived to be the danger of Soviet Communism.⁹

Many examples of banks' investment in socially responsible initiatives, such as implementing loan standards for high risk sectors, are very much evident. At a time when banks are increasing the amount of funds allocated towards CSR activities, many banks across the globe are experiencing increasing levels of retail customer dissatisfaction.¹⁰ Consequently, managers are uncertain about the justification of allocating resources in CSR activities. This cynical position is further influenced by incoherent findings of previous studies regarding the relationship between corporate social performance and profitability. Contrary to the notion that, business organizations can measure results, the multi-dimensional

⁶ Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962) p. 133.

⁷ F.A. Hayek, "The Corporation in a Democratic Society: In Whose Interest Ought It and Will It Be Run?" (1969) cited in Archie B. Carroll and Kareem M. Shabana, "The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice," *International Journal of Management Reviews*, (2010): p. 88.

⁸ Archie B. Carroll and Kareem M. Shabana, "The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice," *International Journal of Management Reviews* (2010): p. 88.

⁹ Bert Spector, "Business Responsibilities in A Divided World: The Cold War Roots of the Corporate Social Responsibility Movement," *Enterprise & Society*, vol. 9 (2008): p. 315.

¹⁰ Australian Consumer Association, "Bank Satisfaction Survey", *Australian Choice Magazine*, 2005, www.choice.com.au/printFriendly.aspx?ID=104697 (accessed on 13 March, 2011); IBM, *Two-thirds of US Banking Customers Don't Feel Valued By Their Bank: IBM study* (New York: International Business Machine, 2006), <http://www3.ibm.com/industries/financialservices/doc/content/news/pressrelease/420841103.html>, (accessed on 19 May, 2011)

nature of the CSR/corporate financial performance relationship has created tremendous difficulties in this regard.¹¹

The business case for CSR is concerned with the question: What do business community and organization get out of corporate social responsibility (CSR); that is, how they benefit substantially from engaging in CSR policies and practices?¹² One hundred twenty-two published studies in the period of 1971-2001, empirically examined the relationship between CSR and profitability at macro organizational level.¹³ The results of these studies have been mixed. Some scholars discovered a negative relationship between CSR and financial performance,¹⁴ some located a positive relationship,¹⁵ while a considerable number of researchers in the group found inconclusive relation between CSR and financial performance.¹⁶ However, a meta-analysis of 52 empirical studies initiated to resolve the debate by revealing the fact that CSR is linked with corporate financial performance (CFP).¹⁷ By analyzing some of those empirical studies Baron conclude that although there are considerable differences among the studies in terms of methods, measurement, and findings, the weight of evidence supports a positive correlation between CSR and financial performance.¹⁸

Now the question arises, why the companies may profit from such CSR initiatives. One of the reasons why companies may benefit from CSR is due to the

¹¹ John Peloza, "Using Corporate Social Responsibility as Insurance for Financial Performance," *California Management Review*, vol. 48, no.2 (Winter 2006): p. 68.

¹² Archie B. Carroll and Kareem M. Shabana, p. 85.

¹³ Margarita Tsoutsoura, "Corporate Social Responsibility and Financial Performance," *Center for Responsible Business Working Paper Series* (March 2004): p. 8, <http://escholarship.org/uc/item/111799p2> (accessed on 15 January, 2011)

¹⁴ P. Wright and S. Ferris, "Agency Conflict and Corporate Strategy: The Effect of Divestment on Corporate Value," *Strategic Management Journal*, Vol. 18 (1997): p. 80.

¹⁵ Margarita Tsoutsoura, p. 1; S. Waddock and S. Graves, "The Corporate Social Performance – Financial Performance Link," *Strategic Management Journal*, vol. 18 (1997): p. 303; Jennifer J. Griffin and John F. Mahon, "The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research," *Business & Society*, Vol. 36, No. 1 (March 1997): p. 26;

¹⁶ K. Aupperle, A. Carroll, and J. Hatfield, "An Empirical Examination of the Relationship between Corporate Social Responsibility and Profitability," *Academy of Management Journal*, vol. 28 (1985): p. 446.

¹⁷ Marc Orlitzky, Frank L. Schmidt, and Sara L. Rynes, "Corporate Social and Financial Performance: A Meta-Analysis," *Organization Studies*, vol. 24, no. 3 (2003): p. 423.

¹⁸ David P. Baron, "Private Politics, Corporate Social Responsibility, and Integrated Strategy," *Stanford University Research Paper Series*, no. 1656 (2001): p. 4.

positive impact that such initiatives have on the key stakeholders of company through improved stakeholders' attitude.¹⁹ According to a Cone research study, 87 percent of American customers are likely to switch from one brand to another (price and quality being equal), if the other brand is associated with good social cause; conversely, 85 percent will consider switching to another companies products or services because of a companies negative CSR practices, and 66 percent will boycott such a company's products or services.²⁰ Many of employees express a preference for working for more socially responsible companies, and nearly out of every eight dollars under professional management in the USA were involved in social responsible investing.²¹ It is also documented that institutional investors avoid companies violate their organizational values.²² Past research has acknowledged the relevance of the organizational culture construct to help manager understand "why things happened the way they do"²³. Each company differs in how it implements CSR, if at all. The differences depend on not only the stakeholders' demands but also the company's organizational culture.²⁴

Although this stream of research has contributed a great deal of insight, there is still a limited understanding of whether and how CSR affects the bottom-line of the companies.²⁵ Previous researchers have mostly discussed the impacts of CSR at a macro organizational level, focusing corporate outcome in a broad manner. And, most of the CSR studies conducted so far in the context of developed countries like, Western Europe, the USA, Australia, and Japan. The

¹⁹ Shuili Du, C.B. Bhattacharya, and Sankar Sen, "Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication," *International Journal of Management Reviews* (2010): p. 9.

²⁰ Cone, *Cause Evolution Survey*, (New York: 2007), <http://www.coneinc.com/content1091>, (accessed on 19 May, 2011)

²¹ Craig N. Smith, "Corporate Social Responsibility: Whether or How?" *California Management Review*, vol. 45, no. 4 (Summer 2003): p. 63.

²² T. Smith, "Institutional and Social Investors Find Common Ground," *Journal of Investing*, vol. 14 (2005): p. 64.

²³ Cristine Moorman, "Organizational Market Information Processes: Cultural Antecedents and New Product Outcomes," *Journal of Marketing Research*, vol. 32 (August 1995): p. 319.

²⁴ Margarita Tsoutsoura, p. 3.

²⁵ Xueming Luo and C.B. Bhattacharya, "Corporate Social Responsibility, Customer Satisfaction, and Market Value," *Journal of Marketing*, vol. 70 (October 2006): p. 1.

volume of CSR researches is very poor in the context of developing country like Bangladesh.²⁶

So there is an avenue for analyzing the underlying process of CSR at the individual stakeholder level along with its cultural antecedents in order to understand how CSR evolve within an organization and how companies benefit substantially from engaging in CSR policies and practices through improved attitudes of the primary individual stakeholders like customers and employees.

Before analyzing the underlying process of CSR at the individual stakeholder level along with its cultural antecedents it is also significant to explain the CSR exposures and direct CSR expenditure of banking sector in Bangladesh. Evaluation of business case for CSR of banking sector in Bangladesh can be started with the testing of relationships between direct CSR expenditure and corporate financial performances.

Research Questions:

This study expects to contribute to the literature of CSR by shifting the debate beyond the question of *whether* CSR benefit to the question of *how* it works. The focus of the study includes the following questions:

1. How direct CSR expenditure of the banks in Bangladesh is related to the different measures of corporate financial performances?
2. How does organizational culture of Bangladeshi companies shape their corporate social responsibilities?
3. How employees' attitude to a company is influenced by company's perceived CSR initiatives?
4. How customers' attitude to a company is influenced by company's perceived CSR initiatives?
5. How these customers and employees with improved attitude influence the company's bottom-line?

²⁶ Ataur Rahman Belal, "A Study of Corporate Social Disclosures in Bangladesh," *Managerial Auditing Journal*, vol. 16, no. 5 (2001): p. 274.

1.3 Objectives of the Study

1.3.1 Core Objective

This study attempts to examine CSR at the stakeholders' perspective; with a focus on its cultural antecedents and potential strategic outcomes through improved customers' and employees' attitude.

1.3.2 Specific Objectives

To attain the core objective efficiently, it's broken down in to following specific objectives:

- (1) To explain the patterns and impact of direct CSR expenditures of the banks on different measures of corporate financial performances.
- (2) To identify the type of organizational culture likely to enhance companies' motivation to foster CSR initiatives.
- (3) To measure the impact of perceived CSR initiatives on employees' attitude in terms of job satisfaction, job involvement, and organizational commitment.
- (4) To measure the impact of perceived CSR initiatives on customers' attitude in terms of trust in a brand and their satisfaction.
- (5) To identify whether perceived CSR is yielding to company bottom-line through improved customers' and employees' attitude.

1.4 Hypotheses:

Based on the literature about organizational culture, CSR, and stakeholder theory reviewed in this study and in the light of objectives specified, the following hypotheses are crafted to test.

H 1 : The greater the Direct CSR Expenditure, the greater the ROA.

H 2 : The greater the Direct CSR Expenditure, the greater the ROE.

H 3 : The greater the Direct CSR Expenditure, the greater the Tobin's Q.

H 4 : The stronger the clan culture, the greater degree of the perceived CSR.

H 5 : The stronger the adhocracy culture, the greater degree of the perceived CSR.

H 6 : The stronger the hierarchy culture, there is the less degree of the perceived CSR.

H 7 : The stronger the market culture, the greater degree of the perceived CSR.

- H 8** : The greater the perceived CSR, the greater the employee job satisfaction.
- H 9** : The greater the perceived CSR, the greater the employee job involvement.
- H 10** : The greater the perceived CSR, the greater the employee commitment.
- H 11** : The greater the perceived CSR, the greater the customer satisfaction.
- H 12** : The greater the perceived CSR, the greater the customer loyalty.
- H 13** : The greater the perceived CSR, the greater the financial performances.
- H 14** : The greater the employee attitude, the greater the financial performances.
- H 15** : The greater the customer attitude, the greater the financial performances.

1.5 Key Terms

1.5.1 Corporate Social Responsibility (CSR)

There is substantial agreement that CSR is concerned with societal obligations, although the nature and scope of these obligations remains uncertain. Some authors argue that companies should only be responsible to company stakeholders,²⁷ while other authors argue that companies should be responsible to society as a whole.²⁸

1.5.2 Direct CSR Expenditures

Direct CSR expenditures are defined as the direct monetary expenditure in the form of passive grants and donations.

1.5.3 Perceived CSR

Perceived CSR is defined as the individual stakeholder perception regarding CSR initiative. Here, the social responsibility of business encompasses the economic, legal, ethical, and philanthropic expectations that society expects from organizations at a given point of time.²⁹

1.5.4 Organizational Culture

Culture is a multi-dimensional concept that can be applied to firms, industries or nations. A review of existing literature yields an array of definitions of culture. There are two major ways of linking culture and organization. In the comparative

²⁷ Craig N. Smith, p. 64.

²⁸ Michael E. Porter and Mark E. Kramer, p. 85.

²⁹ Archie B. Carroll, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," in *Corporate Social Responsibility: Theories and Concepts of Corporate Social Responsibility*, Vol. 1, ed. Andrew Crane and Dirk Matten (New Delhi: Sage Publication, 2004), p. 35.

management literature, culture is treated as an independent variable and assumed to be a background factor, which affects organizations indirectly. On the other hand, recognizing organizations as “culture producers”, the second approach considers culture to be an “inter organizational” variable, leading to the idea of “corporate culture”.³⁰ Organizational culture can be defined as pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.³¹

1.5.5 Stakeholders

Stakeholders were defined by as any group or individual who can affect or is affected by the achievement of the organization's objectives.³² Stakeholders can claim or exercise ownership or interests on a firm on its past, present or future activities. The following eight entities are generally seen as stakeholder for a firm. These are; competitors, customers, employees, government, owners/shareholders, special interest groups, suppliers, and top management.³³ Employee and customer have been being given special emphasis for assessing the relationship between CSR initiatives and firm's benefits because of their greater significance as primary stakeholder.

1.5.6 Employee Attitude

Employee attitude are the feelings and beliefs that largely determine how employees will perceive their environment, commit themselves to intended actions, and ultimately behave.³⁴

Managers are particularly concerned with three types of attitudes—job satisfaction, job involvement, and organizational commitment.³⁵ *Job satisfaction* is

³⁰ L. Smircich, “Concepts of Culture and Organizational Analysis,” *Administrative Science Quarterly*, vol. 28, no.3 (1983): p. 340.

³¹ Edgar H. Schein, *Organizational Culture and Leadership* (San Francisco: Jossey-Bass Publishers, 1992), p. 12.

³² R. E. Freeman, *Strategic Management: A Stakeholder Approach* (Boston: Pitman Publishing, 1984), p. 46.

³³ Max B. E. Clarkson, “A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance,” *Academy of Management Review*, vol. 20, no. 1 (1995): p. 106.

³⁴ John W. Newstrom and Keith Davis, *Organizational Behavior: Human Behavior at Work* (New York: The McGraw-Hill Companies, Inc., 1999), p. 255.

³⁵ John W. Newstrom and Keith Davis, p. 276.

a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience.³⁶ *Job involvement* is the degree to which employees immerse themselves in their jobs, invest time and energy in them, and view work as their central part of their overall lives.³⁷ Organizational commitment is an attitude reflecting employees' loyalty to their organization and is an ongoing process through which organizational participants express their concern for the organization and its continued success and well being.³⁸

1.5.7 Customer Attitude

Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer's experience of both contacts with the organization and personal outcomes. Some researchers define a satisfied customer as "one who receives significant added value" to his/her bottom line.³⁹ *Customer loyalty* is viewed as the strength of the relationship between an individual's relative attitude and repeat patronage toward a brand or company.⁴⁰

1.5.8 Corporate Financial Performance (CFP)

There are three broad subdivisions of CFP consisting of market-based (investor returns), accounting-based (accounting returns), and perceptual (survey) measures. First, market-based measures of CFP, such as Tobin's Q. Alternatively, accounting-based indicators, such as the firm's return on assets (ROA) and return on equity (ROE). Lastly, perceptual measures of CFP as explained by survey respondents to provide subjective estimates of, for instance, the firm's 'soundness of financial position', 'wise use of corporate assets', or 'financial goal achievement relative to competitors'.⁴¹

³⁶ Fred Luthans, *Organizational Behavior* (Boston: Irwin/McGraw-Hill., 1998), p. 144.

³⁷ John W. Newstrom and Keith Davis, p. 259.

³⁸ Fred Luthans, p. 149.

³⁹ Mack Hanan and Peter Karp, *Customer Satisfaction: How to Maximize, Measure, and Market Your Company's "Ultimate Product"* (New York: American Management Association, 1989), p. xii.

⁴⁰ Alan S. Dick and Kunal Basu, "Customer Loyalty: Toward an Integrated Conceptual Framework," *Journal of the Academy of Marketing Science*, vol. 22, no. 2 (1994): p. 99.

⁴¹ Marc Orlitzky, Frank L. Schmidt, and Sara L. Rynes, "Corporate Social and Financial Performance: A Meta-Analysis," *Organization Studies*, vol. 24, no. 3 (2003): pp. 407-408.

1.6 Literature Review

This section presents the most relevant literature, pertaining to the research questions. A review of literature is imperative to gain an understanding of the research agenda and to identify research gap. The discussion on previous corporate social responsibility literature in this study is centered on: understanding the concept of corporate social responsibility; issues and debate in CSR; stakeholder theory; organizational culture and CSR; customer and CSR; CSR and employee; CSR and corporate financial performance. Based on this literature about CSR and stakeholder theory research questions are posed and a conceptual framework for this study is developed.

Smircich (1983)⁴²

In his article titled “Concepts of Culture and Organizational Analysis” Smircich labeled culture as a multi-dimensional concept that can be applied to firms, industries or nations. The author identifies two major ways of linking culture and organization. In the comparative management literature, culture is treated as an independent variable and assumed to be a background factor, which affects organizations indirectly. On the other hand, recognizing organizations as “culture producers”, the second approach considers culture to be an “inter organizational” variable, leading to the idea of “corporate culture”. These views advocate the relationship between organizational culture and company success, performance and competitiveness, and organizational effectiveness.

Arif (1990)⁴³

In an article titled “Social Responsibility of Business: The Debate, Issues and Performance” Arif analyzes the social responsibility concept and its different variables with reference to Bangladesh. The primary data for the study have been collected through survey method from 10 public and 10 private sector enterprises situated in Chittagong district. A total number of 100 top and mid level managers were interviewed for this study. Secondary data regarding corporate social

⁴² L. Smircich, pp. 339–358.

⁴³ Anwarul Azim Arif, “Social Responsibility of Business: The Debate, Issues and Performance,” *Chittagong University Studies (Commerce)*, vol. 6 (1990): pp. 73–94.

performance of the sample enterprises were collected on perusal of budget document, annual reports, and policy guidelines.

In this paper the author tries to provide a comparative evaluation of social responsibility performance by public and private sector enterprises in Bangladesh. The empirical estimates of this study attempt to examine the involvement of Bangladesh Business enterprises in various social responsibility issues like; employee welfare, product development, community involvement, customer protection, human resource development, and physical environment. The discussion in this study gives us a fractional outlook of the corporate social performance in Bangladesh since it reflected only managerial viewpoints. Here, the author only evaluates the practice of social responsibility in Bangladesh, but the consequence of social performances is not identified in this paper.

Griffin and Mahon (1997)⁴⁴

In an article titled “The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research” Griffin and Mahon extends earlier research concerning the link between corporate social performance (CFP) and corporate financial performance, with special emphasis on methodological inconsistencies. Here the authors focus on some critical issues of CSR/ CFP relationship. First, this study focuses on a single industry, second it uses multiple sources of data and measures regarding CSR and CFP.

By analyzing 51 previous studies authors observe that more than 78 percent of all articles, selected populations with multiple industries. The financial and economic measures as business benefits used in the previous studies can be sorted into profitability, growth, asset utilization, liquidity, and market measures. The data sources for CSR measurement mainly used are: Fortune reputation survey, Kinder Lydenberg Domini (KLD) index, Toxic Release Inventory (TRI), and corporate philanthropy.

⁴⁴ Jennifer J. Griffin and John F. Mahon, pp. 5–31.

Margolis and Walsh (2001)⁴⁵

In this book Margolis and Walsh present a compendium analysis on the Link between a company's Social and Financial Performance. This compendium analysis of 95 studies covering over 30 years of research indicates a positive relationship between corporate social performance (CSP) and corporate financial performance (CFP). The research studies in *People and Profits* look at corporate social performance as both an independent and dependent variable.

In the 80 studies evaluating whether corporate social performance contributes to corporate financial performance, 53 percent of them point to a positive relationship. No relationship is identified in 24 percent of the studies, 4 percent reveal a negative relationship, and the remaining 19 percent of the studies yield mixed results. When evaluating corporate social performance as an outcome of financial performance, again the studies support the correlation. With only 19 studies exploring this question, 68 percent of those reveal a positive relationship, with 16 percent providing no relationship, and 16 percent concluding mixed results.

The authors claim that this diversity in the results is caused by a variance in the approach in which these studies were conducted, specifically variation in the samples of firms used by researchers and in the measurements of CSP and CFP. For instance, in order to test the relationship between CSP and CFP some researchers relied on firms featured in Fortune's most admired companies, or focused only on one industry or firm size, to generalize across firms. CSP was operationalized by using metrics like the KLD index, the total amount of charity engaged in by the firm, and from content analyses of the company's annual report. CFP was measured using accounting measures such as return on assets (ROA), market measures such as stock price, or a mix of the two.

⁴⁵ Joshua D. Margolis and James P. Walsh, *People and Profits: The Search for a Link between a Company's Social and Financial Performance* (Mahwah, NJ: Lawrence Erlbaum Associates, 2001).

Mohr, Webb, and Harris (2001)⁴⁶

This paper of the above authors presents the results of a research project design to investigate what one important stakeholder, the customer, thinks about CSR. The focus of the project includes the following questions:

1. From the customer's perspective do corporations have a responsibility to society?
2. If corporations are seen as having a responsibility to society, what is the nature of that responsibility?
3. How much knowledge do customers think they have about the level of CSR of individual firms?
4. Whether their purchase and investment decisions affected by CSR or not?

This paper begins by deriving a definition of Socially Responsible Customer Behavior (SRCB), and to determine the prevalence of SRCB in USA. The methods and results of this study, consisting of in-depth interviews with forty-four American customers, are described here. Based on the coded variable analysis, the researchers conclude that most of the respondents are positive toward socially responsible companies. But most respondents do not regularly use CSR as a purchasing criterion. While majority of the customers are not committed to socially responsible customer behavior (SRCB) most have at least occasionally make a purchase decision based on such principles. But CSR can only play a significant impact on customer behavior when price, quality, and convenience are same.

Orlitzky, Schmidt, and Rynes (2003)⁴⁷

This article of the above authors presents a meta-analytic review of primary quantitative studies of the CSP–CFP relationship. Providing a methodologically more rigorous review the authors conduct a meta-analysis of 52 studies yielding a total sample size of 33,878 observations.

⁴⁶ Lois A. Mohr, Deborah J. Webb, and Katherinr E. Harris, "Do Consumers Expect Companies to be Socially Responsible? The Impact of Corporate Social Responsibility on Buying Behavior," *The Journal of Consumer Affair*, vol. 35, no. 1 (Summer 2001): pp. 45–72.

⁴⁷ Marc Orlitzky, Frank L. Schmidt, and Sara L. Rynes, pp. 403–444.

The specific objectives of this meta-analysis are to: (1) provide a statistical integration of the accumulated research on the relationship between CSP and CFP; (2) assess the relative predictive validity of instrumental stakeholder theory in the context of the CSP–CFP relationship; and (3) examine several moderators, such as operationalization of CSP and CFP and timing of CSP and CFP measurement. The findings in this study suggest that across studies, CSP is positively correlated with CFP and the relationship tends to be bidirectional and concurrent. This meta-analysis establishes a greater degree of certainty with respect to the CSP–CFP relationship than is currently assumed to exist by many business scholars.

Smith (2003)⁴⁸

In his review article titled “Corporate Social Responsibility: Whether or How?” Smith outlined the dangers of “do-gooding executives”—those managers who justify CSR simply on the basis that it is morally justifiable. He argued that firm investments in socially responsible but unprofitable ventures will ultimately lead to the demise of the firm at worst and, at best, lead to unsustainable support for nonprofit organizations.

Smith observes that corporate initiatives that address a company’s social and environmental impacts that go beyond legal or regulatory requirements which are often premised on a perceived business case in which customer perceptions and demands drive CSR. The author argued that companies should only be responsible to company stakeholders. So, accurate measurement of the business benefits received from the support of social causes has taken on additional importance as managers face pressure to justify the allocation of scarce firm resources. Indeed, decision making concerning social initiatives has become much more strategic and focused on providing tangible returns to the firm. Smith points out that reputational risk is more of a concern for consumer goods where firms that have a larger exposure to customer boycotts or negative media exposure.

⁴⁸ Craig N. Smith, pp. 52–76.

Walsh, Weber, and Margolis (2003)⁴⁹

Walsh, Weber, and Margolis in an article titled “Social issues and management: Our lost cause found” provides a historical approach in examining why so little research directly considers how organizations affect the social objectives of society.

The study investigated the balance between social- and economic-focused publications of the Academy of Management by examining empirical research published from 1958 to 2000 and all research published between 1972 and 2001 linking firms’ social and economic performance, a total of 1,738 empirical articles.

The authors find that research adopting some form of human welfare as an outcome of interest tends to focus its analysis at the individual level—85 percent of all welfare oriented articles. Little research focuses on human welfare at the organizational level—13 percent. And even less focus is on societal-level issues—2 percent. The authors indicate the achievement of industry’s social objectives as particularly salient; stating that attending to social welfare may soon match economic performance as a condition of securing resources and legitimacy.

Cameron and Quinn (2005)⁵⁰

In this book, Cameron and Quinn used a model to assess organizational culture named “The Competing Values Framework” which originally developed to understand organizational effectiveness. This model determines two major dimensions and four main clusters. The first dimension differentiates between organizational focus (internal versus external), while the second one indicates the preference about structure (stability and control versus flexibility and discretion). These two dimensions form four quadrants, each representing a different set of organizational culture indicators. Each quadrant is given a distinguishing label that denotes its most notable cultural characteristic; clan, adhocracy, market, and hierarchy cultures.

⁴⁹ James P. Walsh, Klaus Weber, and Joshua D. Margolis, “Social Issues and Management: Our Lost Cause Found,” *Journal of Management*, vol. 29, no. 6(2003): pp. 859–881.

⁵⁰ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture* (New Jersey: Prentice Hall, 2005).

The *clan* culture concentrates on teamwork, employee-involvement programs, and corporate commitment to employees. This type of organization treats its customers as partners, and its employees as family. The *adhocracy* culture is prevailing in dynamic, entrepreneur, and creative organizations where the focus is to promote adaptability, flexibility and creativity. This kind of organization focuses on external positioning and is most responsive to dynamic environments. The *market* culture represents externally oriented organizations, which focus on transactions with suppliers, customers, regulators and so on. The core values that dominate these organizations are competitiveness and productivity. The *hierarchy* culture is characterized by a formalized and structured workplace, where stability, predictability and efficiency are the long-term concerns.

In order to diagnose the dominant orientation of an organization, Cameron and Quinn developed an instrument known as “Organizational Culture Assessment Instrument” (OCAI), which consists of six different questions with four alternatives. In this assessment respondents were asked to divide 100 points among different alternatives for each question. The overall cultural profile of an organization is then derived by calculating the average score of all statements representing the same cultural orientation. The authors opted to base their typology on six different dimensions: (i) dominant characteristics, (ii) organizational leadership, (iii) management of employees, (iv) organizational glue, (v) strategic emphases, and (vi) criteria for success.

Karim (2006)⁵¹

Karim in his dissertation titled “Social Responsibility of Private Sector Business in Bangladesh: A Study of Selected Enterprises” tries to investigate the diverse social responsibility of private business enterprises in Bangladesh. The study examined the role and importance of social responsibility of private sector in Bangladesh.

⁵¹ Md. Nizamul Karim, “Social Responsibility of Private Sector Business in Bangladesh: A Study of Selected Enterprises,” PhD Thesis, Institute of Bangladesh Studies (IBS), University of Rajshahi, 2006.

Karim observes that the performance of social responsibility of private sector in Bangladesh is not very satisfactory. Private sector businesses largely neglect social responsibility to the employees, customers, government, environment, and community as a whole. The author identifies lack of awareness and avoidance of social responsibility of business as prime hindrance of corporate social performance in Bangladesh.

In fact, the study evaluates social responsibility of private sector business in Bangladesh at macro organizational level. So, the antecedents and consequences of CSR initiatives at micro individual level were not considered rationally.

Luo and Bhattacharya (2006)⁵²

In an article titled “Corporate Social Responsibility, Customer Satisfaction, and Market Value” Luo and Bhattacharya (2006) investigated Fortune 500 companies, finding a direct link between CSR and customer satisfaction. Their study identified that satisfaction mediated the relationship between CSR and firm market value.

This study develops and tests a conceptual framework, which predicts that customer satisfaction to a certain extent mediates the relationship between CSR and firm market value (Tobin’s Q and stock return), corporate abilities (innovativeness capability and product quality) moderate the financial returns to CSR, and these moderated relationships are mediated by customer satisfaction. Based on a large-scale secondary data set, the results show support for this framework. Notably, the authors find that in firms with low innovativeness capability, CSR actually reduces customer satisfaction levels and, through the lowered satisfaction, harms market value.

The study highlights the fact that the relationship between CSR and satisfaction is not always clear-cut. Specifically, authors found that, in firms with a low capability to be innovative, CSR actually reduced customer satisfaction levels and, through lowered satisfaction, harmed market value. To date, the effectiveness of banks’ CSR strategies in promoting retail banking customer satisfaction is only a little bit understood.

⁵² Xueming Luo and C. B. Bhattacharya, pp. 1–18.

Werther and Chandler (2006)⁵³

In this book Werther and Chandler define corporate social responsibility; segregates the firm's stakeholders into three groups: organizational, economic, and societal; discusses various CSR pros and cons for the corporation using economic, moral, and rational arguments; and provides reasons for CSR's growing importance and relevance.

The authors state that corporate leaders must strive to operate from a multiple stakeholders' perspective, trying to balance profits and operational activities. A "strategic lens" concept, which includes vision, mission, strategy, and tactics, with CSR serving as the filter, was considered one of the key ingredients in developing a CSR strategic plan. And opportunities and constraints of external environment, internal competencies, and organizational structure were all also considered key components in developing a CSR strategic plan. Finally, this part of the text discusses the firm's CSR threshold: "the point at which CSR becomes obviously critical to strategic success."

Mackey, Mackey, and Barney (2007)⁵⁴

In this paper Mackey, Mackey, and Barney observe that shareholders may occasionally have interests as well simply maximizing their wealth when they make their investment decisions. The authors present a model that suggests the conditions under which firms will take on socially responsible activities, even if those actions lessen the present value of a firm's cash flow.

Adopting definitions of CSR that focus on voluntary firm actions designed to improve social or environmental conditions and the market definition of firm performance, the authors develop a simple model of supply and demand for opportunities to invest in socially responsible firms. The model seeks to verify whether socially responsible investing will enhance, shrink, or have no impact on a firm's market value. The findings disclose that if the demand for socially

⁵³ W. B. Werther Jr. and D.A. Chandler, *Strategic Corporate Social Responsibility* (New York: Sage Publications, 2006).

⁵⁴ Alison Mackey, Tyson B. Mackey, and Jay B. Barney, "Corporate Social Responsibility and Firm Performance: Investor Preferences and Corporate Strategies," *Academy of Management Review*, vol. 32, no. 3 (2007): pp. 817–835, www.unpri.org/files/Article%201_November.pdf (accessed on 08 October, 2011)

responsible investment opportunities is greater than the supply, then economic value will be created. However, the authors caution that if supply exceeds demand, the reverse impact on firm value may take place.

Belal (2008)⁵⁵

The core objective of the study in this book is to explore the emerging practice of CSR reporting in developing countries with particular reference to Bangladesh. Using the lens of stakeholder theory the author examined whether the current practice of CSR reporting in Bangladesh is provoked by the desire to discharge accountability to all relevant stakeholders or it is driven by a concern with strategic management of powerful stakeholders only.

This is the first comprehensive study on Bangladeshi CSR reporting in that it has made a reasonably large survey of social, ethical and environmental disclosures contained within the annual reports of 87 economically significant Bangladeshi companies. The study has adopted a qualitative approach, which is able to provide a richer explanation by exploring the meaning and implications of CSR reporting. This study has contributed to the CSR reporting literature by exploring managerial perceptions via in-depth interviews with 23 corporate managers in Bangladesh. Although the focus of this study is predominantly on Bangladesh perspectives on CSR reporting in other developing countries have been also provided.

Crane, Matten, and Moon (2008)⁵⁶

In this book Crane, Matten and Moon provide a rich and multi-faceted depiction that explores three relations of citizenship—corporations as citizens, corporations as governors of citizenship, and corporations as arenas of citizenship for stakeholders.

The first relationship they explore focuses on corporations as citizens. Here, the authors examine the ways in which corporations, like other citizens in democracies claim entitlements based on their status, and participate with other

⁵⁵ Ataur Rahman Belal, *Corporate Social Responsibility Reporting in Developing Countries: The Case of Bangladesh* (Hampshire: Ashgate Publishing Limited, 2008).

⁵⁶ Andrew Crane, Dirk Matten, and Jeremy Moon, *Corporations and Citizenship* (Cambridge: Cambridge University Press, 2008).

members in political processes. In the second relationship between corporations and citizenship, they consider the ways in which corporations are acting as if they were governments and are responsible for the delivery of public goods and for the allocation, definition and administration of rights. The third relationship between corporations and citizenship introduces a rather different perspective upon corporations as it envisages conditions whereby corporate action itself can shape opportunities for corporations' stakeholders to act as if they were citizens in relation to the corporation. The main focus in this book, then, is on how corporations constitute an arena in which people can engage in citizenship processes, which may include engagement concerning the definitions of their status and entitlements.

McDonald and Rundle-Thiele (2008)⁵⁷

In this paper McDonald and Rundle-Thiele review the literature on CSR effects and customer satisfaction, noting gaps in the literature. A series of propositions is put forward to guide future research endeavors.

The purpose of this paper is twofold. First, the paper explores the relationship between CSR and customer outcomes, and then discusses the current state of research on CSR and customer satisfaction, noting gaps in the literature. Second, propositions are put forward promoting an agenda that encourages researchers to consider the relative impact of CSR on customer satisfaction compared to alternative initiatives that more directly benefit the customer.

Carroll and Buchholtz (2009)⁵⁸

In this book a complex understanding of the range of responsibilities that reside with businesses was outlined in the “four-part model of corporate social responsibility” suggested by the authors. That provided a framework which contemplated four components of CSR. On this understanding, the four components could be seen to be structured in layers, which build on each other

⁵⁷ Lynette M. McDonald and Sharyn R. Rundle-Thiele, pp. 170–182.

⁵⁸ Archie B. Carroll and Ann K. Buchholtz, *Business and Society: Ethics and Stakeholder Management*, (7th ed. Mason, OH: South-Western Cengage Learning, 2009).

from a broader base to a narrower upper-level stratum. Carroll's CSR pyramid, one of the best-known CSR models, presents company's social obligations as comprising economic, legal, ethical and philanthropic responsibilities.

The four-part CSR model initiated by Carroll portrays the four components of CSR, beginning with the basic building block of economic performance. At the same time, business is expected to obey the law. Legal responsibility involves businesses complying with country's laws and regulations. Next is business's responsibility to be ethical, those standards, norms, and expectations that reflect a concern for what customers, employees, shareholders and the community regard as fair, just and respectful of stakeholders' moral rights. Finally, philanthropic responsibility was the expectation that businesses be good corporate citizens, actively engaging in programs to promote human welfare and goodwill.

The authors summarized, the total social responsibility of business entails the simultaneous completion of the firm's economic, legal, ethical, and philanthropic responsibilities. In equation form, this might be expressed as follows:

$$\textit{Economic Responsibilities} + \textit{Legal Responsibilities} + \textit{Ethical Responsibilities} + \textit{Philanthropic Responsibilities} = \textit{Total Corporate Social Responsibility}.$$

Glavas (2009)⁵⁹

Glavas in his dissertation titled "Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?" explores how an employee's perception of their company's corporate citizenship influences their experiences at work. In this study two surveys were constructed to measure an employee's perception of their company's corporate citizenship, and the implication of corporate citizenship to the employee.

⁵⁹ Ante Glavas, "Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?" PhD Thesis, Department of Organizational Behavior, School of Graduate Studies, Case Western Reserve University, 2009.

Survey responses from employees were analyzed with regression and structural equation modeling. Overall, 347 employees from six companies from North America participated in the survey. 86 percent of the respondents were from the USA while 14 percent were from Canada. In this study that author hypothetically expects that employees who perceive higher levels of corporate citizenship will report higher levels of engagement, high quality -connections, and creative involvement. In addition, the importance of corporate citizenship to the employee should moderate those relationships. Empirical estimates of his study indicate that employees are more engaged, develop higher quality relationship, and are more creatively involved when they perceive their company to be a good corporate citizen.

Philipp Schreck (2009)⁶⁰

The study in this book was first accepted as a doctoral thesis by the Munich School of management at the Ludwig Maximilians University.

In this book Schreck tries to show why earlier investigations found incongruous results by assuming a direct link between corporate social performance and profit. In compare to that, he develops a broader frame of reference which includes diverse components of CSR as well as several determinants of its relation to economic performance.

His empirical study is based on a new data base. Data are drawn from Oekom Research AG, which have not been used for scientifically rigorous studies up till now. Coupled to a theoretically sound study, the author uses an effective econometric approach. The empirical estimates of his study indicate that one cannot suppose a generic positive relation between CSR generally and profits. But there is evidence of such a relation for CSR's individual components. Another finding is that in contrast to what has often been assumed from a neoclassical perspective, there is no significant negative relation between CSR and profit.

⁶⁰ Philipp Schreck, *The Business Case for Corporate Social Responsibility: Understanding and Measuring Economic Impacts of Corporate Social Performance* (Heidelberg: Physica-Verlag, 2009).

Arli and Lasmono (2010)⁶¹

A paper on the title “Consumers’ Perception of Corporate Social Responsibility in Developing Country” examined customer awareness toward CSR in developing country of Indonesia, signifying that CSR is still a concept waiting to be applied in developing countries.

Empirical estimates of this study indicate that CSR is not yet a decisive factor in buying a product from a company. Customers are often unaware and not ready to give a hand towards CSR. This is the opposite finding of customer perception in developed countries, where most customers are willing to support CSR launched by corporations. However, an interesting finding appears in this study, when customers have to buy similar products with the same price and quality, CSR could be the determining factor. They would buy from the firm that has a socially responsible reputation.

Carroll and Shabana (2010)⁶²

In an effort Carroll and Shabana concluded an extensive literature review and claim that the business case for CSR refers to the arguments that offer lucid rationalization for CSR initiatives from a primarily corporate financial standpoint. Business case point of view contend that firms which engage in CSR activities will be rewarded by the market in economic and financial terms. A slender view of the business case justifies CSR initiatives when they generate direct and clear links to firm financial performance. By contrast, the broad view of the business case justifies CSR initiatives when they create direct and indirect links to firm performance. The broad view of the business case for CSR enables the firm to improve its competitive advantage and create win–win relationships with its stakeholders.

⁶¹ Denni I. Arli and Hari K. Lasmono, “Consumers’ Perception of Corporate Social Responsibility in Developing Country,” *International Journal of Consumer Studies*, vol. 34 (2010): pp. 46–51.

⁶² Archie B. Carroll and Kareem M. Shabana, “The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice,” *International Journal of Management Reviews*, (2010): pp. 85–105.

The authors demonstrate the benefits of CSR are not all the same, and effective CSR initiatives are not generic. Efficient CSR rests on developing the proper CSR strategy where CSR actions are those directed at improving stakeholder relations and, simultaneously, improving social wellbeing. To devise a winning CSR strategy, firms must comprehend the benefits of CSR. The justification for the business case for CSR may be categorized under four arguments: dipping cost and risk; strengthening legitimacy and reputation; building competitive advantage; and creating win-win situations through synergistic value creation. The authors argue that the impact of CSR on firm financial performance is not always favorable. Only when firms are able to pursue CSR activities with the support of their stakeholders can there be a market for virtue and a business case for CSR.

Freeman, *et al.* (2010)⁶³

In this book Freeman, *et al* attempt to explain and assess stakeholder theory in comprehensive manner. The authors observe that the stakeholder theory literature seems to represent a rapid departure from the customary understanding of business as a medium to maximize shareholder's wealth and the stakeholder view is a more useful way of understanding modern capitalism. The authors examine work in business ethics where the stakeholder idea has had a major impact. By looking at the concept of corporate social responsibility and the way in which stakeholder theory has been used to set out more useful models of this idea they end with the suggestion that corporate social responsibility can more usefully be interpreted as "company stakeholder responsibility,"

Freeman, *et al* point out that the basic idea of creating value for stakeholders is quite simple. Business can be understood as a set of relationships among groups which have a stake in the activities that make up the business. In

⁶³ R. Edward Freeman, *et al.* *Stakeholder Theory: The State of the Art* (Cambridge: Cambridge University Press, 2010).

this book the authors classify stakeholders in two categories. Business is about how customers, suppliers, employees, financiers (stockholders, bondholders, banks, etc.), communities, and managers interact and create value. Almost every business is concerned at some level with relationships between financiers, customers, suppliers, employees, and communities. Authors label these groups as primary stakeholders.

They also argue that if a group or individual can affect a business, then the company must take that group into consideration in thinking about how to create value. So, a stakeholder is any group or individual that can affect or be affected by the realization of an organization's purpose. At a minimum some groups like government, media competitors, special interest groups, and customer advocate groups affect primary stakeholders are labeled as secondary stakeholders.

Jasim (2010)⁶⁴

Jasim in his dissertation titled, "Corporate Social Responsibility of Islamic Banking: A Study of Two Banks in Bangladesh" tries to examine the present status of CSR activities of Islami Bank Bangladesh Ltd (IBBL) and Al-Arafah Islami Bank Ltd (AIBL).

Through his study he exert an effort to review the pattern and culture of CSR of IBBL and AIBL with reference to their contributions toward all major stakeholders like shareholders, customers, employees, government, and environment.

The study is concerned with the CSR of Islamic banking covering only two banks. The researcher focuses on the growth trends and performance of Islamic banks in Bangladesh and their motives, objectives, and role in CSR activities. But, any appropriate CSR measurement technique is not introduced in this dissertation and the consequences of CSR activities also avoided.

⁶⁴ Md. Kamaluddin Jasim, "Corporate Social Responsibility of Islamic Banking: A Study of Two Banks in Bangladesh," PhD Thesis, Institute of Bangladesh Studies (IBS), University of Rajshahi, 2010.

1.7 Justifications of the Study

This section provides justification as to why researching CSR with a special focus on its antecedents and implications for individual stakeholders in the banking sector in Bangladesh is necessary. To understand the CSR phenomenon, an extensive literature review was conducted. CSR in Bangladesh is a new research area, as most of the literature favors developed and industrialized nations, and gives little empirical evidence and attention to the developing economies. This widespread review of literature justifies CSR research into banking sector in Bangladesh for theoretical, methodological, and contextual reasons; and lack of empirical evidence from Bangladesh.

1.7.1 Theoretical Justification

Although CSR is not a new concept, it remains an indefinable notion for academics and a contested issue for companies and their stakeholders. Currently, there appears to be significant disagreement about what the term CSR means, and how, or why it should be implemented. A number of specific factors may have been instrumental in generating the vast amount of theories, concepts, models, and themes have emerged over the last half a century. These issues, in turn, arise out of a broader debate about the role of the business in society. Despite the variety of understandings, antecedents and consequences of CSR is still inconclusive. Many argue that a common conceptual framework of CSR is still lacking. Because CSR is a complicated area of research, it is unlikely that one particular view can fully explain the phenomena. Therefore, this study examines the three main views namely business case for CSR, strategic CSR, and stakeholder theory within its research framework.

1.7.2 Methodological Justification

Research on the business case for CSR has been largely dominated by quantitative methods for the last four decades. Two important issues identified in the literature review are the multiple quantitative dimensions used to measure CSR and corporate financial performance as business benefits of CSR. Because of the complexity of the subject, a number of researchers suggested for using qualitative

methods. Therefore, this study is taking initiative to add up to qualitative empirical data regarding organizational culture, perceived CSR measurement, customers' attitude, and employees' attitude.

1.7.3 Contextual Justification

Although extensive research into the CSR phenomenon has been undertaken in developed and industrialized countries, and Western CSR models have been widely applied, these are through the lens of others. Researchers recognized that the adopted Western-based CSR practices within developing context differ because of different economic and cultural settings. Therefore, questionably the evidence is not fully suited to understanding the antecedents and consequences of CSR in Bangladeshi context.

A critical issue identified in the CSR literature is the focus on large, cross-sectional studies that incorporate multiple industries. Industries exhibit special uniqueness in that the internal competencies or external pressure inherent to create a specialization of social posture. Because the issues differ for different industries, this study by focusing on single industry like banking sector in Bangladesh, allows investigating if the same social issues work similarly. Banking sector in Bangladesh is chosen because the direct monetary expenditure of banks in Bangladesh in CSR initiatives in 2010 was 2329.80 million taka.⁶⁵ It seems good but relatively poor against what they earn as profit from the market. Therefore, research within the Bangladeshi context, can help to establish if existing western concepts regarding CSR are in way applicable.

1.7.4 Empirical Evidence Justification

Although some empirical evidence on CSR in Bangladesh has been identified, but antecedents and consequences of CSR has not been the focal issue. Rather present status of CSR, stakeholders' perception regarding CSR practices, problem in discharging CSR were observed. However, inclusive evidence of cultural antecedents and business case for CSR in Bangladesh is still lacking.

⁶⁵ Department of Off-site Supervision, Bangladesh Bank, *Review of Corporate Social Responsibility Initiatives in Banks: 2010* (Dhaka: Bangladesh Bank, 2011), P. 1.

1.8 Conceptual Framework

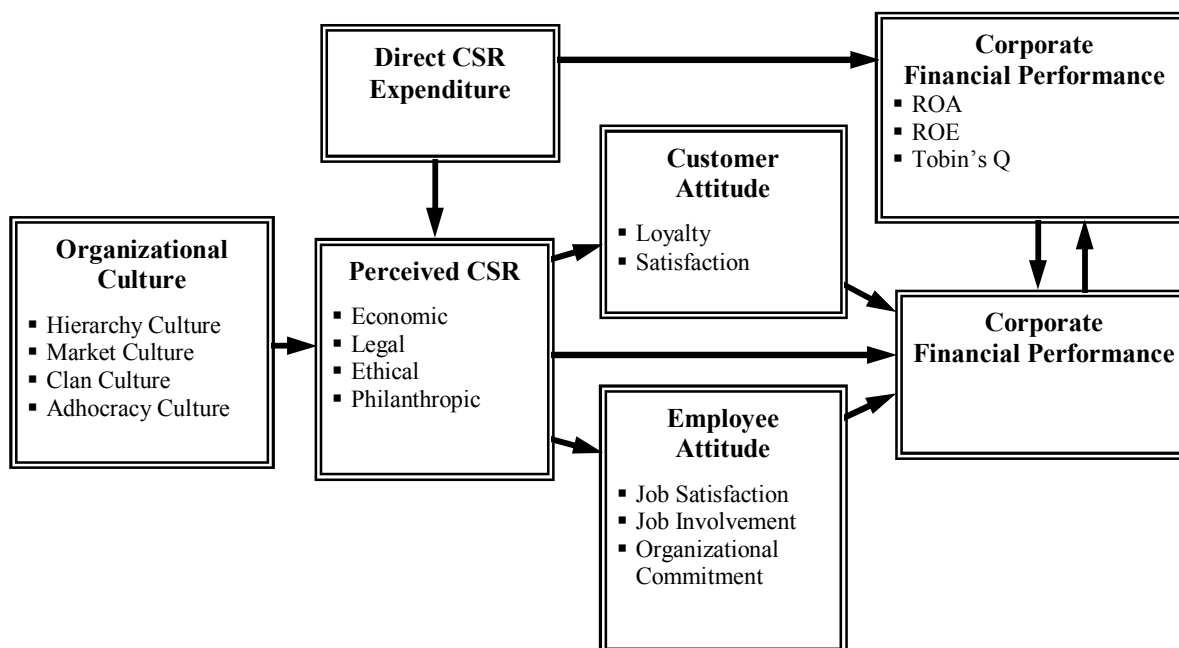


Figure 1.1: Conceptual framework for the cultural antecedents and strategic implications of corporate social responsibility.

1.9 Methodology of the Study

To achieve the research objectives, both qualitative and quantitative approaches were followed. Accordingly, survey method, key informant interview, and content analysis have been used to collect necessary data.

1.10 Research Designing

1.10.1 Types and sources of Data

Mainly qualitative data have been employed for the study. Complementarily, quantitative data regarding direct CSR expenditure and financial performance were used in this study. Those data and information have been collected from primary and secondary sources.

1.10.2 Sample Size and Sampling

28 private commercial banks listed in Dhaka Stock Exchange (DSE) from Bangladesh have been participated in this study. Banking sector is selected purposively considering the following criteria:

- The estimated contribution of banking sector to total GDP of Bangladesh in 2009-10 fiscal year was about 1.41 percent.

- Out of forty eight scheduled banks in Bangladesh, forty six had engagement in CSR practices in some form or other in 2009.⁶⁶
- Besides the passive engagements by way of grants or donations, banks are now getting actively engaged in socially responsible business operations.

At first 28 private commercial banks out of 30 listed in DSE are selected to explain the nature and impact of direct CSR expenditure on corporate financial performance. The data covers the banks over the four year period 2007-2010. Public commercial bank (Rupali Bank Limited) excluded from the study to ensure a uniform sample for comparability and ease of interpretation purpose. The four year sample period covered the information on banks' direct CSR expenditure and financial performance information. It contains 28 banks (excluding ICB Islami bank) from 2007 to 2010 consists of 28×4 bank-year observations.

In second phase, eight private commercial banks out of 30 banks listed in DSE have been selected to collect data regarding organizational culture and perceived CSR with references to the employee's and customer's behavioral outcomes of customer loyalty, customer satisfaction, job satisfaction, job involvement, and organizational commitment. Twenty eight private commercial banks listed in DSE were approached to participate from which eight banks agreed. Banks declined due to high workload of employees and already having sent too many surveys to employees.

Table 1.1: Distribution of Sample

Type of Respondent	Name of Organization	Types of Sampling	Number of Respondent
Top Level Management	Eight Listed Banks in DSE	Purposive	16
Employee	Eight Listed Banks in DSE	Random	201
Customer	Eight Listed Banks in DSE	Convenience	206
Total Number of Respondents			423

The participated banks include three 1st generation banks (National Bank Limited, United Commercial Bank Ltd, and Islami Bank Bangladesh LTD), three 2nd generation banks (Dutch Bangla Bank Limited, Eastern Bank Limited, and Prime Bank Limited), and two 3rd generation banks (Mercantile Bank Limited and EXIM

⁶⁶ Bangladesh Bank, *Review of Corporate Social Responsibility Initiatives in Banks: 2008 & 2009* (Dhaka: Department of Off-site Supervision BB, 2010), P. 1.

Bank LTD) for their significant contribution as direct CSR expenditure. For every bank participated in this survey, three branches, situated in three different geographical locations (Dhaka, Rajshahi, and Dinajpur), have been selected purposively. In case of Eastern Bank limited branches selection limit to Dhaka and Rajshahi locations due to unavailability of Dinajpur branch. Overall, 23 branches of eight private commercial banks in Bangladesh participated in the study.

Table 1.2: Distribution of Respondents (employee and customer) among Banks and Branches

Bank	Location of the Branch						Total	
	Dhaka		Rajshahi		Dinajpur		Employee	Customer
	Employee	Customer	Employee	Customer	Employee	Customer		
DBBL	10	10	8	8	9	8	27	26
IBBL	10	10	9	9	8	8	27	27
EBL	10	10	9	9	0	0	19	19
PBL	9	10	8	8	8	9	25	27
NBL	9	10	9	9	8	9	26	28
MBL	8	9	7	8	8	7	23	24
EXIM	9	9	8	9	9	9	26	27
UCBL	10	10	8	9	10	9	28	28
Total	75	78	66	69	60	59	201	206

Source: Field Survey Data

Two waves of sampling took place in order to obtain a sufficient number of bank employees and customers as survey respondents. From each branch, 10 employees are randomly selected. The total sample size came to 230 employees. Surveys were given with a cover letter and to all employees in the sample. Employees were requested to return completed questionnaires to the researcher. The response rate among the employees is 87.39 percent. This generated total of 201 employees as survey respondents.

10 questionnaires for each branch were distributed among customers on week days at various times of the day. The total sample size came to 230 customers. Every tenth customer coming through the entrance of the banks' branch was selected by investigators.

Table 1.3: Demographic Profile of Respondents

Demographic Variables and General Information		Employee	Customer
Age	Up to 20 years	0	2.9%
	20-30 years	31.8%	31%
	30-40 years	49.8%	28.2%
	40-50 years	14.9%	25.2%
	50-60 years	3.5%	9.2%
	60 years and older	0	4.9%
Gender	Male	76.1%	71.4%
	Female	23.9%	28.6%
Marital Status	Unmarried	22.9%	-
	Married	77.1%	-
Academic Qualification	Up to SSC	0	6.8%
	SSC	0	13.6%
	HSC	0	27.2%
	Bachelor	12.9%	32%
	Masters	86.1%	20.4%
	PhD	1%	0
Total Work Experience	Bellow 1 year	4%	-
	1- Bellow 5 years	35.8%	-
	5- Bellow 10 years	32.3%	-
	10- Bellow 15 years	13.5%	-
	15- Bellow 20 years	7.4%	-
	20 years and above	6%	-
Tenure in present bank	Bellow 1 year	5.5%	3.4%
	1- Bellow 5 years	49.7%	58.3%
	5- Bellow 10 years	31.4%	29.6%
	10- Bellow 15 years	9.4%	6.6%
	15- Bellow 20 years	3%	2.4%
	20 years and above	1%	0
Managerial Level of the Employees	First line	63.2%	-
	Mid-level	21.4%	-
	Top	15.4%	-
Profession of the Customer	Business	-	39.3%
	Service	-	31.1%
	Student	-	17%
	Housewife	-	8.3%
	Others	-	4.4%
Accounts Type of Customers	Current	-	27.2%
	Savings	-	44.2%
	Term deposit	-	19.4%
	Others	-	9.3%

Source: Field Survey Data

These customers were asked to fill in the questionnaire at home. A pre-stamped, addressed envelope was added to the questionnaire, so no additional costs were incurred by the respondents. 206 questionnaires were returned and could be used for further analyses. The response rate among the customer is 89.57 percent. The sample was found to be representative for the population by checking the customer database.

Two top management executives from each of the relevant banks are selected purposively as the key informants in this study.

1.10.3 Demographic Profile of Respondents

An analysis of the respondents' demographic characteristics is presented in Table 1.3. Among the total employee respondents, the important age group is 30 to 40 which alone constitutes 49.8 per cent of the total. The academic background of the most employees is master degree which constitutes 86.1 per cent of the total solely. Among the total employees 76.1 percent is male and 23.9 percent is female. Most of the employees have an experience of 1-5 years in their present banks.

Among the total customers, the important age ranges from 20 to 50 years which constitutes 84.4 per cent of the total. The important professions among the customers are business and service which constitute 39.3 and 31.1 per cent to the total respectively. Most of the customers have savings account and an experience of 1-5 years in their present banks.

1.10.4 Techniques of Primary Data Collection

Data have been gathered in a survey on the employees and customer in several banks, with differing levels of culture and CSR posture. Primary data were collected by using two different tools.

1.10.4.1 Questionnaire Survey

Primary data related to organizational culture types, perceived CSR initiatives of companies by employees and customers, employee attitude, and customer attitude were collected through structured questionnaire.

Survey Instrument Development

Two sets of questionnaires (employee survey and customer survey) with a cover letter for each were used to collect data necessary to meet the purpose and

objectives of the study (See Appendix-B). The cover letter was designed to encourage participation. The cover letter first described the nature and the purpose of the study. The second paragraph included a request for participation in the study, followed by statements assuring anonymity and the extent to which confidentiality of records will be maintained. In the final, the names, phone numbers, and email addresses of the researcher and research supervisor were listed in case respondents had questions about the research.

The employee survey questionnaire had eight sections. Section 1 asked for respondent's general information: bank name; branch name; employee name; designation; gender; age; marital status; academic qualification; total work experience; tenure in present bank; and management position.

Section 2 included questions about respondents' perception regarding their banks' CSR posture. Employees were asked to focus their answers solely on the bank in which they were employed at the time of the survey. All measures were drawn from extant research except for the perceived CSR scales that had to be modified specifically for this study. To operationalize the CSR construct, activities typifying economic, legal, ethical, and philanthropic responsibilities toward the different stakeholders had been identified. An extensive search of the academic and business literatures⁶⁷ were conducted to identify the activities commonly considered as CSR. Then, in a series of in-depth interviews, 16 top level executive describe the practice adopted by their bank to demonstrate proactive CSR towards different stakeholders in Bangladesh. The behaviors representative of proactive CSR as identified in the field surveys and literature review were classified into a grid according the type of CSR they depicted (economic, legal, ethical, and philanthropic). Similar classification was used by scholars⁶⁸ and was used as a reference to produce a set of 44 scale item. A pretest was conducted to asses the quality and validity of the item produced. The 44 items were submitted in a pretest

⁶⁷ Ante Glavas, "Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?" PhD Thesis, Department of Organizational Behavior, School of Graduate Studies, Case Western Reserve University, 2009; Isabelle Maignan, O. C. Ferrell, and G. Tomas M. Hult , "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (Fall 1999)

⁶⁸ Archie B. Carroll, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," in *Corporate Social Responsibility: Theories and Concepts of Corporate Social Responsibility*, Vol. 1, ed. Andrew Crane and Dirk Matten (New Delhi: Sage Publication, 2004), p. 35.

to 30 MBA students. After modifying 37 items were kept in the final measure: 10 items to evaluate economic, 8 items to evaluate legal responsibility, 13 items to evaluate ethical responsibilities, and 6 items to evaluate philanthropic responsibilities. A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items. The items within each sub-section scale were averaged for a single score for each type of CSR. Then the dimensions within CSR were averaged for a single score for calculating overall CSR.

Section 3 included employees' perception regarding their banks organizational culture type. Cameron and Quinn's⁶⁹ "Competing Values Framework" (CVF) as well as their measurement tool named "Organizational Culture Assessment Instrument" (OCAI) were adopted in this study. The Competing Values Framework was originally developed to understand organizational effectiveness and was later applied to explore different issues relative to organizational culture⁷⁰. This scale comprised 24 items that measure the four dimensions of organizational culture including (1) clan, (2) adhocracy, (3) market, and (4) hierarchy cultures. A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items. The items within each sub-dimension scale were averaged for a single score for all four culture type.

Section 4 sought information on job involvement. Job involvement was measured with Kanungo's⁷¹ 10-item Job Involvement Questionnaire (JIQ). Kanungo's scale originally used a 6-point Likert-type scale. However in this study, for consistency in the survey, a 7-point scale with the same anchors was used.

Section 5 included questions about respondent's organizational commitment based on the Three-Component Model⁷² (TCM) of commitment, the *TCM Employee Commitment Survey* measures three forms of employee commitment to an organization: desire-based (affective commitment), obligation-based (normative commitment) and cost-based (continuance commitment). This

⁶⁹ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass Publishers, 2006).

⁷⁰ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass Publishers, 2006)

⁷¹ R. N. Kanungo, *Work alienation: An integrative approach* (New York: Praeger, 1982)

⁷² John P. Meyer and Natalie J. Allen., "A Three-Component Conceptualization of Organizational Commitment," *Human Resource Management Review*, vol. 1 (1991): pp. 61–89.

scale comprised 18 items that measure the three dimensions of organizational commitment including the Affective Commitment Scale (ACS), the Normative Commitment Scale (NCS) and the Continuance Commitment Scale (CCS)⁷³. A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items. The items within each sub-dimension scale were averaged for a single score for all three types of organizational commitment.

Section 6 assessed respondents' overall job satisfaction. Job satisfaction was measured with a 3-item scale adapted from Quinn and Staines⁷⁴ that is assumed to generate an overall measure of job satisfaction. A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items.

Section 7 assessed respondents' concern for social issues. This variable was measured using three items taken from Importance of Corporate Citizenship scale developed by Ante Glavas⁷⁵. A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items.

Section 8 included questions about respondent's satisfaction regarding intrinsic and extrinsic factors of their job. Intrinsic and extrinsic factors of job were measured using 14 and 6 items respectively taken from the short form of Minnesota Satisfaction Questionnaire (MSQ)⁷⁶. A seven-point Likert scale ranging from 1 (*very dissatisfied*) to 7 (*very satisfied*) was used for each item.

The customer survey questionnaire had six sections. Section 1 asked for respondent's general information: bank name; branch name; customer name; gender; age; academic qualification; profession; accounts type; and account tenure in the present bank.

⁷³ J. P. Meyer, N. J. Allen, and C. A. Smith, "Commitment to organizations and occupations: Extension and test of a three-component conceptualization," *Journal of Applied Psychology*, vol. 78 (1993): pp. 538–551.

⁷⁴ R. R. Quinn and G. L. Staines, *The 1977 Quality of Employment Survey* (MI: University of Michigan, 1977)

⁷⁵ Ante Glavas, "Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?" PhD Thesis, Department of Organizational Behavior, School of Graduate Studies, Case Western Reserve University, 2009.

⁷⁶ David J. Weiss, Rene V. Dawis, George W. England, and Lloyd H. Lofquist, Manual for the Minnesota Satisfaction Questionnaire, *Minnesota Studies for Vocational Rehabilitation: XXII*, Work Adjustment Project (Industrial Relations Center: University of Minnesota, 1967)

Section 2 included questions about respondents' perception regarding their banks' CSR posture. In case of customer survey same measures of perceived CSR had been used as employee survey.

Section 3 included customers' perception regarding their banks service quality, price, and access. The Service Quality Attributes consist of five components: Tangibility, Reliability, Responsiveness, Assurance and Empathy. These components are based on SERVQUAL model⁷⁷. This study uses multiple item scale items adapted from Caruana⁷⁸ and partially adjusted to the 17-items scales in the context of banking sector of Bangladesh. Price and access scales had been developed on the basis of BSQ (bank service quality) items introduced by Stafford.⁷⁹ A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items.

Section 4 sought information on customer satisfaction. I could have used the single-item measure of on its own but was able to also identify the multi-item scale for satisfaction used by Caruana⁸⁰ and others that possessed the necessary psychometric properties. This resulted in an overall measure of satisfaction that was made up of four items. Questions 62, 63, and 64 were adapted from Caruana, Money, and Berthon and question 65 was taken from Spreng and Mackoy⁸¹. A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items.

Section 5 sought information on customer loyalty. Customer loyalty was measured with Zeithaml, Berry, and Parasuraman's⁸² 5-item Customer loyalty Questionnaire. A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items.

⁷⁷ A. Parasuraman, L. L. Berry, and V. A. Zeithaml, "SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality," *Journal of Retailing*, vol. 64, no. 1 (1988): p. 12.

⁷⁸ Albert Caruana, "Service Loyalty: The Effects of Service Quality and the Mediating Role of Customer Satisfaction" *European Journal of Marketing*, vol. 36, no. 7/8 (2002): pp. 811–828.

⁷⁹ M. R. Stafford, "Demographic Discriminators of Service Quality in the Banking Industry," *The Journal of Services Marketing*, vol. 10, no. 4 (1996): p. 6.

⁸⁰ Albert Caruana, Arthur H. Money, and Pierre R. Berthon, "Service Quality and Satisfaction—the Moderating Role of Value", *European Journal of Marketing*, vol. 34, no. 11/12 (2000): p. 1345.

⁸¹ R. A. Spreng and R. D. Mackoy, "An Empirical Examination of A Model of Perceived Service Quality and Satisfaction", *Journal of Retailing*, vol. 72, no. 2, pp. 201–214.

⁸² Valarie A. Zeithaml, Leonard L. Berry and A. Parasuraman, "The Behavioral Consequences of Service Quality," *Journal of Marketing*, vol. 60, N=no. 2 (Apr., 1996), pp. 31–46.

Section 6 assessed respondents' concern for social issues. This variable was measured using five items taken from research proposition concluded by Mohr, Webb, and Harris.⁸³ A seven-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*) was used for each items.

1.10.4.2 Key Informant Interview

For data collection the researcher to some extent is depend on key informant interviews. They were selected by purposive sampling technique for the required information regarding the cultural profile and CSR initiative of firms. Top management executives of the relevant banks are the key informants in this study.

1.10.5 Techniques of Secondary Data Collection

Secondary data regarding direct CSR expenditure and financial performance of the banks have been collected from banks' website, banks' annual reports, different reviews of Bangladesh Bank, and Dhaka Stock Exchange reviews. Other required literature regarding organizational culture, CSR, and stakeholder attitude were gathered through books, reputed journals, research papers, published and unpublished documents, electronic files, magazine, newspaper etc. for the enhanced reliability and validity of the study.

1.10.6 Data processing, Analysis, and Presentation

The collected data have been arranged and scrutinized cautiously in accordance with demonstrable indicators of objective. The processing steps are: editing, coding and classification.

The data have been analyzed with the help of SPSS (Statistical Package for Social Sciences) to examine the relationship between direct CSR expenditure and financial performance, organizational culture and perceived CSR with references to the employee's and customer's behavioral outcomes of customer loyalty, customer satisfaction, job satisfaction, job involvement, and organizational commitment.

⁸³ Lois A. Mohr, Deborah J. Webb, and Katherinr E. Harris, "Do Consumers Expect Companies to be Socially Responsible? The Impact of Corporate Social Responsibility on Buying Behavior," *The Journal of Consumer Affair*, vol. 35, no. 1 (Summer 2001): pp. 68–69.

Frequency distribution, measure of central tendency, standard deviation, and correlation were used in case of analyzing the quantitative data. In addition, ANOVA, and hierarchy regressions have been used to test the overall model. Mean scale scores were also used for the dependent and independent variables. The findings from the quantitative analysis are presented in tables, charts, figures, and interpretations. The interpretations have been made by analyzing the quantitative output of different statistical tests.

1.10.7 Validity and Reliability

To ensure reliability and validity of data in this study following steps have been taken:

- A pretest of the questionnaires was carried out.
- The reliability of the construct items was evaluated using Cronbach's coefficient alpha. Cronbach's coefficient alpha of all the constructs ranged from 0.713 to 0.958. All of the reliability exceeded the conventional recommended cut-off of 0.70. Tables 1.4 and 1.5 present the results.

Table 1.4 (a): Cronbach's Coefficient Alpha of all the Constructs of Employee Survey

Variables	Dimensions	Cronbach's Alpha	No. of Items
CSR	Economic Responsibility	0.958	10
	Legal Responsibility	0.933	8
	Ethical Responsibility	0.922	13
	Philanthropic Responsibility	0.951	6
Organizational Culture	Clan	0.929	6
	Adhocracy	0.840	6
	Hierarchy	0.713	6
	Market	0.854	6
Job Involvement	Job Involvement	0.833	10
Organizational Commitment	Affective Commitment	0.893	6
	Continuance Commitment	0.799	6
	Normative Commitment	0.891	6
Overall Job Satisfaction	Overall Job Satisfaction	0.888	3
Satisfaction to Job Factors	Intrinsic Factors	0.816	14
	Extrinsic Factors	0.735	6
Concern for social Issue	Concern for social Issue	0.830	3

Source: Statistical Analysis of the Field Survey Data

Table 1.4 (b): Cronbach's Coefficient Alpha of all the Constructs of Customer Survey

Variables	Dimensions	Cronbach's Alpha	No. of Items
CSR	Economic Responsibility	0.945	10
	Legal Responsibility	0.917	8
	Ethical Responsibility	0.912	13
	Philanthropic Responsibility	0.933	6
Bank's Service Quality	Assurance	0.887	4
	Empathy	0.772	3
	Reliability	0.819	4
	Tangible	0.850	3
	Responsiveness	0.797	3
Price	Price	0.756	2
Access	Access	0.901	5
Overall Customer Satisfaction	Overall Customer Satisfaction	0.874	4
Customer Loyalty	Customer Loyalty	0.912	5
Concern for Social Issue	Concern for Social Issue	0.889	5

Source: Statistical Analysis of the Field Survey Data

1.11 Scope and Limitations of the Study

The present study covers cultural antecedents and impacts of corporate social responsibility on employee and customer attitude at banking sector in the context of developing country like Bangladesh. The analysis of this study includes direct CSR expenditure, organizational culture, perceived CSR practices, organizational benefits from stakeholder perspective, and financial performance of selected banks in Bangladesh. An attempt to measure the perceived CSR of selected banks is made in the light of Carroll's CSR model in congruent with Global Reporting Initiative (GRI) guideline. To operationalize the core objective this study also examines the influence of stakeholders' attitude on corporate financial performance.

The main limitation of the study is that the sample can not be generalized to the entire population of Bangladesh, since the study only focuses on individual stakeholder perspective to CSR and does not covering all the sectors in Bangladesh economy. Furthermore, among the all stakeholders employee and customer attitude were given merely emphasis for assessing the relationship between CSR initiatives

and firm's benefits because of their greater significance as primary stakeholder. The findings may not replicate the complete scenario of CSR in entire Bangladesh, but would produce an untouched notion regarding CSR in Bangladesh.

1.12 Ethical Issues

To conduct this study it has needed to analyze published and unpublished documents and reports. Methods of noting are being used as summary, paraphrase, and quotation according to the requirements of the research. The researcher is completely avoiding plagiarism very cautiously. In case of survey, an ethical consent form is being provided to the all respondents.

1.13 Thesis Structure

The findings of the study are presented here in the form of a dissertation. The chapter outlines of the dissertation are as follows:

Chapter 1. Introduction: It includes the prelude, statement of the problem, objective of the study, existing literature in this area, conceptual framework, hypotheses of the study, methodology of the study, justification, scope and limitations.

Chapter 2. Exposure and Strategic Implications of Direct CSR Expenditures of the Banks in Bangladesh: This chapter addresses the question whether corporate social performance in the form of direct CSR expenditure is linked to different measures of financial performance.

Chapter 3. Cultural Antecedents of CSR at Banking Sector in Bangladesh: This chapter represents an attempt to examine links between corporate social responsibility and organizational culture of the private commercial banks in Bangladesh.

Chapter 4. Impacts of CSR on Employee Attitude: This chapter focuses on the relationship between employee attitude and perceived corporate social responsibility within a model draws on "The Pyramid of Corporate Social Responsibility."

- Chapter 5. Impacts of CSR on Customer Attitude:** The purpose of this chapter is to add to our understanding of the CSR-customer relationship by investigating customer perception of different CSR initiatives and the impacts of perceived CSR on customer attitude in a high-involvement service category—banking sector of Bangladesh.
- Chapter 6. Relationship between Perceived CSR and Corporate Financial Performance:** In this chapter, the relationships between perceived corporate social responsibilities (CSR) and corporate financial performance (CFP) are examined through a quantitative analysis.
- Chapter 7. Impacts of Individual Stakeholder Attitudes on Corporate Financial Performance:** In this chapter, the relationships between individual stakeholders' attitudes (job satisfaction, job involvement, organizational commitment, customer satisfaction, and customer loyalty) and corporate financial performance (CFP) are examined through empirical analysis.
- Chapter 8. Summary, Recommendations, and Conclusions:** The chapter summarizes the whole thesis and concludes it with implications and Recommendations.

1.14. Conclusion

We blindly focus on our quick-fix goals of generating profit for our business. However, it is trusted that most of the managers would, if presented the opportunity, gladly work as agents of society benefit if doing so did not hurt the bottom line.

The paradox is that, not only does it protect the bottom line, but by being a driving force of society benefit, the business can usually profit even more. This study shows reasons how companies can profit by initiating CSR. Any company which cares about customers and employees might not be able to afford to not become a good socially responsible organization.

Chapter 2

Exposure and Strategic Implications of Direct CSR Expenditures of the Banks in Bangladesh

2.1 Prelude

Thriving executives of businesses know that, their long-term success is based on sustained good relations with a wide range of stakeholders. Elegant firms know that business can not succeed in societies that are failing. Moreover, the society has high expectations on the private sector in terms of social responsible behavior. The prevalent embracing of CSR by the global banking community suggests that we are reaching a state of affairs where parity has once again returned to the banking sector.

The banking sector of Bangladesh has a long account of participation in benevolent activities like donations to poor people, to different charitable organizations, and religious institutions, city beautification, and patronizing sport, art, and culture. Recent trends of these involvements indicate that banks are gradually organizing these participations in more structured CSR initiative format, aligned with Bangladesh Bank Guidance of June 2008. The June 2008 Bangladesh Bank Guidance circular suggested that the banks could begin reporting their CSR initiatives in a modest way as supplements to usual annual financial reports.

There is a widespread debate regarding the authenticity and value of being a socially responsible organization. There are diverse views of the role of a company in society and divergence as to whether wealth maximization should be the sole objective of a business. Most people identify certain implications for a business being socially responsible, but most of these benefits are still hard to quantify and measure.

This chapter attempts to address the question whether corporate social performance in the form of direct CSR expenditure is linked to different measures of financial performance.

2.2 Mainstreaming Corporate Social Responsibility (CSR) in the Banks in Bangladesh

The concept of CSR is fast gaining recognition as the contribution that businesses can make voluntarily towards environmentally sustainable and socially equitable development. Because of their social interest magnitudes, many of the preferred social and environmental practices are compulsorily mandated by laws and regulations. CSR programs and actions go beyond such mandatory compliances into voluntary involvements to promote equitable, sustainable development. Besides the self evident ethical case, strong strategic implication for CSR is also getting clearer with developing practice, seen as benefiting a business.

Besides adoption of socially and environmentally responsible practices in own internal operations, banks are making major CSR contribution by speeding up financial inclusion of the large socially disadvantaged rural and urban population segments; drawing them in with appropriate financial service packages and with financing programs innovatively designed to generate new employment, output, and income.

Embracing CSR has to begin with decision at the highest corporate level, and adoption of social performance targets chosen in consultative processes involving the internal and external stakeholders concerned. 36 out of 47 banks in Bangladesh report that they embraced CSR in 2010 with decision at the highest corporate level. 20 out of 47 banks have formed separate Foundations or Trusts solely devoted to the cause of charity, social welfare and other benevolent activities towards the promotion of CSR objectives. CSR is thus seen to have been institutionalized at corporate level in more than three fourth of the banks operating in Bangladesh. While adoption of CSR is voluntary and not obligatory,

Bangladesh Bank monitors CSR adoption and CSR performance of the banks, as an additional dimension of their management performance.

2.3 Direct CSR Expenditures by the Banks in Bangladesh

CSR initiatives of the banks in Bangladesh expanded significantly in 2010, with 28 out of 28 private commercial banks listed in DSE report that they made direct CSR expenditure on this count against only 19 in 2009. Table 2.1 reports that, direct CSR expenditure of the banking sector in 2010 totaled Taka 2329.80 million, four time larger than that in 2009.

Table 2.1: Sectoral Pattern of Direct CSR Expenditures Reported by Banks
(in million BDT)

Particular	2007	2008	2009	2010
Disaster relief	127.70	58.60	125.10	460.41
Education	14.30	30.50	94.80	440.79
Health	68.60	112.10	245.50	689.07
Sports	2.70	49.80	1.20	265.23
Art and Culture	-	0.80	0.30	328.91
Environment	-	-	-	59.78
Others	13.10	158.90	86.90	125.58
Total	226.40	410.70	553.80	2329.80

Source: Bangladesh Bank

In the year 2007, large concentration in the field of disaster relief, was observed mainly because of the cyclone ‘SIDR’. Whereas, in the year 2010, the education and health sectors were getting more attention and appeared to be the most concentrated area for CSR activities as huge investments are being made by several banks in these segments. These shifts point to the awareness of the banking community to the changing need of the society.

The information of Table 2.2 reveals that of the 28 selected banks listed in DSE, Dutch-Bangla Bank Limited ranks first regarding average direct CSR expenditures during 2007 to 2010. In terms of yearly average direct CSR

expenditures Islami Bank Bangladesh LTD, Prime Bank Limited, National Bank Limited, EXIM Bank Limited, and Mercantile Bank Limited stand at 2nd, 3rd, 4th, 5th, and 6th position respectively. These figures entail the importance of CSR expenditures emphasized by the selected banks during the specified duration.

Table 2.2: Direct CSR expenditures reported by the private commercial banks listed in DSE

(in million BDT)

	S.N.	Bank	2007	2008	2009	2010	Average
1 st Generation Banks	1	AB Bank Limited	-	-	-	50.20	12.55
	2	IFIC Bank LIMITED	11.99	10.56	-	11.75	8.58
	3	Islami Bank Bangladesh LTD	-	-	116.27	232.63	87.23
	4	National Bank Limited		47.27	68.40	142.35	64.51
	5	Pubali Bank Ltd	27.49	24.49	18.88	49.51	30.09
	6	The City Bank Limited	-	-	4.98	11.70	4.17
	7	United Commercial Bank Ltd	-	-	-	16.06	4.02
	8	Uttara Bank Ltd	10.00	8.90	3.08	60.00	20.50
2 nd Generation Banks	9	Al-Arafah Islami Bank Ltd	-	12.50	8.03	70.40	22.73
	10	Dhaka Bank Limited	9.40	22.40	22.93	36.04	22.69
	11	Dutch-Bangla Bank Limited	39.21	171.02	159.21	168.86	134.58
	12	Eastern Bank Limited	9.50	1.00	6.74	31.38	12.16
	13	NCC Bank Limited	-	11.00	4.38	17.70	8.27
	14	Prime Bank Limited	-	-	-	291.42	72.86
	15	Social Investment Bank Ltd	-	-	-	24.69	6.17
	16	South East Bank Limited	22.41	14.65	-	38.40	18.87
3 rd Generation Banks	17	Bank Asia Limited	13.82	6.92	1.00	40.55	15.57
	18	Brac Bank Limited	-	7.36	21.57	38.55	16.87
	19	EXIM Bank Limited	-	19.30	-	231.83	62.78
	20	First Security Bank Limited	0.40	1.00	-	43.63	11.26
	21	Jamuna Bank Limited.	14.22	1.45	4.58	17.00	9.31
	22	Mercantile Bank Limited	14.62	12.17	9.28	92.53	32.15
	23	Mutual Trust Bank Limited	5.00	-	3.50	18.87	6.84
	24	One Bank Limited	-	-	8.61	15.92	6.13
	25	Shahjalal Bank Limited	19.50	-	10.24	24.03	13.44
	26	Standard Bank Limited	-	6.00	-	38.80	11.20
	27	The Premier Bank Limited.	8.40	7.51	11.57	57.30	21.20
	28	The Trust Bank Limited	9.52	1.00	46.75	48.10	26.34

Source: Different issues of annual reports of respective banks and Bangladesh Bank.

2.4 Relationship between Direct CSR expenditures and Financial Performances

The main focus of this section is to determine whether direct CSR expenditures of banks in Bangladesh have any impact on different measures of corporate financial performance (CFP). The initial sample in this study consists of the 28×4 bank-year. Data for these banks was collected for the four years from 2007 to 2010.

2.4.1 Measurement of CSR

Until now, there is no strong consensus on a definition for CSR. CSR has been used as a synonym for business ethics, defined as tantamount to corporate philanthropy, and considered strictly as relating to environmental policy. CSR has also been confused with corporate social performance and corporate citizenship. The lack of consistency in the use of the term CSR makes it difficult to compare results across studies, and it is hampering our ability to understand the implications of CSR activity.⁸⁴ A major hurdle to empirical research in this field is the continuing confusion over definition that mentioned above.

One primary complication that makes examining the link between CSR and financial performance is the difficulty in the measurement of CSR. Various methods have been used to measure CSR, and this is partially responsible for producing a variety of results. One method is to use the reputation rating provided in Fortune magazine. The magazine conducted an annual reputation survey of several thousand executives, directors, and analysts, encompassing the largest firms in a number of industries. Another method for the measurement of CSR is content analysis of documents. Similar to the reputation index, information and rating provided by other organizations is the third method. Waddock and Graves adopted the exclusive resources provided by KLD⁸⁵. The fourth method is survey methodology, and a few studies adopted this methodology.

⁸⁴ Abigail McWilliams, Donald S. Siegel and Patrick M. Wright, "Corporate Social Responsibility: Strategic Implications," *Journal of Management Studies*, Vol. 43, No. 1 (January 2006): p. 8.

⁸⁵ S. Waddock and S. Graves, p. 309.

Certainly, all methods have their shortcomings. Unfortunately, the sample banks of this study are not the subject matter of any international rating or index. So, in this study, with the use of content analysis researcher collect the direct CSR expenditures data of the banks of different years as CSR initiatives.

2.4.2 Measurement of Corporate Financial Performance (CFP)

There is a wide range of financial measures. However, most CFP indices can be classified into market-based (investor returns), accounting-based (accounting returns), and perceptual (survey) measures. The idea underlying investor returns may be based on the notion that the shareholder is the primary stakeholder. This perspective adopted excess value (EV)⁸⁶, alpha (risk-adjusted return), and total return⁸⁷. Previous studies focus on Tobin's Q as a measure of a firm's performance, especially to measure the relationship between ownership structure and financial performance.⁸⁸ In a study regarding CSR, customer satisfaction, and market value in banking sector Luo and Bhattacharya used Tobin's Q as a measure of financial performance, because it depicts forward-looking market value of a firm.⁸⁹

A good number previous study used accounting data to measure financial performance. Cochran and Wood used 5-years return on equity as performance indicator.⁹⁰ Waddock and Graves used three accounting variables. These were Return on Assets (ROA), Return on Equity (ROE), and Return on Sales (ROS)⁹¹. According to Griffin and Mahon; logarithm of total assets, return on assets, return on equity, asset age, and return on sales are the most effective indicators of accounting performance.⁹²

⁸⁶ P. L. Cochran and R. A. Wood, "Corporate Social Responsibility and Financial Performance," *Academy of Management Journal*, vol. 27, no. 1 (1984): p. 48.

⁸⁷ J. McGuire, A. Sundgren, and T. Schneeweis, "Corporate Social Responsibility and Firm Financial Performance," *Academy of Management Journal*, vol. 31, no. 4, (1988): p. 859.

⁸⁸ Mohamed Belkhir, "Board of Directors' Size and Performance in the Banking Industry," *International Journal of Managerial Finance*, vol. 5, no. 2 (2009): p. 203.

⁸⁹ Xueming Luo and C.B. Bhattacharya, p. 2.

⁹⁰ P. L. Cochran and R. A. Wood, p. 46.

⁹¹ S. Waddock and S. Graves, p. 307.

⁹² Jennifer J. Griffin and John F. Mahon, p. 14.

Although there are still arguments about these measures, this study uses three alternative measures of financial performance as dependent variables. These are Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q.

2.4.3 Variables and Statistics

2.4.3.1 Accounting-based Financial Performance

In order to realize the impacts of CSR expenditure on the accounting-based performances (ROA and ROE) of the banking firm the study used the effect of size, leverage and quality of loan as control variables. Bank size computed as the book value of Total Assets, leverage is measured as the ratio of total capital (tier I + tier II) to risk weighted average of Total Assets. The inclusion of NPL as a control variable to identify the effect on bank performance is relatively important variable for developing countries.⁹³

$$ROA = \beta_1 DirCSR + \beta_2 TA + \beta_3 CAR + \beta_4 NPL + \varepsilon \dots \dots (1)$$

$$ROE = \beta_1 DirCSR + \beta_2 TA + \beta_3 CAR + \beta_4 NPL + \varepsilon \dots \dots (2)$$

2.4.3.2 Market-based Financial Performance

In order to understand the impacts of CSR expenditure on the market-based performances (Tobin's Q) of the banking firm the study additionally used the effect of Earning per Share (EPS) along with Total Assets, CAR, and NPL. Because, EPS is perhaps the most important factor for deciding the health of any company and they influence the market price of relevant company's stock.

$$Tobin'sQ = \beta_1 DirCSR + \beta_2 TA + \beta_3 CAR + \beta_4 NPL + \beta_5 EPS + \varepsilon \dots \dots (3)$$

⁹³ Shawgat S. Kutubi, "Board of Director's Size, Independence and Performance: An Analysis of Private Commercial Banks in Bangladeshi," *World Journal of Social Sciences*, vol. 1, no. 4 (September 2011): p. 166. pp.159-178

Table 2.3: Description of Variables

Dependent Variables (Performance Measures)	
Return on Assets (ROA)	It is taken from the banks' annual reports, and is defined as the net profit after tax and provision divided by Total Assets at the end of each year.
Return on Equity (ROE)	It is taken from the banks' annual reports, and is defined as the net profit after tax and provision divided by total shareholders' equity at the end of each year.
Tobin's Q	The ratio of the market value of the bank to the replacement value of its assets. It is calculated as the (Total Assets book value – common equity book value + common equity market value)/Total Assets book value.
Independent Variable (CSR)	
Direct CSR Expenditure (DirCSR)	Annual CSR expenditure in Millions of BDT.
Control Variables	
Total Assets (TA)	Total Assets book value at the fiscal year end. Total Assets are in Millions of BDT.
Capital Adequacy Ratio (CAR)	A measure of regulatory capital. It is equal to the ratio of total capital (tier I + tier II) to risk weighted average of Total Assets.
Non Performing Loan (NPL)	The ratio of non performing loan to total loans as at the end of each year.
Earning Per Share (EPS)	Earning per Share at Face Value BDT. 10

2.4.4 Empirical Results

2.4.4.1 Descriptive Statistics

The results of descriptive statistics are reported in Table 2.4. Definitions of the variables are provided in Table 2.3. Table 2.4 shows the average ROA, ROE, and Tobin's Q in the sample bank-year are 1.66 %, 20.54%, and 1.161 respectively. The average sample bank-year has Total Assets of BDT 72784.35 millions. The average bank-year in the sample has a Capital Adequacy Ratio equal to 11.56 %, a Non Performing Loan of 3.50%, and an Earning per Share of BDT 5.53.

The direct CSR expenditure of the average bank-year is equal to BDT 37.68 millions; minimum and maximum are BDT 0.40 millions and BDT 291.42 millions respectively.

Table 2.4: Descriptive Statistics of Corporate Financial Performances and Direct CSR Expenditures

	N	Minimum	Maximum	Mean	Std. Deviation
Return on Assets (%)	112	.12	5.09	1.6609	.73831
Return on Equity (%)	112	2.73	42.19	20.5383	6.98231
Tobin's Q (Ratio)	109	1.01	1.65	1.1607	.11735
Direct CSR Expenditure (Million BDT)	81	.40	291.42	37.6812	56.29418
Total Assets (Million BDT)	112	22949	330784	72784.35	46639.649
Capital Adequacy Ratio (%)	112	6.31	18.61	11.5589	1.86701
Non Performing Loans (%)	112	.44	12.40	3.5028	1.76205
Earning Per Share (BDT)	112	.31	23.74	5.5317	3.22193

Source: Statistical Analysis of the Banks' Data (Appendix-A)

2.4.4.2 Correlation Analysis

This section presents the results of a univariate analysis conducted in order to gain a preliminary insight on the nature of the relationship between direct CSR expenditure and financial performances. The Table 2.5 reports the Pearson's pair-wise correlation matrix between variables of interest along with their corresponding significance level. It shows a positive and statistically significant correlation between the three measures of performance (ROA, and ROE, and Tobin's Q) and direct CSR expenditure. The positive correlation between CSR expenditure and financial performances support previous studies by Waddock and Graves⁹⁴, Griffin and Mahon⁹⁵, and Luo and Bhattacharya.⁹⁶ As such, these

⁹⁴ S. Waddock and S. Graves, p. 309.

⁹⁵ Jennifer J. Griffin and John F. Mahon, p. 20.

findings provide evidence that the variables are important instruments in explaining the firms' financial performance.

A positive but less statistically significant correlation between the CSR expenditure and ROE than other two measures of performances (ROA and Tobin's Q) is found in the study. Direct CSR expenditure is positively and significantly correlated with Total Assets, suggesting that larger banking companies have more capability and focus on CSR expenditure. There is no statistically significant correlation between the CAR and different measures of financial performances; in contrast, Belkhir reports a significant correlation between the capital ratio and Tobin's Q.⁹⁷

Table 2.5: Pearson Pair-Wise Correlation Matrix

	Return on Assets	Return on Equity	Tobin's Q	Direct CSR Expenditure	Total Assets	Capital Adequacy Ratio	Non Performing Loans	Earning Per Share
Return on Assets (ROA)	1							
Return on Equity (ROE)	.809**	1						
Tobin's Q	.452**	.444**	1					
Direct CSR Expenditure (DirCSR)	.290**	.234*	.421**	1				
Total Assets (TA)	.216*	.157	.065	.625**	1			
Capital Adequacy Ratio (CAR)	.016	-.164	-.173	-.166	-.177	1		
Non Performing Loans (NPL)	-.262**	-.205*	.066	-.194	-.157	-.056	1	
Earning Per Share (EPS)	.532**	.629**	.518**	.223*	.233*	-.075	.094	1

*. Correlation is significant at the 0.05 level.

** . Correlation is significant at the 0.01 level.

⁹⁶ Xueming Luo and C.B. Bhattacharya, p. 9.

⁹⁷ Mohamed Belkhir, p. 206.

Consistent with the expectation, Non Performing Loans (NPL) is found negatively correlated with both ROA and ROE. Regarding, NPL with Tobin's Q correlation is positive but not statistically significant. EPS is positively and significantly correlated with Tobin's Q, suggesting that EPS is perhaps the most important factor for determining the market value of a bank.

2.4.4.3 Regression Analyses

For the regression analyses, a Hierarchical Linear Regression model was followed for each multiple regression. The underneath regression analyses are categorized into three sections pertaining to the three dependent variables.

2.4.4.3.1 Relations between Direct CSR Expenditure and Return on Assets

As can be seen in Table 2.6, the control variables (Non Performing Loans, Capital Adequacy Ratio, and Total Assets) were entered first into Model 1 to test for the effects on the dependent variable (Return on Assets). Then in Model 2, Direct CSR Expenditure was added and control variables are tested for significance within the overall relationship of Direct CSR Expenditure and the dependent variable.

H1: The greater the direct CSR expenditure, the greater the ROA

The regression analyses supported hypothesis 1 conditionally. The F value of 2.043 (df =76) showed significance at $p=0.157$ level. Therefore, the null hypothesis can be accepted at 5% significant level. The unavailability of complete data is responsible for the higher p-value. So, the overall model was poorly significant but can be interpreted. The adjusted R squared for the overall model is 0.083. This means that the independent variables (Capital Adequacy Ratio, Non Performing Loans, Total Assets, and Direct CSR Expenditure) explained 8.3% positive variance in the dependent variable (Return on Assets).

Table 2.6 shows the results of these regressions. Model 2 is the model that was used for reporting the following data. As can be seen in the Table, the effect of Direct CSR Expenditure on Return on Assets is significant at $p=0.157$ level. This

implies that it is explaining some variance in the dependent variable. Beta, which can be interpreted close to correlation, is 0.198, while $t = 1.43$ ($p = .157$).

Table 2.6: Return on Assets Related Regression Analyses

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.324 ^a	.105	.070	.72749	.105	3.013	3	77	.035
2	.358 ^b	.128	.083	.72262	.023	2.043	1	76	.157
^a Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets									
^b Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets, Direct CSR Expenditure									
ANOVA ^c									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	4.784	3	1.595	3.013	.035 ^a			
	Residual	40.752	77	.529					
	Total	45.536	80						
2	Regression	5.851	4	1.463	2.801	.032 ^b			
	Residual	39.685	76	.522					
	Total	45.536	80						
^a Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets									
^b Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets, Direct CSR Expenditure									
^c Dependent Variable: Return on Assets									
Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	1.683	.583		2.889	.005			
	Total Assets	3.433E-6	.000	.212	1.911	.060			
	Capital Adequacy Ratio	.008	.045	.020	.183	.855			
	Non Performing Loans	-.087	.044	-.217	-1.985	.051			
2	(Constant)	1.655	.579		2.859	.005			
	Total Assets	1.514E-6	.000	.094	.678	.500			
	Capital Adequacy Ratio	.012	.044	.029	.269	.789			
	Non Performing Loans	-.079	.044	-.198	-1.809	.074			
	Direct CSR Expenditure	.003	.002	.198	1.429	.157			
^a Dependent Variable: Return on Assets									

Source: Statistical Analysis of the Banks' Data (Appendix-A)

The unstandardized B value for Direct CSR Expenditure is 0.003. This means for every 1 million taka increase in Direct CSR Expenditure, Return on

Assets increased by 0.003%. We can see that R square change value in model 2 is equal to 0.023. This means that inclusion of direct CSR expenditure after control variables helps in explaining the additional 2.3% variance in the ROA of the banks. Hence Hypothesis 1 is supported.

As can be seen in Model 2, which tests for the significance of the control variables in the relationship between Direct CSR Expenditure and Return on Assets connections; The control variable of Non Performing Loans had most significant negative effect on Return on Assets at $p < 0.10$ level and Total Assets and Capital Adequacy Ratio did not have any significant effect on the Return on Assets.

2.4.4.3.2 Relations between Direct CSR Expenditure and Return on Equity

As can be seen in Table 2.7, the control variables (Non Performing Loans, Capital Adequacy Ratio, and Total Assets) were entered first into Model 1 to test for the effects on the dependent variable (Return on Equity). Then in Model 2, Direct CSR Expenditure was added and control variables are tested for significance within the overall relationship of Direct CSR Expenditure and the dependent variable.

H 2: The greater the direct CSR expenditure, the greater the ROE

The regression analyses supported hypothesis 2 conditionally. The F value of 1.728 (df =76) showed significance at $p = 0.193$ level. Therefore, the null hypothesis can be accepted at 5% significant level. The unavailability of complete data is responsible for the higher p-value. So, the overall model was potentially significant and can be interpreted. The adjusted R squared for the overall model is 0.066. This means that the independent variables (Capital Adequacy Ratio, Non Performing Loans, Total Assets, and Direct CSR Expenditure) explaining 6.6% variance in the dependent variable (Return on Equity).

Table 2.7 shows the results of these regressions. Model 2 is the model that was used for reporting the following data. As can be seen in the Table, the effect of Direct CSR Expenditure on ROE is significant at $p = 0.193$ level. This implies that

it is explaining some variance in the dependent variable. Beta, which can be interpreted lesser to correlation, is 0.184, while $t = 1.31$ ($p = .193$).

Table 2.7: Return on Equity Related Regression Analyses

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.304 ^a	.092	.057	6.51572	.092	2.612	3	77	.057
2	.335 ^b	.113	.066	6.48515	.020	1.728	1	76	.193
^a Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets									
^b Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets, Direct CSR Expenditure									
ANOVA ^c									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	332.643	3	110.881	2.612	.057 ^a			
	Residual	3269.006	77	42.455					
	Total	3601.649	80						
2	Regression	405.306	4	101.326	2.409	.057 ^b			
	Residual	3196.343	76	42.057					
	Total	3601.649	80						
^a Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets									
^b Predictors: (Constant), Non Performing Loans , Capital Adequacy Ratio, Total Assets, Direct CSR Expenditure									
^c Dependent Variable: Return on Equity									
Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	29.382	5.218		5.631	.000			
	Total Assets	1.316E-5	.000	.092	.818	.416			
	Capital Adequacy Ratio	-.613	.399	-.170	-1.538	.128			
	Non Performing Loans	-.717	.393	-.201	-1.824	.072			
2	(Constant)	29.153	5.196		5.611	.000			
	Total Assets	-2.674E-6	.000	-.019	-.133	.894			
	Capital Adequacy Ratio	-.582	.398	-.161	-1.464	.147			
	Non Performing Loans	-.654	.394	-.183	-1.658	.101			
	Direct CSR Expenditure	.022	.017	.184	1.314	.193			
^a Dependent Variable: Return on Equity									

Source: Statistical Analysis of the Banks' Data (Appendix-A)

The unstandardized B value for Direct CSR Expenditure is 0.022. This means for every 1 million taka increase in Direct CSR Expenditure, ROE increased by 0.022%. We can see that R square change value in model 2 is equal to 0.02. This means that inclusion of direct CSR expenditure after control variables helps in explaining the additional 2% variance in the ROE of the banks. Hence Hypothesis 2 is supported.

As can be seen in Model 2, which tests for the significance of the control variables in the relationship between Direct CSR Expenditure and ROE connections; The control variable of Non Performing Loans had most significant negative effect on ROE at $p < 0.10$ level and Total Assets and Capital Adequacy Ratio did not have any significant effect on the ROE.

2.4.4.3.3 Relations between Direct CSR Expenditure and Tobin's Q

Table 2.8 reports that, the control variables (Earning per Share, Capital Adequacy Ratio, Non- performing loans, and Total Assets) were entered first into Model 1 to test for the effects on the dependent variable (Tobin's Q). Then in Model 2, Direct CSR Expenditure was added and control variables are tested for significance within the overall relationship of Direct CSR Expenditure and the Tobin's Q.

Regression analyses supported hypothesis 3. The F value of 17.75 (df=74) showed significance at $p < 0.01$ level. Therefore, the null hypothesis can be rejected at 1% significant level. This means that the overall model was strongly significant and can be interpreted. The adjusted R squared for the overall model was 0.398. This means that the independent variables (Earning per Share, Capital Adequacy Ratio, Non- performing loans, Total Assets, and Direct CSR Expenditure) explaining 39.80% variance in the dependent variable (Tobin's Q).

H 3: The greater the direct CSR expenditure, the greater the Tobin's Q

Table 2.8 shows the results of these regressions. Model 2 is the model that was used for reporting the following data. As can be seen in the Table, the effect of Direct CSR Expenditure on Tobin's Q was significant at $p < 0.01$ level. This implies

that it is explaining the variance in the dependent variable significantly. Beta, which can be interpreted similar to correlation, is 0.48, while $t = 4.21$ ($p = .000$).

Table 2.8: Tobin's Q Related Regression Analyses

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.549 ^a	.301	.264	.10782	.301	8.083	4	75	.000
2	.661 ^b	.436	.398	.09748	.135	17.751	1	74	.000
^a Predictors: (Constant), Earning Per Share, Capital Adequacy Ratio, Non Performing Loans , Total Assets									
^b Predictors: (Constant), Earning Per Share, Capital Adequacy Ratio, Non Performing Loans , Total Assets, Direct CSR Expenditure									
ANOVA ^c									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	.376	4	.094	8.083	.000 ^a			
	Residual	.872	75	.012					
	Total	1.248	79						
2	Regression	.545	5	.109	11.461	.000 ^b			
	Residual	.703	74	.010					
	Total	1.248	79						
^a Predictors: (Constant), Earning Per Share, Capital Adequacy Ratio, Non Performing Loans , Total Assets									
^b Predictors: (Constant), Earning Per Share, Capital Adequacy Ratio, Non Performing Loans , Total Assets, Direct CSR Expenditure									
^c Dependent Variable: Tobin's Q									
Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	1.226	.090		13.689	.000			
	Total Assets	-2.236E-8	.000	-.008	-.082	.935			
	Capital Adequacy Ratio	-.013	.007	-.196	-1.980	.051			
	Non Performing Loans	-.001	.007	-.018	-.179	.859			
	Earning Per Share	.019	.004	.497	4.964	.000			
2	(Constant)	1.227	.081		15.153	.000			
	Total Assets	-7.648E-7	.000	-.284	-2.522	.014			
	Capital Adequacy Ratio	-.012	.006	-.179	-1.991	.050			
	Non Performing Loans	.003	.006	.040	.438	.663			
	Earning Per Share	.016	.003	.437	4.762	.000			
	Direct CSR Expenditure	.001	.000	.480	4.213	.000			
^a Dependent Variable: Tobin's Q									

Source: Statistical Analysis of the Banks' Data (Appendix-A)

The unstandardized B value for Direct CSR Expenditure is 0.001. This means for every 1 million taka increase in Direct CSR Expenditure, Tobin's Q increased by 0.001. We can see that R square change value in model 2 is equal to 0.135. This means that inclusion of direct CSR expenditure after control variables helps in explaining the additional 13.5% variance in the Tobin's Q of the banks. Hence hypothesis 3 was supported.

As can be seen in Model 2, which tests for the significance of the control variables in the relationship between Direct CSR Expenditure and Tobin's Q connections; The control variable of Earning Per Share had most significant effect on Tobin's Q at $p < 0.01$ level, Total Assets and Capital Adequacy Ratio did have a significant negative effect on the Tobin's Q at $p < 0.05$ level, dependent variable at $p < 0.05$ level, and The control variable of Non Performing Loans did not have a significant effect on the dependent variable.

2.5 Conclusion

The chapter shows that, CSR initiatives of the banks in Bangladesh broadened reasonably in 2010, with 28 out of 28 private commercial banks listed in DSE reported direct CSR expenditure. Direct CSR expenditure of the banking sector in 2010 is four times larger than in 2009. Embracing CSR has to begin with decision at the highest corporate level, and adoption of social performance targets chosen in consultative processes. Besides adoption of socially and environmentally responsible practices in own internal operations, banks are making major CSR contribution by speeding up financial inclusion of the large socially underprivileged rural and urban population segments.

Extant of corporate social responsibility literature predicts that social initiatives enhance financial performances. Using empirical methods, the sign of the relationship between corporate social responsibility (direct CSR expenditure) and financial performance (ROA, ROE, and Tobin's Q) has been tested in this chapter. The study used extensive data covering a four year period, 2007-2010.

The dataset included 28 private commercial banks of Bangladesh listed in Dhaka Stock Exchange (DSE).

The empirical results presented in this chapter suggest that CSR has a considerable impact on financial performance for banks listed in DSE. As many previous studies suggested⁹⁸, this study also found a positive relationship between the two constructs. In this study, significant correlation between CSR expenditure and financial performances (ROA, ROE, and Tobin's Q) has been found.

Using hierarchy regression models with data from 2007 to 2010 for 28 banks, no evidence of a negative association between CSR and financial performance has been found. Indeed the results push towards a conclusion in favor of a positive relationship. The accounting-based financial performance like, ROA and ROE change, in a less statistically significant manner than market-based financial performance like, Tobin's Q in response to CSR increases and decreases is quite evident. Such findings not only support the hypotheses that CSR influences banks' performances, but show that CSR expenditure has a significantly large influence on market-based financial performance like Tobin's Q.⁹⁹

However, presently in Bangladesh since a bank is not obliged to disclose information regarding CSR; it is tremendously difficult to conduct a comprehensive investigation of the various social activities of an individual bank.

⁹⁸ Jennifer J. Griffin and John F. Mahon, p. 20; S. Waddock and S. Graves, p. 309; J. McGuire, A. Sundgren, and T. Schneeweis, p. 868; and P. L. Cochran and R. A. Wood, p. 46.

⁹⁹ Xueming Luo and C.B. Bhattacharya, p. 9.

Chapter 3

Cultural Antecedents of CSR at Banking Sector in Bangladesh

3.1 Prelude

Organizational culture has gained magnitude in the increasingly competitive banking business. The dynamics of the banking business have become more dependent than ever on the cultural characteristics of banking firms. It has become lucid that sustained profitability and high economic turnover are not enough to survive in highly competitive markets because there is considerable evidence of conflicts and misunderstandings caused by cultural differences. Therefore, firms need to understand their own and other firms' organizational culture and need to adjust their strategies while conducting business with organizations or individuals with different cultural standards.

Given a rapidly shifting environment and continuing insights into organizational efficacy, bank organizations, as most other organizations in Bangladesh, are sincerely rethinking what they do and how they can best define and accomplish their goals and objectives. Once goals are defined, it is necessary to address the type of culture that is necessary to advance these goals and objectives. In addition, the organizational effectiveness literature has been increasingly emphasizing the importance of culture in motivating its human resources.

Although the concept of organizational culture was popularized in the early 1980s, its roots can be traced back to the early human relations school of organizations that originated in the 1940s.¹⁰⁰ Human relations theorists viewed the informal, nonmaterial, interpersonal, and moral bases of firms and commitment as perhaps more important than the formal, material, and instrumental controls stressed by the rational system theorists.

¹⁰⁰ Clifford Geertz, *The Interpretation of Cultures* (New York: Basic Books, 1983), p. 37.

Organizational culture is even more important today than it was in the past. Increased competition, globalization, strategic alliances, and diversified workforce developments have created a greater need for; coordination and integration across organizational units, product innovation, strategy innovation, process innovation and the ability to successfully introduce new technologies, effective management of dispersed work units and increasing workforce diversity, cross-cultural management, and facilitation of teamwork.¹⁰¹

There has been a great deal of anecdotal evidence regarding the performance effects of organizational culture. According to Cameron and Quinn (1999), many of the most successful companies, including Southwest Airlines (21.78 % return on investment [ROI]), Wal-Mart (19.80 % ROI), Tyson Foods (18.12% ROI), Circuit City (16.41% ROI), and Plenum Publishing (15.69% ROI), score low on well-established critical success factors¹⁰² (i.e., entry barriers, non substitutable products, and low levels of bargaining power). These unlikely winners have strong leadership that promotes unique strategies and a strong culture to help them realize these strategies. In addition, a study showed empirical support for the participation view of culture—higher levels of employee participation was correlated with better organizational performance.¹⁰³

Increasingly, private commercial banks in Bangladesh are becoming or appearing to become “good citizens” in society. One certainty is that public expectations of corporation responsibilities to society are changing. In response, companies are employing more and more mechanisms (e.g., annual social responsibility reports, CSR executive officers) to ensure actions that are congruent with public expectations.

The present study involves examination of antecedents to corporate postures of firms toward the society. One antecedent that has been identified is motivation to manage the corporate image to a public that is increasingly

¹⁰¹ Edgar H. Schein, *Organizational Culture and Leadership* (San Francisco: Jossey-Bass Publishers, 1992), p. 13.

¹⁰² Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass Publishers, 2006).p.3.

¹⁰³ Daniel R. Denison, *Corporate Culture and Organizational Effectiveness* (New York: John Wiley & Sons, 1990) p.21.

dubious¹⁰⁴. Often the outcome of increased societal uproar is increased government involvement such as greater regulation. Therefore, another potential antecedent could be the need to be legally compliant¹⁰⁵. Yet another significant predecessor to CSR activity is an organizational culture that involves an ethical foundation¹⁰⁶.

Of particular interest in this study is the cultural underpinning of organization as antecedents to corporate social responsibility. While acknowledging the likely influence of managing the company's image as an influence on corporate social responsibility, it is believed that the organizational culture of the banks might contribute to how corporate responsibilities might be executed in society.

This chapter represents a fresh attempt to examine links between corporate social responsibility and organizational culture of the private commercial banks in Bangladesh.

3.2 Organizational Culture in Bangladesh's Banking Sector

Multivariate analysis requires that variables be normal, show satisfactory linearity and variance.¹⁰⁷ Descriptive statistics were analyzed to ensure normality and required variance. Frequencies of the sample were tested with normality and variance being ascertained. Skewness and kurtosis were normal with all culture types. In addition, the frequency tables show that variables have adequate variance with no data point showing more than 70% clustering of responses.

Table 3.2.1: Descriptive Statistics of Organizational Culture

	N	Minimum	Maximum	Mean	Std. Dev.	Skewness	Kurtosis
Clan	201	3.33	7.00	5.3101	1.08833	-.506	-1.242
Adhocracy	201	3.17	6.67	5.0058	.82199	-.331	-.336
Hierarchy	201	5.50	7.00	6.3905	.23959	-.712	1.656
Market	201	4.33	7.00	5.6741	.66673	-.357	-.875
Valid N	201						

N= Banks' Employees

¹⁰⁴ Archie B Carroll, "Ethical Challenges for Business in the New Millennium: Corporate Social Responsibility and Models of Management Morality", *Business Ethics Quarterly*, Vol. 10, no. 1 (2000): p. 37.

¹⁰⁵ Archie B Carroll, "Ethical Challenges for Business in the New Millennium: Corporate Social Responsibility and Models of Management Morality", *Business Ethics Quarterly*, Vol. 10, no. 1 (2000): p. 38.

¹⁰⁶ B.W. Fraser, "Corporate Social Responsibility", *The Internal Auditor*, vol. 62, no. 1 (2005): p. 43.

¹⁰⁷ Paul Newbold, William L. Carlson, and Betty Thorne, *Statistics for Business and Economics* (New Delhi: Dorling Kindersley Pvt. Ltd. Licensees of Pearson Education, 2008), p. 455.

For Table 3.2.2 all responses that were between 1 and 3 were shrunken into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category.

Table 3.2.2: Clan Culture Type Scale–Frequency of Responses, Shrunken into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q38	This bank is a very personal and informal place. It is like an extended family.	30	14.93	154	76.62	5.13
Q39	This bank emphasizes teamwork, participation, and consensus in decision making.	36	17.91	157	78.11	4.36
Q40	The head of this branch/bank is generally considered to be a mentor, facilitator, or a father or mother figure.	27	13.43	156	77.61	5.78
Q41	The glue that holds this bank together is trust, commitment and cooperation.	37	18.41	154	76.62	4.16
Q42	This bank emphasizes human resource development. High morale is important here.	25	12.44	161	80.10	6.44
Q43	People are the primary concern of this bank	32	15.92	151	75.12	4.72

Source: Field Survey Data (Appendix-C)

Overall, the survey responses were fairly positive with most employees agreeing to questions regarding clan culture type. As can be seen in Table 3.2.2, the highest percentage of those that agreed was for question 42, “This bank emphasizes human resource development. High morale is important here”, for which 6.44 times more respondents agreed than disagreed.

In addition, questions 39 and 40 had the next highest percentages of respondents that agreed. For question 39, “This bank emphasizes teamwork, participation, and consensus in decision making”, 78.11% of employees agreed. For question 40, “The head of this branch/bank is generally considered to be a mentor, facilitator, or a father or mother figure”, 77.61% of respondents agreed. All the other responses had a percentage over 75 that indicate most of the employees of the private commercial banks in Bangladesh fairly authenticate the presence of clan culture type within their organizations.

Table 3.2.3: Employees' Opinions about Their Bank as Clan Culture Type

Item	Name of The Bank								
	Overall	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q38	5.23	6.07	5.56	4.05	5.96	6.12	3.91	5.88	3.89
Q39	5.36	6.26	5.78	3.65	6.08	6.50	4.00	6.23	3.89
Q40	5.32	6.11	5.81	4.20	5.72	6.62	3.95	5.69	4.07
Q41	5.27	6.15	5.67	3.35	6.16	6.50	3.73	5.85	4.14
Q42	5.33	6.19	5.70	4.25	5.76	6.50	3.64	5.88	4.25
Q43	5.35	6.59	5.52	3.20	6.24	6.62	3.77	5.73	4.43

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 3.2.3 shows employees' opinions about their bank as clan culture type. Employees rated highly the statements—This bank emphasizes teamwork, participation, and consensus in decision making (Mean=5.36) and People are the primary concern of this bank (Mean=5.35). Employees rated low the statement—This bank is a very personal and informal place. It is like an extended family (Mean=5.23).

Table 3.2.4: Adhocracy Culture Type Scale—Frequency of Responses, Shrunk into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q44	This bank is a very dynamic and entrepreneurial place. People are willing to face uncertainty and take risks.	29	14.43	145	72.14	5.00
Q45	This bank emphasizes flexible structure like task forces and committee. Do not have centralized power or authority relationships.	44	21.89	108	53.73	2.45
Q46	The head of this branch/bank is generally considered to be an entrepreneur, an innovator, or a risk taker.	23	11.44	156	77.62	6.78
Q47	The glue that holds this bank together is a commitment to innovation and development.	34	16.92	152	75.62	4.47
Q48	This bank emphasizes growth and acquiring new resources.	21	10.45	165	82.10	7.86
Q49	Innovative services and adaptability to new opportunities are the primary concern of this bank.	23	11.44	165	82.10	7.17

Source: Field Survey Data (Appendix-C)

For Table 3.2.4 all responses that were between 1 and 3 were shrunken into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category. As can be seen in Table 3.2.4, highest percentages of employees were agreed to questions 48 and 49. For question 48, “This bank emphasizes growth and acquiring new resources”, and question 49, “Innovative services and adaptability to new opportunities are the primary concern of this bank”, 82.10% of respondents were agreed.

Most of the responses to other questions had a percentage ranging from 70 to 80. Of all the questions regarding adhocracy culture, the lowest percentage was for question 45, “This bank emphasizes flexible structure like task forces and committee. Do not have centralized power or authority relationships”, for which the percentage was 53.73.

Table 3.2.5: Employees’ Opinions about Their Bank as Adhocracy Culture Type

Item	Name of The Bank								
	Overall	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q44	4.93	5.19	5.00	4.00	5.16	5.58	3.68	6.04	4.43
Q45	4.47	4.59	4.74	3.35	4.56	3.77	4.00	5.81	4.57
Q46	5.06	5.37	4.89	4.15	5.24	5.85	4.05	5.92	4.68
Q47	5.03	5.59	5.07	3.45	5.40	5.88	3.77	5.88	4.68
Q48	5.25	5.52	5.15	4.45	5.48	6.00	4.55	6.15	4.46
Q49	5.29	5.56	5.41	3.90	5.60	6.00	4.73	5.96	4.82

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 3.2.5 demonstrates employees’ opinions about their bank as adhocracy culture type. Employees rated highly the statements–“Innovative services and adaptability to new opportunities are the primary concern of this bank” (Mean=5.29) and “This bank emphasizes growth and acquiring new resources” (Mean=5.25). Employees rated low the statement “This bank emphasizes flexible structure like task forces and committee. Do not have

centralized power or authority relationships” (Mean=4.47). All the other statements had a mean score close to five that indicate the employees of the private commercial banks in Bangladesh somewhat endorse the presence of adhocracy culture type within their organizations. But they confirm that informal organizational structure and risk taking proficiency are not strongly observed in their banks.

For Table 3.2.6 all responses that were between 1 and 3 were shrunken into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category. Overall, the survey responses were utterly positive with most employees agreeing to questions regarding hierarchy culture type.

Table 3.2.6: Hierarchy Culture Type Scale–Frequency of Responses, Shrunken into Two Categories

Item	Question	Disagree		Agree	
		Fr.	%	Fr.	%
Q50	This bank is a very formalized and structured place. Established procedures generally govern what people do.	0	0	200	99.50
Q51	This bank emphasizes chain of command, control, and coordination.	0	0	198	98.51
Q52	The head of this bank/branch is generally considered to be a coordinator, an organizer, or an administrator.	1	0.5	200	99.50
Q53	The glue that holds this bank together is formal rules and policies.	0	0	201	100.0
Q54	This bank emphasizes stability and the ability to maintain control.	0	0	200	99.50
Q55	Efficient, reliable, and smooth operations are very important in this bank.	0	0	201	100.0

Source: Field Survey Data (Appendix-C)

As can be seen in Table 3.2.6, all the responses to questions included in hierarchy culture had a percentage over 99 that signify most of the employees of the private commercial banks in Bangladesh completely validate the presence of hierarchy culture type within their organizations. Employees of the banks endorse the notion that organizational culture in the private commercial banks immensely characterized by formal structure, chain of command, and strict rules and policies. Stable posture and efficiency are the first priority in their banks.

Table 3.2.7: Employees' Opinions about Their Bank as Hierarchy Culture

Item	Name of The Bank								
	Overall	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q50	6.51	6.81	6.37	6.55	6.76	6.54	6.09	6.46	6.43
Q51	6.40	6.30	6.56	6.55	6.52	6.35	6.18	6.38	6.39
Q52	6.35	6.41	6.37	6.35	6.36	6.31	6.23	6.38	6.36
Q53	6.44	6.41	6.41	6.70	6.32	6.35	6.68	6.27	6.46
Q54	6.34	6.00	6.48	6.10	6.28	6.23	6.59	6.38	6.61
Q55	6.31	6.26	6.19	6.40	6.60	6.15	6.36	6.27	6.29

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 3.2.7 shows employees' opinions about their bank as hierarchy culture type. All the statements had a mean score over 6.3 that indicate the employees of the private commercial banks in Bangladesh highly endorse the presence of hierarchy culture type within their organizations.

Table 3.2.8: Market Culture Type Scale–Frequency of Responses, Shrunk into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q56	This bank is oriented toward the external environment instead of internal affairs.	0	0	199	99.00	
Q57	This bank emphasizes transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth.	5	2.49	185	92.04	37.00
Q58	The head of this bank is generally considered to be a producer, a technician, or a hard driver.	5	2.49	188	93.53	37.60
Q59	The glue that holds this bank together is the emphasis on tasks and goal accomplishment.	8	3.98	180	89.55	22.50
Q60	This bank emphasizes competitive actions and achievement. Measurable goals are important.	7	3.48	182	90.55	26.00
Q61	Competitive advantage, profitability, stretch targets, and secure customer bases are primary concern of this bank.	6	2.98	179	89.01	29.83

Source: Field Survey Data (Appendix-C)

For Table 3.2.8 all responses that were between 1 and 3 were shrunken into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category. Overall, the survey responses were significantly positive with most employees agreeing to questions concerning market culture type. As can be seen in Table 3.2.8, the maximum percentage of those that agreed was for question 56, “This bank is oriented toward the external environment instead of internal affairs”.

In addition, questions 58 and 57 had the next highest percentages of respondents that agreed. For question 58, “The head of this bank is generally considered to be a producer, a technician, or a hard driver”, 93.53% of employees agreed. For question 57, “This bank emphasizes transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth”, 92.04% of respondents agreed. So, it can be said that private commercial banks fairly oriented toward the external environment including suppliers, customers, contractors, licensees, unions, regulators and so forth. Table 3.2.9 shows employees’ opinions about their bank as market culture type. All the statements had a mean score over 5.5 that indicate the employees of the private commercial banks in Bangladesh reasonably approve the presence of market culture type within their organizations.

Table 3.2.9: Employees’ Opinions about Their Bank as Market Culture

Item	Name of The Bank								
	Overall	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q55	5.90	6.07	5.89	5.50	5.96	6.58	5.55	5.85	5.68
Q56	5.63	6.04	5.81	4.65	6.04	6.50	4.77	5.73	5.18
Q57	5.68	6.04	5.93	4.75	5.88	6.46	4.73	6.31	5.04
Q58	5.57	5.93	6.04	4.85	5.76	6.50	4.45	5.96	4.75
Q59	5.57	6.07	5.85	4.55	6.08	6.46	4.73	5.85	4.68
Q60	5.69	6.30	5.70	5.10	6.16	6.54	4.50	6.42	4.57

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 3.2.10 shows the distribution of organizational culture in the eight banks that participated in the study. The most frequent type of culture that dominates the organizations in the sample is “hierarchy culture” (75%). None of the banks were dominated by adhocracy, which represents innovative and pioneering organizations mostly operating in hyper-turbulent conditions.¹⁰⁸

Table 3.2.10: Distribution of Organizational Culture in Private Commercial Banks in Bangladesh

Organizational Culture	Number of Banks	Percentage of Banks
Clan	1	12.50%
Adhocracy	0	0%
Hierarchy	6	75.00%
Market	1	12.50%
Total	8	100%

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The cultural profile of the Bangladesh’s banking sector refers to the overall cultural plot of the banks in the sample. The average scores assigned by the respondents of the corresponding banks to the four culture types indicate the degree to which these cultures are emphasized in the banks. In other words, the culture type with the highest score is considered to be the dominant culture in the bank.

Table 3.2.11 shows dominant culture types in eight banks according to employees’ answers. As revealed in Table 3.2.11, the strengths of various culture types were computed by calculating the respective mean of the scores assigned by the respondents to each dimension of organizational culture. In DBBL (Dutch-Bangla Bank Limited) hierarchy (mean=6.36, standard deviation=0.18) and clan (mean=6.23, standard deviation=0.29) culture types were rated highly. In IBBL (Islami Bank Bangladesh LTD) hierarchy (mean=6.40, standard deviation=0.23) and market (mean=5.87, standard deviation=0.27) culture types were rated highly. In EBL (Eastern Bank Limited) hierarchy (mean=6.44, standard deviation=0.33) culture type was rated highly. In PBL (Prime Bank Limited) hierarchy (mean=6.47,

¹⁰⁸ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass, 2006), p.66.

standard deviation=0.23) and clan (mean=5.99, standard deviation=0.29) culture types were rated highly.

Table 3.2.11: Organizational Culture Profile of the Private Commercial Banks in Bangladesh

			Clan	Adhocracy	Hierarchy	Market
Name of The Bank	DBBL	Mean	6.23	5.30	6.36	6.07
		S.D.	.29	.30	.18	.17
	IBBL	Mean	5.67	5.04	6.40	5.87
		S.D.	.19	.42	.23	.27
	EBL	Mean	3.78	3.88	6.44	4.90
		S.D.	.43	.63	.33	.46
	PBL	Mean	5.99	5.24	6.47	5.98
		S.D.	.29	.22	.23	.21
	NBL	Mean	6.47	5.51	6.32	6.51
		S.D.	.28	.66	.21	.31
	MBL	Mean	3.83	4.13	6.36	4.79
		S.D.	.33	.77	.35	.21
	EXIM	Mean	5.88	5.96	6.36	6.02
		S.D.	.35	.46	.17	.35
	UCBL	Mean	4.11	4.61	6.42	4.98
		S.D.	.42	.61	.21	.34
	Overall	Mean	5.31	5.01	6.39	5.67
		S.D.	1.09	.82	.24	.67

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

In NBL (National Bank Limited) market (mean=6.51, standard deviation=0.31) and clan (mean=6.47, standard deviation=0.28) culture types were rated highly. In MBL (Mercantile Bank Limited) clan (mean=6.36, standard deviation=0.35) culture type was rated highly. In EXIM (EXIM Bank Limited) hierarchy (mean=6.36, standard deviation=0.17) and market (mean=6.02, standard deviation=0.35) culture types were rated highly. In UCBL (United Commercial Bank Ltd) hierarchy (mean=6.42, standard deviation=0.21) culture type was rated highly.

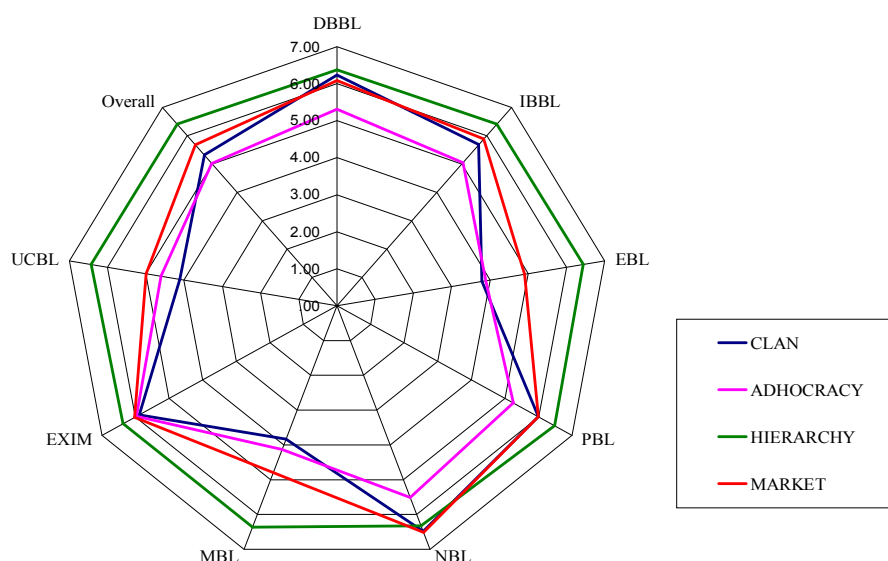


Figure 3.2.1: Overall Culture Profiles of the Private Commercial Banks in Bangladesh

Strength of culture is a complex concept which can be defined in diverse ways. In the literature, strong cultures have been characterized with their homogeneity¹⁰⁹ and congruency¹¹⁰. A dominant culture expresses the core values that are shared by the majority of the organization's members. When we talk about an organization's culture we are referring to its dominant culture.¹¹¹ In a strong culture, the organization's core values are both intensely held and widely shared. In this study, strength of culture is defined by the average score awarded to a specific type of culture, as calculated in Table 3.2.11.

The findings in Figure 3.2.1 demonstrate that, in addition to its dominance, hierarchy culture is significantly stronger than any other type with a mean score of 6.39, while the nearest score belongs to market culture 5.67. It is evident that, in a congruent organization, the overall culture of the organization and different

¹⁰⁹ W. Ouchi and R. Price, "Hierarchies, Clans and Theory Z: A New Perspective on Organizational Development", *Organizational Dynamics*, vol.7 no. 2 (1978): p. 39.

¹¹⁰ M. Schall, "A Communications-Rule Approach to Organizational Culture", *Administrative Science Quarterly*, vol.28 (1983): p. 561. pp.557-81.

¹¹¹ Stephen P. Robbins, *Organizational Behavior* (New Delhi: Prentice-Hall of India, 2003), p. 526.

aspects of it tend to indicate homogenously the similar cultural values.¹¹² Table 3.2.12 show that, there are statistically significant differences between banks concerning clan, adhocracy, and market culture types. But, the orientation of the banks was mostly concentrated to hierarchy (F=1.128) culture type.

Table 3.2.12: ANOVA for Distribution of Organizational Culture Type in Private Commercial Banks in Bangladesh

		Sum of Squares	df	Mean Square	F	Sig.
Clan	Between Groups	216.116	7	30.874	286.815	.000
	Within Groups	20.775	193	.108		
	Total	236.892	200			
Adhocracy	Between Groups	80.788	7	11.541	40.988	.000
	Within Groups	54.344	193	.282		
	Total	135.132	200			
Hierarchy	Between Groups	.451	7	.064	1.128	.347
	Within Groups	11.030	193	.057		
	Total	11.481	200			
Market	Between Groups	71.477	7	10.211	113.074	.000
	Within Groups	17.429	193	.090		
	Total	88.905	200			

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Findings of this section claim that hierarchy culture is common and dominant among private commercial banks in Bangladesh.

3.3 CSR initiatives of the Private Commercial Banks in Bangladesh Perceived by Employees

Corporate citizens of the developed countries are usually able to conform to the corporate and social responsibility norms, however; the firms in the developing countries apparently lag far behind in terms of attaining the level of conformity similar to those of the developed countries. In developed countries, there are various incentives and regulatory bindings to promote socially responsible behavior of business and a good number of financial institutions are responding positively towards the society through philanthropy, community investment, employee empowerment, equitable social practice, safeguarding environment and

¹¹² Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass, 2006), p.71.

doing social and environmental reporting.¹¹³ The paybacks of practicing CSR include: improved financial performance, abridged risk exposure, identification of new markets, superior brand image, increased customer loyalty, enhanced recruitment and retention performance, motivated human resources, enhanced trust, community development, enhanced corporate goodwill, reduced regulatory intervention, reduced costs through environmental best practice leading to sustainable profitability.

However, the status of CSR has not been satisfactory in many developing and least developed countries, largely due to lack of awareness, poor enforcement of existing laws and inadequate pressure from civil society and interest groups. In Bangladesh, most of the business houses are not aware of the benefits of CSR. However, the banking sector is doing well in this regard under the leadership of Bangladesh Bank, the central bank of the country.

There were no explicit policies on CSR in Bangladesh prior to 2008. In 2008, Bangladesh Bank (BB) took initiatives for formalizing CSR in the banking sector of Bangladesh and issued a detailed directive titled "Mainstreaming Corporate Social Responsibility (CSR) in banks and financial institutions in Bangladesh".¹¹⁴ The directive states the strategic objective for CSR engagement, priority areas to promote CSR in client businesses, and the first-ever CSR program indicating some likely action plans.

The key areas as identified by Bangladesh Bank in the field of CSR contain self-employment, financial inclusion, and SME credits designed to create productive employment; financing of biomass processing plants, solar panels, waste recycling plants, effluent treatment plants; relief and credit programs to the people affected in natural calamities; credit programs for diversified production of crops, oilseeds, spices, vegetables, fruits etc.; mobile phone based programs for prompt delivery of remittances; financing programs to promote domestic

¹¹³ M J H Javed and Kazi Mahmudur Rahman, *Corporate Responsibility in Bangladesh: Where Do We Stand?* Report No. 54, (Dhaka: Centre for Policy Dialogue, 2003), p. 2.

¹¹⁴ Bangladesh Bank, *Review of Corporate Social Responsibility Initiatives in Banks: 2008 & 2009* (Dhaka: Department of Off-site Supervision BB, 2010), p.19.

tourism.¹¹⁵ All the commercial banks in Bangladesh are asked to formulate their own CSR policy with the annual expenditure for CSR programs and include the CSR programs in their typical banking activities instead of quick-fix social works like providing grants, aids and donations.¹¹⁶

What is particularly incongruous is that large numbers of business scholars have ardently embraced the concept of corporate social responsibility during the past three decades,¹¹⁷ but only limited consensus has emerged about what corporate social responsibility really means. That notion is very much true for Bangladesh also.

The concept of business responsibility that prevailed in the most of our history was fashioned after the classical or economic model. The concept of “invisible hand” was its major point of evacuation.¹¹⁸ The economic approach held that a society could best settle on its needs and wants through the marketplace. If business just responds to these demands, society will get what it wants. If business is rewarded on the basis of its aptitude to respond to the demands of the market, the self-regarding pursuit of that reward will result in society getting what it wants.

Although the marketplace approach did convincingly well in deciding what products should be produced, it did not fare as well in ensuring that business always performed ethically. A bit later, when laws restraining commercial behavior began to flourish, it might be said that a legal model triumphed. Society’s expectations of business changed from being strictly economic in nature to encompassing aspects that had been previously at business’s prudence. In reality, although business early pledged to the economic accent and was willing to be subjected to a mounting number of laws imposed by society, the business community later did not fully live by the creed of even this early know-how of business responsibility.

¹¹⁵ Bangladesh Bank, *Recent Reforms Initiatives* (Dhaka: Department of Printing and Publications BB, 2012), p.33.

¹¹⁶ Department of Off-site Supervision, Bangladesh Bank, *Review of Corporate Social Responsibility Initiatives in Banks: 2010* (Dhaka: Bangladesh Bank, 2011), P. 2.

¹¹⁷ Archie B. Carroll and Ann K. Buchholtz, *Business & Society: Ethics and Stakeholder Management* (Mason: South-Western Cengage Learning, 2009), p. 34.

¹¹⁸ Archie B. Carroll and Ann K. Buchholtz, p. 35.

Let's now return to the basic question: What does corporate social responsibility really consist of? The idea of social responsibility is seriously considering the impact of the company's actions on society.¹¹⁹ This poses an almost insuperable problem because organizations diverge in size, in the types of products, in their productivity and assets, in their effect on society, and so on. Because this is the case, the ways in which they carry out social responsibility also differ.

As some scholars suggested, CSR goes beyond simply abiding by the law. In the sphere of activities above and beyond abiding by the law, the variables (size of the firm, types of products, and so on) become more pertinent. Keith Davis and Robert Blomstrom defined corporate social responsibility as follows: "Social responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interests."¹²⁰ This definition is rather more piercing. It suggests two dynamic facets of social responsibility—protecting and improving. To protect the wellbeing of society entails the evasion of negative impacts on society. To improve the wellbeing of society entails the formation of positive benefits for society.

Another definition presented by Joseph McGuire, McGuire asserted: "The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations."¹²¹ Although this statement is not fully operational either, its magnetism is that it acknowledges the dominance of economic goals alongside with legal compulsions while also encircling a broader notion of the firm's responsibilities.

Edwin Epstein, relates corporate social responsibility to stakeholder management and business ethics. He asserts: "Corporate social responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which have beneficial rather than adverse effects upon pertinent corporate stakeholders. The normative correctness of the products of

¹¹⁹ John L. Paluszek, *Business and Society: 1976–2000* (New York: AMACOM, 1976), p1.

¹²⁰ Keith Davis and Robert L. Blomstrom, *Business and Society: Environment and Responsibility*, (New York: McGraw-Hill, 1975), p.39.

¹²¹ Joseph W. McGuire, *Business and Society* (New York: McGraw-Hill, 1963), p. 144.

corporate action has been the main focus of corporate social responsibility.”¹²² Epstein’s definition is functional because it focuses on the consequences, products, or payoffs of corporate actions for stakeholders.

Each of the aforesaid definitions of corporate social responsibility has worth. At this point, it would be rational to present Archie Carroll’s four-part definition that focuses on the types of social responsibilities. This four-part definition attempts to place economic and legal expectations of business in perspective by relating them to more socially oriented concerns.¹²³ In essence, Carroll’s definition forms a four-part conceptualization of corporate social responsibility that may be summarized as; the social responsibility of business encompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time. It is recommended that this four-part definition provides categories within which to place different expectations that society has of business. With each of these categories considered as one component of the total social responsibility of business. In a sense, this definition, which includes four kinds of responsibilities, elaborates and builds on the definition proposed by McGuire.

Table 3.3.1: Descriptive Statistics of Employee Perceived CSR

	N	Minimum	Maximum	Mean	Std. Dev.	Skewness	Kurtosis
Economic Responsibility	201	2.90	6.70	5.09	1.091	-.272	-1.471
Legal Responsibility	201	2.88	7.00	5.22	.972	-.224	-1.012
Ethical Responsibility	201	3.15	6.00	4.67	.782	-.436	-1.223
Philanthropic Responsibility	201	3.00	6.50	5.05	1.042	-.638	-1.224
Valid N (list wise)	201						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

¹²² Edwin M. Epstein, “The Corporate Social Policy Process: Beyond Business Ethics, Corporate Social Responsibility and Corporate Social Responsiveness,” *California Management Review* (Vol. XXIX, No. 3, 1987), p. 104.

¹²³ Archie B. Carroll and Ann K. Buchholtz, *Business & Society: Ethics and Stakeholder Management* (Mason: South-Western Cengage Learning, 2009), p. 40.

Descriptive statistics were analyzed to ensure normality and required variance. Frequencies of the sample were tested with normality and variance being ascertained. Skewness and kurtosis were normal with all types of CSR. In addition, the frequency tables show that variables have adequate variance with no data point showing more than 60% clustering of responses.

3.3.1 Economic Responsibilities

It may seem strange to call an economic responsibility a social responsibility, but, in effect, that is what it is. American social system calls for business to be an economic institution. That is, it should be an organization whose direction is to produce goods and services that society wants and to sell them at fair prices and that provide business with profits sufficient to ensure its perpetuation and growth and to reward its investors.

For Table 3.3.2 all responses that were between 1 and 3 were shrunken into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category. In Table 3.3.2, the highest ratio of agree/disagree was for question 1, for which the agree/disagree ratio was 4.88 to one. The table showed, 77.6 percent of the employees of private commercial banks in Bangladesh claim that their bank has a clear, written, and announced strategic vision. Next, the highest ratios of agree/disagree in Table 3.3.2 were in the customer dimension. Question 8, “This bank has a procedure in place to respond to every customer complaint”, had a ratio of 4.66 times more respondents agreeing than disagreeing. Question 9, “This bank continually improves the quality of the products and services”, also had a high agree/disagree ratio with 4.34 times more employees agreeing than disagreeing.

Asked if this bank has been successful at maximizing the profits, 70.1 percent of the employees responded in the affirmative, while the lowest ratio of those that agreed was for question 5. So, it can be said that in case of economic stances, private commercial banks in Bangladesh are more aware of customer wants than maximizing profit or lowering cost.

Table 3.3.2: Economic Responsibility Scale–Frequency of Responses, Shrunk into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q1	This bank has a clear, written, and announced strategic vision.	32	15.9	156	77.6	4.88
Q2	Pleasing owner/stockholder by ensuring profit is an important objective of this bank.	34	16.9	141	70.1	4.15
Q3	Decisions in this bank are primarily viewed in terms of contributions to profit.	47	23.4	129	64.2	2.74
Q4	Most people in this bank show through their work that they care a lot about making a profit.	44	21.9	140	69.7	3.18
Q5	This bank has been successful at maximizing the profits.	52	25.9	141	70.1	2.71
Q6	The major responsibility for managers in the bank is to consider efficiency first.	35	17.4	149	74.1	4.26
Q7	This bank strives to lower the operating cost.	39	19.4	143	71.1	3.67
Q8	This bank has a procedure in place to respond to every customer complaint.	32	15.9	149	74.1	4.66
Q9	This bank continually improves the quality of the products and services.	35	17.4	152	75.6	4.34
Q10	This bank use consumer satisfaction as an indicator of the bank performance	36	17.9	152	75.6	4.22

Source: Field Survey Data (Appendix-C)

Table 3.3.3 shows employees' opinions about their bank regarding economic responsibilities. All the statements had a mean score from 4.8 to 5.35 that indicate the employees of the private commercial banks in Bangladesh reasonably approve the economic stance of their organizations. In most cases of the economic dimensions National Bank Limited and EXIM Bank Limited stand high. But in case of consumer orientation through improved products and services Dutch-Bangla Bank Limited and Prime Bank Limited also considered as better amongst them. In the field of economic responsibilities Islami Bank Bangladesh Limited rest at the bottom.

Table 3.3.3: Employees’ Opinions about Their Bank Regarding Economic Responsibilities.

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q1	6.11	3.48	4.45	5.76	6.85	5.36	6.23	4.11	5.30
Q2	5.59	3.48	4.55	5.88	5.73	5.18	5.92	3.71	5.00
Q3	5.15	3.48	3.65	5.72	5.92	4.95	5.85	3.71	4.82
Q4	5.37	3.48	4.45	5.68	6.19	4.86	5.65	3.57	4.90
Q5	5.44	3.41	3.60	5.76	6.38	4.86	6.35	3.89	4.99
Q6	6.33	3.67	4.15	6.12	6.35	4.86	5.77	4.07	5.18
Q7	6.00	3.78	3.65	5.96	6.31	4.73	5.96	4.04	5.08
Q8	5.85	3.74	4.05	5.76	6.50	5.05	6.15	4.11	5.17
Q9	6.33	4.00	3.85	6.32	6.62	4.82	6.46	4.11	5.35
Q10	5.85	3.85	4.10	5.88	6.54	4.77	6.00	4.04	5.15

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

3.3.2 Legal Responsibilities

Just as society has endorsed our economic system by allowing business to assume the productive role, as a partial accomplishment of the social indenture, it has also laid down the laws—under which business is expected to run. Legal responsibilities replicate a view of “codified ethics” in the sense that they exemplify basic notions of justice as established by the lawmakers. It is business’s responsibility to society to comply with these laws. If business does not concur with laws that have been passed or are about to be passed, our society has provided an apparatus by which dissidents can be heard through the political process.

For Table 3.3.4 all responses that were between 1 and 3 were collapsed into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category. In Table 3.3.4, the highest ratio of agree/disagree was for question 15, for which the agree/disagree ratio was 8.00 to one. The table showed, 83.6 percent of the employees of private commercial banks in Bangladesh declare that their bank tries to comply with the laws regarding taxation and

corporation. Next, the highest ratios of agree/disagree in Table 3.3.4 were in the legal aspects of environmental and product dimensions. Question 12, “Managers of this bank are aware about relevant environmental laws”, had a ratio of 6.42 times more respondents agreeing than disagreeing. Question 13, “Contractual obligations have been always honored by this bank”, also had a high agree/disagree ratio with 6.19 times more employees agreeing than disagreeing.

Asked if this bank has programs that ensure equal employment opportunity (EEO), 72.1 percent of the employees responded in the affirmative, despite the fact that the lowest ratio of those that agreed was for this question. So, it can be said that in case of legal stances, private commercial banks in Bangladesh are more aware of complying legal requirements imposed by government agencies than other obligations.

Table 3.3.4: Legal Responsibility Scale–Frequency of Responses, Shrunk into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q11	The first consideration of this bank is whether a decision violates any law.	34	16.9	155	77.1	4.56
Q12	Managers of this bank are aware about relevant environmental laws.	26	12.9	167	83.1	6.42
Q13	All of this bank’s products and services meet legal standards.	27	13.4	167	83.1	6.19
Q14	Contractual obligations have been always honored by this bank.	28	13.9	165	82.1	5.89
Q15	The management of this bank tries to comply with the laws regarding taxation and corporation.	21	10.4	168	83.6	8.00
Q16	This bank seeks to comply with all laws regulating human resource practices.	31	15.4	158	78.6	5.10
Q17	This bank has programs that ensure equal employment opportunity (EEO).	32	15.9	145	72.1	4.53
Q18	There are internal policies prevent discrimination in employees’ of this bank.	33	16.4	152	75.6	4.60

Source: Field Survey Data (Appendix-C)

Table 3.3.5 shows employees’ outlook of their bank regarding legal responsibilities. All the statements had a mean score from 4.91 to 5.37 that indicate

the employees of the private commercial banks in Bangladesh reasonably endorse the legal stance of their organizations, that was a little higher than economic exposure. In most cases of the legal obligations National Bank Limited and EXIM Bank Limited stand high. In case of meeting legal standards while making decisions and conforming contractual obligations, Dutch-Bangla Bank Limited and Prime Bank Limited also considered as better amongst them. In complying with legal obligations, Eastern Bank Limited and United Commercial Bank had the lowest exposure.

Table 3.3.5: Employees' Outlook of Their Bank Regarding Legal Responsibilities

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q11	6.11	4.22	3.85	5.96	6.62	5.09	6.04	4.00	5.26
Q12	5.78	4.59	3.90	5.80	6.58	4.95	6.12	4.32	5.29
Q13	5.93	4.67	3.95	5.84	6.50	4.82	6.04	4.43	5.31
Q14	6.07	4.81	3.60	5.96	6.46	4.82	6.12	4.29	5.31
Q15	6.00	4.67	4.40	5.88	6.58	4.59	6.35	4.25	5.37
Q16	5.56	4.74	4.25	5.72	6.46	4.50	5.96	3.75	5.14
Q17	5.19	4.59	3.90	5.40	6.27	4.45	5.54	3.75	4.91
Q18	5.78	4.59	4.35	5.68	6.69	3.95	5.85	3.93	5.13

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

3.3.3 Ethical Responsibilities

Ethical responsibilities consist of those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody the range of norms, standards, and expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect for or protection of stakeholders' moral rights.

In one sense, changes in ethics or values precede the establishment of laws because they become the driving forces behind the very creation of laws and regulations. In another sense, ethical responsibilities may be seen as embracing and reflecting newly emerging values and norms that society expects business to

meet, even though they may reflect a higher standard of performance than that currently required by law. Ethical responsibilities in this sense are often ill defined or continually under public scrutiny and debate as to their legitimacy and thus are frequently difficult for business to agree upon. Superimposed on these ethical expectations emanating from societal and stakeholder groups are the implied levels of ethical performance suggested by a consideration of the great ethical principles of moral philosophy, such as justice, rights, and utilitarianism.

For Table 3.3.6 all responses that were between 1 and 3 were collapsed into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category. As can be seen in Table 3.3.6, the highest ratios of agree to disagree were questions 25, 26, 27, and 28, with all having ratios over 5 times more respondents agreeing than disagreeing and; the questions all had to do with forms of appreciation of individual, environment and trustworthiness of organization. The highest ratio of agree/disagree was for question 25, for which the agree/disagree ratio was 6.40 to one. Study shows 79.6 percent of the employees of private commercial banks in Bangladesh say that, what is best for each individual is a primary concern in their banks.

Next, the highest ratios of agree/disagree in Table 3.3.6 were concerned with trustworthiness. Question 28, “This bank recognized as a trustworthy company to all stakeholders”, had a ratio of 6.0 times more respondents agreeing than disagreeing. Question 26, “Employees of this bank are expected to comply with the professional standards over and above other considerations”, also had a high agree/disagree ratio with 5.75 times more employees agreeing than disagreeing.

Of all the questions regarding CSR, the lowest ratios were for question 22 and 23, for that the agree/disagree ratios were 0.44 and 0.31 respectively, thus had many more respondents disagreeing than agreeing. Only 22.4 percent of the employees held that, their bank has adequate number of branches in dispersed rural locations. And, only 29.9 percent of the employees appreciate the performance of the banks in forms of effective mobile banking services in remote locations.

Table 3.3.6: Ethical Responsibility Scale–Frequency of Responses, Shrunken Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q19	This bank lending SME's, farmers, women, and students adequately.	40	19.9	139	69.2	3.48
Q20	This bank lending for renewable energy generation (household solar and bio-mass plants), effluent treatment, and manufacturing/processing equipments that minimize harmful emissions.	41	20.4	142	70.6	3.46
Q21	Initiatives are in place to reduce the energy and materials wasted in this bank.	49	24.4	141	70.1	2.88
Q22	This bank has an effective mobile banking services in remote locations	136	67.7	60	29.9	0.44
Q23	This bank has adequate number of branches in dispersed rural locations	149	74.1	45	22.4	0.31
Q24	This bank has a comprehensive code of conduct.	34	16.9	157	78.1	4.62
Q25	What is best for each individual is a primary concern in this organization.	25	12.4	160	79.6	6.40
Q26	Employees of this bank are expected to comply with the professional standards over and above other considerations.	28	13.9	161	80.1	5.75
Q27	This bank does as much as it can within its daily operations to make sure that are not hurting the society and environment.	30	14.9	164	81.6	5.47
Q28	This bank recognized as a trustworthy company to all stakeholders.	27	13.4	162	80.6	6.00
Q29	A confidential procedure is in place for employees and customers to report any misconduct at workplace (stealing or sexual harassment).	32	15.9	152	75.6	4.75
Q30	Employees of this bank are required to provide complete and accurate information to all customers.	37	18.4	159	79.1	4.30
Q31	This bank initiates publicity for company information to society.	41	20.4	145	72.1	3.54

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 3.3.7 shows employees' opinions about their banks regarding ethical responsibilities. All the statements had a mean score from 2.96 to 5.23, which signify the employees of the private commercial banks in Bangladesh feebly approve the ethical stance of their organizations. In most cases of the ethical dimensions, like, mobile banking services, environmental friendly operations, and trustworthiness Dutch-Bangla Bank Limited stood in high position.

Keeping in view the heightened attention the mobile and rural banking issues received in Bangladesh since 2010, the study focused on the mobile banking services and number of branches in dispersed rural locations in Bangladesh. EXIM Bank Limited, Prime Bank Limited, and Islami Bank Bangladesh Limited also considered as better performers by their employees from ethical point of view.

Table 3.3.7: Employees' Opinions about Their Banks Regarding Ethical Responsibilities.

Items	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q19	4.78	4.78	3.65	5.28	5.35	4.00	5.00	3.82	4.61
Q20	5.56	5.15	4.15	5.60	5.54	4.00	4.54	3.39	4.76
Q21	5.81	5.22	3.60	5.76	5.27	3.50	5.62	3.32	4.81
Q22	6.00	5.52	1.80	1.48	2.38	1.77	2.15	3.46	3.17
Q23	2.89	5.30	1.65	2.08	2.46	1.86	2.50	4.25	2.96
Q24	5.74	5.22	3.55	5.68	5.50	3.77	5.69	4.14	4.97
Q25	5.74	5.22	3.75	5.72	5.58	4.09	5.77	4.21	5.06
Q26	5.89	5.37	3.95	5.76	5.42	3.95	5.88	4.14	5.09
Q27	6.26	5.22	3.75	6.16	5.65	4.00	5.96	4.36	5.23
Q28	6.11	5.30	3.90	6.16	5.46	4.23	6.08	4.04	5.20
Q29	4.44	5.26	4.10	5.08	5.42	4.23	5.69	4.07	4.81
Q30	5.67	5.26	3.75	5.68	5.46	4.09	6.15	3.79	5.02
Q31	5.74	5.26	4.00	5.72	5.81	3.55	5.88	3.54	4.98

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

3.3.4 Philanthropic Responsibilities

There are business's discretionary or philanthropic responsibilities. These activities are merely voluntary, guided only by business's craving to engage in social activities that are not mandated, not obligatory by law, and not usually expected of business in an ethical sense. Such activities might comprise supporting employees who acquire additional education and training, encouraging employees to join civic organization that support community, to enable employees to better

coordinate organizational and personal life, contribution to charities, encouraging partnerships with local business and educational institutes, and sponsoring local sports and cultural activities. The difference between ethical responsibilities and philanthropic responsibilities is that the latter typically are not expected in a moral or an ethical sense. Communities desire business to contribute its money, facilities, and employee time to humanitarian programs or purposes, but they do not regard firms as unethical if they do not provide these services at the desired levels.¹²⁴ Therefore, these responsibilities are more discretionary, or voluntary, on business's part, although the societal expectation that they be provided is always present.

Table 3.3.8: Philanthropic Responsibility Scale–Frequency of Responses, Shrunk Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q32	This bank support employees who acquire additional education and training.	45	22.4	144	71.6	3.20
Q33	This bank encourages employees to join civic organization that support community.	40	19.9	151	75.1	3.78
Q34	Flexible company policies that enable employees to better coordinate organizational and personal life.	43	21.4	146	72.6	3.40
Q35	This bank gives adequate contribution to charities.	37	18.4	152	75.6	4.11
Q36	This bank encourages partnerships with local business and educational institutes.	43	21.4	145	72.1	3.37
Q37	This bank supports local sports and cultural activities.	31	15.4	151	75.1	4.87

Source: Field Survey Data (Appendix-C)

For Table 3.3.8 all responses that were between 1 and 3 were collapsed into the “disagree” category. All responses that were between 5 and 7 were collapsed into the “agree” category. In Table 3.3.8, the highest ratio of agree/disagree was for question 37, for which the agree/disagree ratio was 4.87 to one. The table illustrated, 75.1 percent of the respondent asserted that their bank sponsored local

¹²⁴ Archie B. Carroll and Ann K. Buchholtz, *Business & Society: Ethics and Stakeholder Management* (Mason: South-Western Cengage Learning, 2009), p. 38.

sports and cultural activities. Next, the highest ratio of agree/disagree was contributions to charities, had a ratio of 4.11 times more respondents agreeing than disagreeing.

All of the other questions had ratios between three and four to one. So, it can be said that in case of discretionary stances, private commercial banks in Bangladesh are less proactive to internal CSR than external CSR. Table 3.3.9 explains employees' opinions about their banks regarding philanthropic responsibilities. All the statements had a mean score from 4.88 to 5.17, which suggested the employees of the private commercial banks in Bangladesh unconvincingly backed the ethical stance of their organizations. In most cases of the philanthropic magnitudes, like, contribution to charities, partnership with local business and educational institutes, and supporting local sports and cultural activities Dutch-Bangla Bank Limited stood high. This bank had scholarship schemes supporting secondary and tertiary education meritorious students of low-income families.¹²⁵

Prime Bank Limited, EXIM Bank Limited, and Islami Bank Bangladesh Limited also considered as better performers by their employees from philanthropic point of view. A State of the Art eye hospital called Prime Bank Eye Hospital (PBEH) is under process for facility-based holistic services and community level awareness rising, and demand creation. With a view to providing financial support to higher secondary level underprivileged but meritorious students, in 2010, a project known as NHS Education Award under Education Support Program has been launched from a hard-to-reach district like Shariatpur.¹²⁶ EXIM Bank Hospital, a concern of EXIM Bank Foundation has been inaugurated on 8 May, 2010 to provide medical treatment and other health facilities. Besides natural calamities, fire breaks out sometimes in slum areas that

¹²⁵ Prime Bank Limited, Annual Report, (Dhaka, 2010).

¹²⁶ Exim Bank Limited, Annual Report, (Dhaka, 2010).

guts the shanties and renders the affected people totally helpless. EXIM Bank helps the victims fight against the hard days and return to normal life.¹²⁷ During various natural disasters, IBBL came forward with activities for the victims directly and through donating into government funds. IBBL awards scholarships among the meritorious wards of the bank officials and the meritorious students of Banking and Finance Department of Dhaka University, Chittagong University and Manarat International University.¹²⁸

Table 3.3.9: Employees’ Opinions about Their Banks Regarding Philanthropic Responsibilities

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q32	6.07	5.26	3.65	5.96	5.46	3.68	5.77	3.39	4.96
Q33	5.70	5.44	4.30	5.72	5.38	3.36	5.88	3.57	4.96
Q34	5.15	5.52	3.55	5.44	5.58	3.50	6.08	3.75	4.88
Q35	5.81	5.52	4.20	5.80	5.69	3.32	5.77	3.82	5.04
Q36	6.22	5.59	3.75	6.00	5.96	3.55	5.77	3.46	5.09
Q37	6.22	5.56	3.50	6.08	5.62	4.00	6.00	3.93	5.17

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 3.3.10 demonstrates CSR posture of eight private commercial banks according to employees’ responses. As revealed in Table 3.3.10, the diverse corporate social responsibilities were computed by calculating the respective mean of the scores assigned by the respondents to each dimension of responsibilities. In DBBL (Dutch-Bangla Bank Limited) and IBBL (Islami Bank Bangladesh LTD) philanthropic responsibilities were rated highly. In EBL (Eastern Bank Limited), PBL (Prime Bank Limited), NBL (National Bank Limited), MBL (Mercantile Bank Limited) and EXIM (EXIM Bank Limited) economic responsibilities were perceived highly by their employees. In UCBL (United Commercial Bank Ltd) legal responsibilities were rated highly by their employees in comparison to other dimensions of CSR.

¹²⁷ Annual Report, Exim Bank Limited, (Dhaka, 2010).

¹²⁸ Annual Report, Islami Bank Bangladesh Limited, (Dhaka, 2010).

Through another lens, in the field of economic responsibilities NBL (National Bank Limited) and EXIM (EXIM Bank Limited) had stood at the highest mark. And, IBBL (Islami Bank Bangladesh LTD) was rated lowest for the same. In the area of legal responsibilities NBL (National Bank Limited) and EXIM (EXIM Bank Limited) had also remained at the top. And, EBL (Eastern Bank Limited) was rated lowest for the same.

Table 3.3.10: CSR Posture of the Private Commercial Banks in Bangladesh

		Economic	Legal	Ethical	Philanthropic	CSR	
Name of The Bank	DBBL	Mean	5.80	5.80	5.43	5.86	5.72
		S.D.	.36	.17	.34	.26	.25
	IBBL	Mean	3.64	4.61	5.24	5.48	4.74
		S.D.	.38	.65	.14	.18	.29
	EBL	Mean	4.05	4.03	3.51	3.83	3.85
		S.D.	.44	.43	.29	.44	.37
	PBL	Mean	5.88	5.78	5.09	5.83	5.65
		S.D.	.39	.24	.37	.34	.31
	NBL	Mean	6.34	6.52	5.02	5.62	5.87
		S.D.	.20	.39	.21	.20	.18
	MBL	Mean	4.95	4.65	3.62	3.57	4.20
		S.D.	.63	.45	.24	.42	.28
	EXIM	Mean	6.03	6.00	5.15	5.88	5.77
		S.D.	.31	.32	.40	.18	.23
	UCBL	Mean	3.94	4.09	3.89	3.65	3.89
		S.D.	.32	.35	.21	.46	.25
	Overall	Mean	5.09	5.22	4.67	5.02	5.00
		S.D.	1.09	.97	.78	1.04	.87

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

In case of corporate giving to societies as philanthropic responsibilities, DBBL (Dutch-Bangla Bank Limited) and EXIM (EXIM Bank Limited) were rated well at the top. And, MBL (Mercantile Bank Limited) was rated lowest for the same.

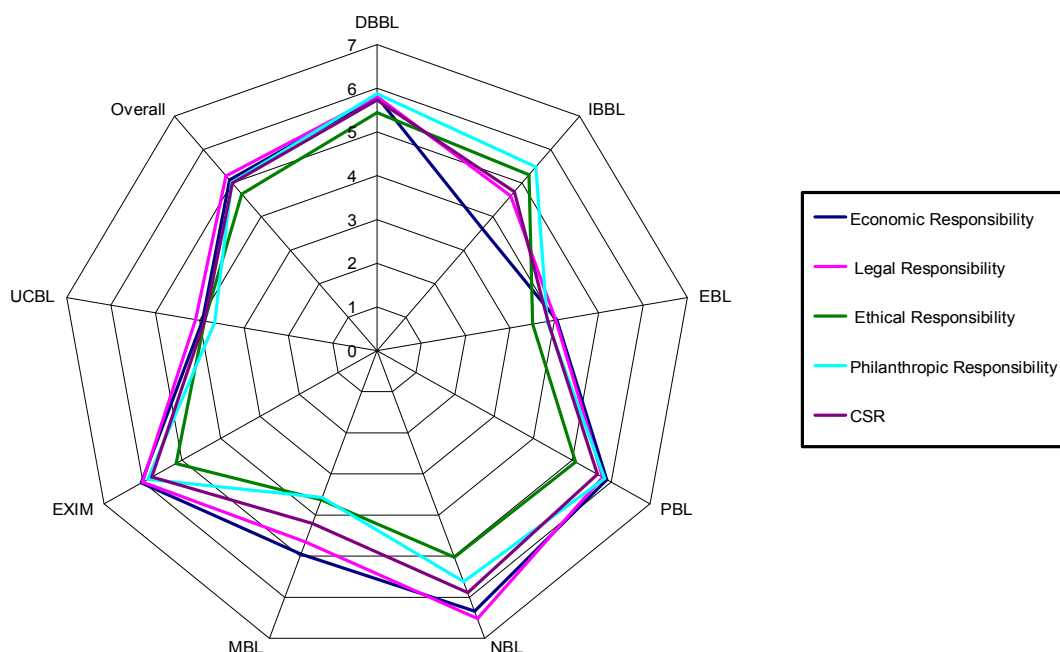


Figure 3.2: CSR Posture of the Private Commercial Banks in Bangladesh

Table 3.3.11: ANOVA for Distribution of CSR Posture in Private Commercial Banks in Bangladesh

		Sum of Squares	df	Mean Square	F	Sig.
Economic Responsibility	Between Groups	209.352	7	29.907	199.208	.000
	Within Groups	28.975	193	.150		
	Total	238.327	200			
Legal Responsibility	Between Groups	158.430	7	22.633	143.472	.000
	Within Groups	30.446	193	.158		
	Total	188.876	200			
Ethical Responsibility	Between Groups	106.445	7	15.206	184.960	.000
	Within Groups	15.868	193	.082		
	Total	122.313	200			
Philanthropic Responsibility	Between Groups	197.014	7	28.145	268.053	.000
	Within Groups	20.264	193	.105		
	Total	217.278	200			
CSR	Between Groups	136.541	7	19.506	264.666	.000
	Within Groups	14.224	193	.074		
	Total	150.765	200			

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 3.3.11 demonstrates that, there were statistically significant differences between banks concerning economic, legal, ethical, philanthropic and overall corporate social responsibilities ($F = 264.67$). As revealed in Table 3.3.11, the overall corporate social responsibilities were computed by calculating the mean of the scores assigned by the employees to different responsibility dimensions. In case of overall CSR NBL (National Bank Limited), DBBL (Dutch-Bangla Bank Limited), and EXIM (EXIM Bank Limited) were ranked well and remained as the top three. And, EBL (Eastern Bank Limited) and MBL (Mercantile Bank Limited) were marked as meager player as regards CSR amongst the surveyed banks in Bangladesh.

3.4 The Relationship between Culture and CSR

Table 3.4.1 presents the correlations of measures of culture types and CSR for the study samples. All the hypothesized correlations are significantly different from zero and have the estimated indication.

Table 3.4.1: Correlations of Measures of Culture Types and CSR for the Study Samples.

		1	2	3	4	5	6	7	8	9
1	Clan Culture	1								
2	Adhocracy Culture	.748**	1							
3	Hierarchy Culture	-.051	-.034	1						
4	Market Culture	.882**	.634**	.000	1					
5	Economic Responsibility	.643**	.533**	-.033	.611**	1				
6	Legal Responsibility	.807**	.634**	-.094	.776**	.879**	1			
7	Ethical Responsibility	.902**	.698**	-.047	.834**	.515**	.697**	1		
8	Philanthropic Responsibility	.935**	.710**	-.031	.832**	.613**	.761**	.912**	1	
9	Overall CSR	.912**	.715**	-.057	.847**	.860**	.942**	.856**	.911**	1

** Correlation is significant at the 0.01 level (2-tailed).

The table shows a positive and statistically significant correlation between the three culture types (Clan, Adhocracy, and Market) and CSR. There is no statistically significant correlation between the Hierarchy Culture and CSR; in contrast, Ülle Übius and Ruth Alas report a significant relation between the Hierarchy Culture and CSR¹²⁹.

Clan culture refers to the dimensions of an organization's culture that characterized by shared values and goals, cohesion, participativeness, and a sense of we-ness. Typical characteristics of clan type firms were teamwork, employee involvement programs and corporate commitment to employee.¹³⁰ This type of organization treats its customers as partners, and its employees as family.¹³¹ In such organization the members are concern for the needs of others, give rewards to others, involve others in the decisions affecting them,¹³² and emphasizes the long-term benefit of individual development with high cohesion and morale.¹³³ Clan cultures encourage organizational members to methodically promote the relations between the organizations and its' stakeholders by addressing their requirements in the economic, legal, ethical, and philanthropic areas. Accordingly

H 4: The stronger the clan culture, the greater degree of the perceived CSR.

As noted above, strong corporate social responsibility is present when the firm engages in economic, legal, ethical, and philanthropic initiatives. For the regression analyses, a Standard Linear Regression model was followed for each multiple regression. As can be seen in Table 3.4.2, the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) were entered into Model 1 to test for the effects on the dependent variable (CSR).

¹²⁹ Ülle Übius and Ruth Alas, "Organizational Culture Types as Predictors of Corporate Social Responsibility," *Engineering Economics*, no. 61 (2009): p. 90.

¹³⁰ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture* (San Francisco: Jossey-Bass Publishers, 2006), p. 66.

¹³¹ Kim S. Cameron and Robert E. Quinn, p. 66.

¹³² Robert A. Cooke and Janet L. Hartmann, "Interpreting the Cultural Styles Measured by the OCI." In *Organizational Culture Inventory Leader's Guide*. Plymouth MI Human Synergistic (1989): p. 25.

¹³³ Kim S. Cameron and Robert E. Quinn, p. 66.

Table 3.4.2: Relations between Culture Types and Overall CSR

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.918 ^a	.843	.840		.34755	
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	127.090	4	31.772	263.038	.000 ^a
	Residual	23.675	196	.121		
	Total	150.765	200			
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
b. Dependent Variable: CSR						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.654	.699		.936	.350
	Clan	.529	.056	.663	9.388	.000
	Adhocracy	.092	.045	.087	2.034	.043
	Hierarchy	-.071	.103	-.020	-.688	.492
	Market	.269	.079	.207	3.416	.001
a. Dependent Variable: CSR						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The regression analyses in the Table 3.4.2, Table 3.4.3, Table 3.4.4, Table 3.4.5, and Table 3.4.6 supported hypothesis 4.

In Table 3.4.2 the F value of 263.038 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted r squared for the overall model was 0.84. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 84% variance in the dependent variable (CSR). As can be seen in the table, the effect of clan culture type on overall CSR was significant at $p < 0.01$ level. This implies that it was explaining the variance in the CSR significantly. Therefore, the null hypothesis was not supported which means that clan culture was an important variable for explaining CSR. Beta was 0.663, while $t = 9.388$ ($p = .000$). The

unstandardized B value for clan culture was 0.529. This means for every 1 unit increase in clan orientation, CSR initiatives increased by 0.529.

In Table 3.4.3 the F value of 36.887 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.429. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 42.9% variance in the dependent variable (Economic Responsibility). As can be seen in the table, the effect of clan culture type on economic responsibility was significant at $p < 0.01$ level. This implies that it was explaining the variance in the economic responsibility significantly. Therefore, the null hypothesis was not supported which means that clan culture was an important variable for explaining economic responsibility. Beta was 0.358, while $t = 2.66$ ($p = .008$). The unstandardized B value for clan culture was 0.359. This means for every 1 unit increase in clan orientation, economic responsibility increased by 0.359.

In Table 3.4.4 the F value of 103.015 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.671. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 67.1% variance in the dependent variable (Legal Responsibility). As can be seen in the table, the effect of clan culture type on legal responsibility was significant at $p < 0.01$ level. This implies that it was explaining the variance in the legal responsibility significantly. Therefore, the null hypothesis was not supported which means that clan culture was an important variable for explaining legal responsibility. Beta was 0.460, while $t = 4.546$ ($p = .000$). The unstandardized B value for clan culture was 0.411. This means for every 1 unit increase in clan orientation, perceived legal increased by 0.411.

In Table 3.4.5 the F value of 226.167 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The

adjusted R squared for the overall model was 0.818. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 81.8% variance in the dependent variable (Ethical Responsibility). As can be seen in the table, the effect of clan culture type on ethical responsibility was significant at $p < 0.01$ level. This implies that it was explaining the variance in the ethical responsibility significantly. Therefore, the null hypothesis was not supported which means that clan culture was an important variable for explaining ethical responsibility. Beta was 0.691, while $t = 9.181$ ($p = .000$). The unstandardized B value for clan culture was 0.496. This means for every 1 unit increase in clan orientation, ethical responsibility increased by 0.496.

In Table 3.4.6 the F value of 343.175 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.873. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 87.3% variance in the dependent variable (Philanthropic Responsibility). As can be seen in the table, the effect of clan culture type on philanthropic responsibility was significant at $p < 0.01$ level. This implies that it was explaining the variance in the philanthropic responsibility significantly. Therefore, the null hypothesis was not supported which means that clan culture was an important variable for explaining CSR. Beta was 0.887, while $t = 14.082$ ($p = .000$). The unstandardized B value for clan culture was 0.85. This means for every 1 unit increase in clan orientation, philanthropic responsibility initiatives increased by 0.85.

The results suggested positive relations between clan culture type and overall corporate social responsibility. In the Table 3.4.2, Table 3.4.3, Table 3.4.4, Table 3.4.5, and Table 3.4.6 clan culture type was found to be statistically significant as superlative predictors of economic, legal, ethical, and philanthropic responsibilities of business. Hence Hypothesis 4 was enormously supported.

Table 3.4.3: Relations between Culture Types and Economic Responsibility

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.655 ^a	.429	.418		.83290	
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.357	4	25.589	36.887	.000 ^a
	Residual	135.970	196	.694		
	Total	238.327	200			
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
b. Dependent Variable: Economic Responsibility						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.653	1.675		.390	.697
	Clan	.359	.135	.358	2.660	.008
	Adhocracy	.172	.108	.129	1.583	.115
	Hierarchy	-.048	.247	-.010	-.193	.847
	Market	.348	.189	.213	1.844	.067
a. Dependent Variable: Economic Responsibility						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Adhocracy Culture is prevalent in dynamic, entrepreneur, and creative organizations. A major goal of an adhocracy is to foster adaptability, flexibility and creativity.¹³⁴ This kind of organization focuses on external positioning and is most responsive to hyper-turbulent environments, where change and uncertainty is typical; therefore innovativeness is assumed to be the key to success. An important challenge of these organizations is to produce innovative products and services and to adapt quickly to new opportunities. A high emphasis on individuality, risk taking and anticipating the outlook exists as almost everyone in an adhocracy organization becomes involved with production, marketing, research and

¹³⁴ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture* (San Francisco: Jossey-Bass Publishers, 2006), p. 43.

development and so forth. Accordingly leaders of such organization show concern for continually improving the quality of the products and services, ensure flexible company policies that enable employees to better coordinate organizational and personal life, and confirm what is best for each individual is a primary concern in this organization. So members of such organizations may consider the satisfaction of corporate social responsibilities as indispensable to their bottom-line. Hence,

H 5: The stronger the adhocracy culture, the greater degree of the perceived CSR.

The regression analyses in the Table 3.4.2 supported hypothesis 5, but Table 3.4.3, Table 3.4.4, Table 3.4.5, and Table 3.4.6 showed different exposures. In Table 3.4.2 the F value of 263.038 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted r squared for the overall model was 0.84. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 84% variance in the dependent variable (CSR). As can be seen in the table, the effect of adhocracy culture type on overall CSR was significant at $p < 0.05$ level. Therefore, the null hypothesis was not supported which means that adhocracy culture was an important variable for explaining CSR. Beta was 0.087, while $t = 2.034$ ($p = .043$). The unstandardized B value for clan culture was 0.092. This means for every 1 unit increase in clan orientation, CSR initiatives increased by 0.092. This implies that adhocracy culture type was explaining the variance in the CSR significantly but not as much of as clan culture type.

In Table 3.4.3 the F value of 36.887 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.429. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 42.9% variance in the dependent variable (Economic Responsibility). As can be seen in the table, the effect of adhocracy culture type on economic responsibility was not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported

which means that adhocracy culture was not a significant predictor for explaining economic responsibility.

In Table 3.4.4 the F value of 103.015 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.671. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 67.1% variance in the dependent variable (Legal Responsibility). As can be seen in the table, the effect of adhocracy culture type on legal responsibility was not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that adhocracy culture was not a significant variable for explaining legal responsibility.

In Table 3.4.5 the F value of 226.167 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.818. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 81.8% variance in the dependent variable (Ethical Responsibility). As can be seen in the table, the effect of adhocracy culture type on ethical responsibility was not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that adhocracy culture was not a significant variable for explaining ethical responsibility.

In Table 3.4.6 the F value of 343.175 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.873. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 87.3% variance in the dependent variable (Philanthropic Responsibility). As can be seen in the table, the effect of adhocracy culture type on philanthropic responsibility was not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that adhocracy culture was not a significant variable for explaining legal responsibility.

The results suggested positive relations between adhocracy culture type and overall corporate social responsibility. But in the Table 3.4.3, Table 3.4.4, Table 3.4.5, and Table 3.4.6 adhocracy culture type was not found to be statistically significant as predictors of economic, legal, ethical, and philanthropic responsibilities of business. Hence Hypothesis 5 was partly supported.

Table 3.4.4: Relations between Culture Types and Legal Responsibility

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.823 ^a	.678	.671		.55733	
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	127.994	4	31.999	103.015	.000 ^a
	Residual	60.882	196	.311		
	Total	188.876	200			
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
b. Dependent Variable: Legal Responsibility						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.648	1.121		1.471	.143
	Clan	.411	.090	.460	4.546	.000
	Adhocracy	.103	.073	.087	1.419	.158
	Hierarchy	-.272	.165	-.067	-1.644	.102
	Market	.460	.126	.316	3.639	.000
a. Dependent Variable: Legal Responsibility						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The Hierarchy culture is characterized by a formal and structured workplace, where constancy, predictability and efficiency are the long-term concerns. Formal rules and policies grasp the organization together. Key values centre on maintaining efficient, reliable, hasty, smooth-flowing operations.¹³⁵ Until the 1960s, it has been assumed that Weber's hierarchy or bureaucracy was the ideal

¹³⁵ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture* (San Francisco: Jossey-Bass Publishers, 2006), p. 38.

form of organization because it led to stable, efficient, highly consistent products and services.¹³⁶ While a clan organization emphasizes teamwork, participation, consensus in decision making, and the maintenance of harmonious relationship within the organization; a hierarchy orientation emphasizes chain of command, control, and personal success in the workplace. Organizations characterized by a hierarchy culture persuade members to achieve highest efficiency in operations despite of their effects on the organizations' stakeholders. Consequently, management of such organizations may not aware of their responsibilities to the society. Hence,

H 6: The stronger the hierarchy culture, there is the less degree of the perceived CSR.

The regression analyses in the Table 3.4.2, Table 3.4.3, Table 3.4.4, Table 3.4.5, and Table 3.4.6 did not supported hypothesis 6.

In Table 3.4.2 the F value of 263.038 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted r squared for the overall model was 0.84. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 84% variance in the dependent variable (CSR). As can be seen in the Table 3.4.2, the effect of hierarchy culture type on overall CSR was negative ($t = -.688$) but not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that hierarchy culture was not a significant predictor for explaining CSR.

In Table 3.4.3 the F value of 36.887 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.429. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 42.9% variance in the dependent variable (Economic Responsibility). As can be seen in the table, the effect of hierarchy culture type on economic responsibility was negative ($t = -.193$) and not significant at $p < 0.10$ level. Therefore, the null

¹³⁶ Kim S. Cameron and Robert E. Quinn, *Diagnosing and changing organizational culture: based on the competing values framework* (San Francisco: Jossey-Bass, 2006), p.37.

hypothesis was supported which means that hierarchy culture type was not a significant predictor for explaining economic responsibility.

In Table 3.4.4 the F value of 103.015 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.671. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 67.1% variance in the dependent variable (Legal Responsibility). As can be seen in the table, the effect of hierarchy culture type on legal responsibility was negative ($t = -1.644$) not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that hierarchy culture was not a significant variable for explaining legal responsibility of business.

In Table 3.4.5 the F value of 226.167 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.818. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 81.8% variance in the dependent variable (Ethical Responsibility). As can be seen in the table, the effect of hierarchy culture type on ethical responsibility was negative ($t = -0.312$) and not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that hierarchy culture was not a significant variable for explaining ethical responsibility.

In Table 3.4.6 the F value of 343.175 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.873. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 87.3% variance in the dependent variable (Philanthropic Responsibility). As can be seen in the table, the effect of hierarchy culture type on philanthropic responsibility was not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that hierarchy culture was not a significant variable for explaining philanthropic responsibility.

The results of correlation and regression analyses suggested negative and insignificant relation between hierarchy culture type and overall corporate social responsibility. Hence Hypothesis 6 was not supported.

Table 3.4.5: Relations between Culture Types and Ethical Responsibility

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.907 ^a	.822	.818	.33336		
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	100.532	4	25.133	226.167	.000 ^a
	Residual	21.781	196	.111		
	Total	122.313	200			
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
b. Dependent Variable: Ethical Responsibility						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.697	.670		1.040	.300
	Clan	.496	.054	.691	9.181	.000
	Adhocracy	.061	.043	.064	1.410	.160
	Hierarchy	-.031	.099	-.009	-.312	.756
	Market	.216	.076	.184	2.861	.005
a. Dependent Variable: Ethical Responsibility						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The market culture represents externally oriented organizations, which focus on transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth. The core values that dominate these organizations are competitiveness and productivity, which can be achieved through a strong emphasis on external positioning and control.¹³⁷ In a prior study, it is evident that the implication of given magnitude is that a business

¹³⁷ Kim S. Cameron and Robert E. Quinn, *Diagnosing and changing organizational culture: based on the competing values framework* (San Francisco: Jossey-Bass, 2006), p.38.

is sensitive and responsive to any stakeholder or concern that may affect its long term bottom-line.¹³⁸ These researchers also propose that there is a room to examine the relation between the extent of an organizations' market orientation and the level of its corporate social responsibility.¹³⁹ Competitive advantage, profitability, stretch targets, and secure customer bases are primary concern of these types of organizations. The basic assumptions in a market culture are that the external environment is not benevolent but antagonistic, consumers are fussy and interested in value, and the organization is in the dealing of increasing its competitive stance. According to the discussions it could be expected that organizations with market culture make every possible attempt to satisfy their stakeholders like suppliers, customers, contractors, licensees, unions, regulators and so on. Consequently, management of such organizations endeavor every aspects of CSR in their organization. Hence,

H 7: The stronger the market culture, the greater degree of the perceived CSR.

The regression analyses in the Table 3.4.2, Table 3.4.3, Table 3.4.4, Table 3.4.5, and Table 3.4.6 supported hypothesis 7. In Table 3.4.2 the F value of 263.038 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted r squared for the overall model was 0.84. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 84% variance in the dependent variable (CSR). As can be seen in the table, the effect of market culture type on overall CSR was significant at $p < 0.01$ level. This implies that it was explaining the variance in the overall CSR significantly. Therefore, the null hypothesis was not supported which means that market culture was an important variable for explaining CSR. Beta was 0.207, while $t = 3.416$ ($p = .001$). The unstandardized B

¹³⁸John C. Narver and Stanley F. Slater, "The Effect of Market Orientation on Business Profitability", *Journal of Marketing* (October, 1990): p 21.

¹³⁹John C. Narver and Stanley F. Slater, p. 29.

value for clan culture was 0.269. This means for every 1 unit increase in clan orientation, CSR initiatives increased by 0.269.

In Table 3.4.3 the F value of 36.887 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.429. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 42.9% variance in the dependent variable (Economic Responsibility). As can be seen in the table, the effect of market culture type on economic responsibility was significant at $p < 0.10$ level. This implies that it was explaining the variance in the economic responsibility significantly but not as much as clan culture was. Therefore, the null hypothesis was not supported which means that market culture was an important variable for explaining economic responsibility. Beta was 0.213, while $t = 1.844$ ($p = .067$). The unstandardized B value for market culture was 0.348. This means for every 1 unit increase in clan orientation, economic responsibility increased by 0.348.

In Table 3.4.4 the F value of 103.015 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.671. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 67.1% variance in the dependent variable (Legal Responsibility). As can be seen in the table, the effect of market culture type on legal responsibility was significant at $p < 0.01$ level. This implies that it was explaining the variance in the legal responsibility significantly. Therefore, the null hypothesis was not supported which means that clan culture was an important variable for explaining legal responsibility. Beta was 0.316, while $t = 3.639$ ($p = .000$). The unstandardized B value for market culture was 0.46. This means for every 1 unit increase in clan orientation, perceived legal increased by 0.46.

In Table 3.4.5 the F value of 226.167 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.818. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 81.8% variance in the dependent variable (Ethical Responsibility). As can be seen in the table, the effect of market culture type on ethical responsibility was significant at $p < 0.01$ level. This implies that it was explaining the variance in the ethical responsibility significantly. Therefore, the null hypothesis was not supported which means that market culture was an important variable for explaining ethical responsibility but not as much strong as clan culture. Beta was 0.184, while $t = 2.861$ ($p = .005$). The unstandardized B value for clan culture was 0.216. This means for every 1 unit increase in clan orientation, ethical responsibility increased by 0.216.

In Table 3.4.6 the F value of 343.175 showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. The adjusted R squared for the overall model was 0.873. This means that the independent variables (Clan, Adhocracy, Hierarchy, and Market culture) explained 87.3% variance in the dependent variable (Philanthropic Responsibility). As can be seen in the table, the effect of market culture type on philanthropic responsibility was not significant at $p < 0.10$ level. Therefore, the null hypothesis was supported which means that market culture was not a significant variable for explaining philanthropic responsibility.

The results suggested positive relations between market culture type and overall corporate social responsibility. In the Table 3.4.2, Table 3.4.3, Table 3.4.4, and Table 3.4.5 market culture type was found to be statistically significant predictors of economic, legal, and ethical responsibilities of business. But Table 3.4.6 showed insignificant relation between market culture type and philanthropic responsibility. Hence Hypothesis 7 was partly supported.

Table 3.4.6: Relations between Culture Types and Philanthropic Responsibility

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.935 ^a	.875	.873	.37217		
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	190.130	4	47.533	343.175	.000 ^a
	Residual	27.148	196	.139		
	Total	217.278	200			
a. Predictors: (Constant), Clan, Adhocracy, Hierarchy, Market						
b. Dependent Variable: Philanthropic Responsibility						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.381	.748		-.509	.611
	Clan	.850	.060	.887	14.082	.000
	Adhocracy	.032	.048	.026	.668	.505
	Hierarchy	.067	.111	.015	.604	.546
	Market	.052	.084	.034	.620	.536
a. Dependent Variable: Philanthropic Responsibility						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

3.5 Conclusion

This chapter focused on an empirical analysis of the organizational culture of private commercial banks in Bangladesh. The results expose that most private commercial banks in Bangladesh are dominated by a strong hierarchy culture. In other words, the findings show that private commercial banks in Bangladesh are (i) very formalized and structured place, established procedures generally govern what people do, (ii) have a leadership style generally associated with a coordinator, an organizer, or an administrator, (iii) emphasize chain of command, control, and coordination, (iv) have workers managed by formal rules and policies, (v)

emphasize stability and the ability to maintain control, and (vi) define success on the basis of efficient, reliable, and smooth operations.

This chapter also paid attention to an empirical analysis of the CSR posture of private commercial banks in Bangladesh. According to the employees' perception, private commercial banks in Bangladesh are comparatively more aware of complying legal responsibilities than other aspects of CSR. It has been also seen that in case of legal stances, private commercial banks in Bangladesh are more aware of complying legal requirements imposed by government agencies than other obligations. In case of overall CSR NBL (National Bank Limited), DBBL (Dutch-Bangla Bank Limited), and EXIM (EXIM Bank Limited) remained as the top three.

Next, empirical study in the sample private commercial banks indicated link between organizational culture types and corporate social responsibility. The study findings suggest that organizational culture play an important role in achieving high level of CSR. First, clan culture is found to be most conducive of proactive stance of CSR. As seen in this chapter, clan culture type predicts the all facets of CSR including economic, legal, ethical, and philanthropic responsibilities. This result underlines the positive organizational effects of clan culture and adds to previous investigations linking clan culture to high levels of employee morale and satisfaction, human resource development, and teamwork.¹⁴⁰

The findings also indicate that the stronger the market culture, the greater degree of the perceived CSR. Market culture type predicts the three facets of CSR including economic, legal, and ethical responsibilities. Market culture mostly predicts the legal responsibilities and produce insignificant impact on philanthropic responsibilities. This result upholds relation between market orientation and CSR¹⁴¹ and brings to light another benefit of market culture beyond

¹⁴⁰ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass, 2006), p.48.

¹⁴¹ Isabelle Maignan, O.C. Ferrell, and G. Tomas M. Hult, "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (1999): p. 464.

the accomplishment of superior value for the customer and superior business performance for the organization.¹⁴²

The findings indicate that the stronger the adhocracy culture, the greater degree of the perceived CSR. But, the effect of adhocracy orientation on CSR is not as much as clan and market orientation have. As seen in this study, adhocracy culture type predicts only cumulative CSR not any distinct aspect of CSR. Most people have served on an ad hoc task force or committee, which disbands as soon as its task is completed. The adhocracy organization may frequently be found in industries such as aerospace, software development, think-tank consulting, and filmmaking.¹⁴³ Unlike markets or hierarchies, adhocracies do not have centralized power or authority relationships. Because this adhocracy was so inconsistent with the larger organizational set up (a bank) and with an environment that demanded efficiency and accountability, it was forced to shift to another type of culture.

At last, no significant link was observed between hierarchy culture and CSR. However, teamwork, participation, trust, commitment, and cooperation do not need to come at the cost of efficient, reliable, and smooth operations that call for organizational success. In fact, this empirical analysis did not support the notion that hierarchy culture could be obstacles to the incorporation of superior degree of CSR.

¹⁴² B.J. Jaworski and A.K. Kohli, "Market Orientation: Antecedents and Consequences," *Journal of Marketing*, vol. 57, July (1993): pp. 53–70; J.K. Han and N. Kim, "Market Orientation and Organizational Performance: Is Innovation a Missing Link?" *Journal of Marketing*, vol. 62, no. 4 (1998): p. 30; G.E. Greenley, "Market Orientation and Company Performance: Empirical Evidence from UK Companies", *British Journal of Management*, vol. 6 (1998): pp. 1–13.

¹⁴³ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass, 2006), p.44.

Chapter 4

Impacts of Corporate Social Responsibility on Employee Attitude

4.1 Prelude

The banking sector seems to be the most responsive to the impact of CSR in Bangladesh. This is because stupendous attribute of the banking industry in developing country is that it is subject to a more assorted and multifarious stakeholders than the most other sectors of the economy.¹⁴⁴ The business organization today, especially the modern company, is the institutional centerpiece of a composite society. Our society today consists of various stakeholders with a multitude of interests, expectations, and demands as to what major organizations ought to provide to accommodate people's interest.¹⁴⁵

All over the world, business scholars began re-discussing a longstanding question: Who do companies belong to and in whose benefits should they be run? These discussions contrasted the traditional view, wherein a public company has the dominant goal of maximizing investor returns, with the contemporary view, wherein firms accept broader obligations that seek to balance the interests of investors with those of other stakeholders, particularly employees, suppliers, customers, and the wider community.¹⁴⁶

The fundamental of generating value for stakeholders is fairly simple. Business is about how customers, suppliers, employees, investors, communities, and managers act together and create value. To understand a business is to know how these relations work. And the manager's job is to shape these relationships. Employees have their jobs and usually their livelihood at stake; they often have particular abilities for which there is usually no perfectly elastic market. In return for their efforts, they expect security, compensations, and significant work. Often,

¹⁴⁴ J. K. Achuam, "Corporate Social responsibility in Nigerian Banking System," *Society and Business Review*, vol. 3, no. 1 (2008): p. 57.

¹⁴⁵ Archie B. Carroll and Ann K. Buchholtz, *Business & Society: Ethics and Stakeholder Management* (Mason: South-Western Cengage Learning, 2009), p. 63.

¹⁴⁶ Archie B. Carroll and Ann K. Buchholtz, p. 64.

employees are expected to participate in the decision making of the organization, and if the employees are senior executives, we see them as taking a great deal of responsibility for the efficient operations of the organization.¹⁴⁷

Friedman is highly critical of calls for social responsibility or any other duty that may be proposed for managers to embrace that would get in the way of their being advocates for shareholders. Indeed, much of the writing within finance, economics, and management assumes not only that his views—about why firms exist and to whom managers have obligations—are correct, but also that existing US law is built upon them.¹⁴⁸ Kenneth Goodpaster wrote about his view of this tension, which he dubbed the “stakeholder paradox”: “It seems essential, yet in some ways illegitimate, to orient corporate decisions by ethical values that go beyond strategic stakeholder considerations to multi-fiduciary ones”.¹⁴⁹

In the light of this dilemma, significant stands of research have investigated whether there is any financial pay-offs to increased CSR initiatives.¹⁵⁰ Within this body of research substantial attention has been paid to the importance of employees’ behavior in corporate social responsibility posture.¹⁵¹ These studies provide evidence of pay offs to improved corporate social responsibility, including the interpretation that more socially responsible companies are more attractive to the prospective employees.¹⁵² Another study found that CSR contributes to increase job satisfaction and organizational commitment of employees.¹⁵³ A survey

¹⁴⁷ R. Edward Freeman, Jeffrey S. Harrison, Andrew C. Wicks, Bidhan Parmar, and Simone de Colle, *Stakeholder Theory: The State of the Art* (New York: Cambridge University Press, 2010), p. 25.

¹⁴⁸ R. Edward Freeman, Jeffrey S. Harrison, Andrew C. Wicks, Bidhan Parmar, and Simone de Colle, p. 203.

¹⁴⁹ K. Goodpaster, “Business ethics and stakeholder analysis,” *Business Ethics Quarterly*, vol. 1, no.1, 1991: p. 63.

¹⁵⁰ John Peloza, “Using Corporate Social Responsibility as Insurance for Financial Performance,” *California Management Review*, vol. 48, no.2 (Winter 2006): pp. 52–72.; Margarita Tsoutsoura, “Corporate Social Responsibility and Financial Performance,” *Center for Responsible Business Working Paper Series* (March 2004): pp. 1–21, <http://escholarship.org/uc/item/111799p2> (accessed on 15 January, 2011); S. Waddock and S. Graves, “The Corporate Social Performance – Financial Performance Link,” *Strategic Management Journal*, vol. 18 (1997): pp. 303–319; Jennifer J. Griffin and John F. Mahon, “The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research,” *Business & Society*, Vol. 36, No. 1 (March 1997): pp. 5–31.

¹⁵¹ Daniel Turban and Daniel Greening, “Corporate Social Performance and Organizational Attractiveness to Prospective Employees,” *Academy of Management Journal*, vol. 40, no. 3 (1997):p. 667. pp. 658–672.

¹⁵² Daniel Turban and Daniel Greening, p. 665.

¹⁵³ C. H. Lee and N. T. Bruvold, “Creating Value for Employees: Investment in Training and Education”, *International Journal of Human Resource Management*, vol. 14 no. 6 (2003): p.995.

in United Kingdom finds that 58% of the employees believe that CSR initiatives of the company they worked for are very important,¹⁵⁴ while other study highlighting that CSR play a vital role in shaping organizational behavior of employees.¹⁵⁵

Employees have values besides working, so a company can make a profit when they work for a company that exhibits caring for key stakeholders, employee alignment is high and the company bottom-line. The reason why profitability increases in such companies might be that employees find meaning in such work. And companies that are good corporate citizens provide for meaningful work that in turn attracts the best employees, increases retention of top talent, and increases employee productivity.¹⁵⁶ Environics International surveyed 25,000 people across 25 countries and found that 80 percent of people who worked for large companies stated that they felt greater motivation and loyalty towards their jobs and companies the more socially responsible their employers became.¹⁵⁷

This chapter focuses on the relationship between employee attitude and perceived corporate social responsibility within a model draws on “The Pyramid of Corporate Social Responsibility.”¹⁵⁸ This chapter examines the impact of four types of CSR on three major aspects of employee attitude like job satisfaction, job involvement and organizational commitment.

4.2 Effects of CSR on Job Satisfaction

The antecedents and consequences of job satisfaction have been of great interest to behavioral scientists for much of the last century. Specific employee attitude relating to job satisfaction is of major interest to the field of organizational behavior and the practice of human resource management.¹⁵⁹ Whereas the

¹⁵⁴ J. Dawkins, *The Public's Views of Corporate Responsibility* (MORI, 2004), p. 17.

¹⁵⁵ T. B. W. Earl, “Exploring the Effects of Corporate Social Performance on Employees”. Master dissertation, University of Alberta, Canada, 2004.

¹⁵⁶ B. Willard, *The Sustainability Advantage* (Gabriola Island: New Society Publishers, 2002), p. 37.

¹⁵⁷ G. Zappala, “Corporate Citizenship and Human Resource Management: A New Tool or A Missed Opportunity?” *Asia Pacific Journal of Human Resources*, vol. 42 (2004): p. 188.

¹⁵⁸ Archie B. Carroll and Ann K. Buchholtz, *Business & Society: Ethics and Stakeholder Management* (Mason: South-Western Cengage Learning, 2009), p. 37.

¹⁵⁹ Robert P. Tett and John P. Meyer, “Job Satisfaction, Organizational Commitment, Turnover Intention, And Turnover: Path Analysis Based on Meta-Analytic Findings,” *Personnel Psychology*, vol. 46, (1993): p. 259.

discussion of attitude so far has direct implications, the discussion of job satisfaction focuses on employee's towards their jobs.¹⁶⁰

Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one's job; an affective reaction to one's job; and an attitude towards one's job. Job satisfaction is the favorableness or un-favorableness with which employees view their work and it is affected by both the internal and external environment of the organization. Locke gives a comprehensive definition of job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience."¹⁶¹ Job satisfaction is defined as the degree in which job characteristics, based on individual perception, will fulfill a person's extrinsic or intrinsic needs.

There are three important dimensions of job satisfaction. These are (i) Job satisfaction being an emotional response to a job cannot be seen. As such, it can be only inferred. (ii) Job satisfaction is often determined by how satisfactorily outcomes meet or exceed one's expectations and (iii) Job satisfaction represents an employee's attitude towards five specific dimensions of the job; pay, work itself, promotion opportunities, supervision, and relation with co-workers.¹⁶² Spector believes that job satisfaction "can be considered as a global feeling about the job or as a related constellation of attitudes about various aspects or facets of the job."¹⁶³

Researchers' interest in job satisfaction tends to center on its effect on employee performance. So, a large number of studies have been designed to assess the impact of job satisfaction on employee productivity, absenteeism, turnover, and others individual and organizational level outcomes. Although most people assume a positive linkage, the preponderance of research evidence indicates that there is no strong relationship between satisfaction and productivity. A comprehensive meta-analysis of the research literature found only a 0.17 best-

¹⁶⁰ Fred Luthans, *Organizational Behavior* (Boston: Irwin/McGraw-Hill., 1998), p. 144.

¹⁶¹ Edwin A. Locke, "The Nature and Cause of Job Satisfaction," in M. D. Dunnette (ed.), *Handbook of Industrial and Organizational Psychology* (Chicago: Rand Mc Nally, 1976), p. 1300.

¹⁶² Fred Luthans, p. 144.

¹⁶³ P. E. Spector, *Job satisfaction: Application, assessment, cause, and consequences* (Thousand Oaks, CA: Sage Publications, Inc, 1997), p. 2

estimate correlation between job satisfaction and productivity.¹⁶⁴ Interestingly, if we move from the individual level to that of the organization, there is a renewed support for the satisfaction-performance relationship.¹⁶⁵ When satisfaction and productivity data are gathered for the organization at a whole, rather than at the individual level, it is found that organizations with more satisfied employees tend to be more effective than organizations with fewer satisfied employees.

Unlike that between satisfaction and productivity, research has uncovered a moderate relationship between satisfaction and absenteeism at individual level—usually less than 0.4.¹⁶⁶ When satisfaction is high, absenteeism tends to be low; when satisfaction is low, absenteeism tends to be high. Satisfaction is also negatively related to employee turnover, but the correlation is stronger than what has been found for absenteeism.¹⁶⁷ Furthermore, job satisfaction has been found to be a major determinant of employees' organizational citizenship behavior¹⁶⁸ and customer satisfaction and loyalty.¹⁶⁹ One framework proposed to explain factors affecting the relationships between job satisfaction and employee behavior is social exchange theory.¹⁷⁰ This theory's basic precept is that individuals feel obligated to reciprocate in some way when others treat them well or reward them.

Job satisfaction represents an important possible benefit that may be associated with CSR. CSR may result in increased job satisfaction for several reasons. First, individuals may perceive the organization conforming economic responsibility as representing the organization's concern for profitability as well as

¹⁶⁴ M. T. Iffaldano and P. M. Muchinsky, "Job satisfaction and Job performance: A Meta-analysis," *Psychological Bulletin*, vol. 97 (1985): p. 251.

¹⁶⁵ C. Ostroff, "Relationship between Satisfaction, Attitudes, and Performance: An organizational Level Analysis," *Journal of Applied Psychology* (December, 1992): p. 854.

¹⁶⁶ Edwin A. Locke, "The Nature and Cause of Job Satisfaction," in M. D. Dunnette(ed.), *Handbook of Industrial and Organizational Psychology* (Chicago: Rand Mc Nally, 1976), p. 1331.

¹⁶⁷ R. W. Griffeth, P. W. Hom, and S. Gaertner, "A Meta-Analysis and Correlates of Employee Turnover: Update, Moderator Test, and Research Implications for the Next Millennium," *Journal of Management*, vol. 26, no. 3 (2000): p. 479.

¹⁶⁸ P. E. Spector, *Job satisfaction: Application, Assessment, Cause, and Consequences* (Thousand Oaks, CA: Sage Publications, Inc, 1997): p. 57.

¹⁶⁹ Stephen P. Robbins, *Organizational Behavior: Human Behavior at Work* (New Delhi: Prentice Hall of India Pvt. Ltd., 2003), p83.

¹⁷⁰ M. A. Konovsky and S. D. Pugh, "Citizenship Behavior and Social Exchange" *Academy of Management Journal*, vol. 37 (1994): p. 662.

their long-term growth. Second, job satisfaction will increase the more a person brings his entire back stage to the front stage. The more the employees can bring of their entire selves to the work place, the more satisfied they will be. It is evident that everyone has a value of caring,¹⁷¹ then employees could be less satisfied if they are stuck in jobs that only focus on short term benefit to the company while ignoring caring for others in the society. Third, CSR gives employees a greater sense of control over their career due to the opportunities to update old skills and gain new ones. By seeking out opportunities to develop new competencies, employees may make themselves more valuable to their present firm and at the same time make themselves more valuable in the external labor market should they decide to leave. We would expect employees who are able to increase their employability to have higher levels of job satisfaction. Fourth, having employee development programs available in the organization improves employees' perceptions about their employer and increases employees' overall positive feeling towards the employer, which in turn may impact on job satisfaction. Hence the following hypothesis can be formulated:

H 8: The greater the perceived CSR, the greater the employee job satisfaction.

4.2.1 Job Satisfaction of the Employees of Private Commercial Banks in Bangladesh

To illustrate the meaning of items and patterns, the data was analyzed for trends. As shown in Appendix C, the data was first compiled into tables which represented the frequency of responses under a scale ranking for each item. Subsequently, the data was then collapsed, as shown in Tables 4.2.1, all responses that were a 1, 2, and 3 were collapsed into the “disagree” category. All responses that were a 5, 6, and 7 were collapsed into the “agree” category.

¹⁷¹ Stephen P. Robbins, *Organizational Behavior: Human Behavior at Work* (New Delhi: Prentice Hall of India Pvt. Ltd., 2003), p. 65.

Table 4.2.1: Overall Job Satisfaction Scale–Frequency of Responses, Shrunk Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q90	Generally speaking, I am satisfied with my job.	24	11.94	154	76.62	6.42
Q91	If I had to decide all over again whether to take the job I have now, I would definitely take it.	14	6.97	157	78.11	11.21
Q92	I would recommend a job like mine to a good friend.	23	11.40	160	79.60	6.96

Source: Field Survey Data (Appendix-C)

On the whole, the survey responses were moderately positive with most employees agreeing to questions regarding their overall job satisfaction. As can be seen in Table 4.2.1, the highest ratio was for question 91, “If I had to decide all over again whether to take the job I have now, I would definitely take it”, which had a ratio of approximately 11 times more respondents agreeing than disagreeing. Other two responses had a ratio of over six times to one. More than 75 percent of the employees of private commercial banks in Bangladesh say that they are satisfied with their job.

Table 4.2.2: Bank Wise Distribution of Employees’ Opinions Regarding Overall Job Satisfaction

Item	Name of The Bank								
	Overall	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q90	5.33	6.07	4.85	4.10	6.12	6.62	4.45	6.23	3.89
Q91	5.26	5.89	4.96	4.15	5.84	6.46	4.59	5.88	4.07
Q92	5.31	6.11	4.93	3.70	5.92	6.77	4.50	5.88	4.25
JS	5.30	6.02	4.91	3.98	5.96	6.62	4.52	6.00	4.07

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 4.2.2 presents bank wise distribution of employees’ opinions regarding overall job satisfaction. All the statements had a mean score over 5.25 that indicate the employees of the private commercial banks in Bangladesh moderately satisfied with their job. Through another lens, in case of overall job

satisfaction NBL (National Bank Limited) and DBBL (Dutch-Bangla Bank Limited) had stood at the highest mark. And, EBL (Eastern Bank Ltd) was rated lowest for the same.

Control Variables

Furnham categorizes factors that can have an influence on job satisfaction into three groups namely: (i) Organizational policies and procedures that have to do with the nature of the remuneration package, supervision and decision-making practices, and the perception of the quality of supervision. (ii) Aspects of the total workload, the variety of skills applied, autonomy, feedback and the physical nature of the working environment. (iii) Personal aspects such as self image, ability to deal with stress and general satisfaction with life.¹⁷² In this study, Minnesota Satisfaction Questionnaire (MSQ) has been adapted to measure satisfaction with several specific aspects of job and work environments.¹⁷³ This individualized measurement is useful because two persons may express the same amount of general satisfaction with their work but for entirely different reasons. It is evident that there are individual differences in jobs with respect to the reinforcers available for the satisfaction of needs.¹⁷⁴ It is, therefore, likely that people find different satisfaction in work, and to realize these differences, it is useful to measure the moderating effects of satisfaction with the specific aspects of work namely intrinsic factors of job and specific aspects of work environment namely extrinsic factors of job.

As shown in Appendix C, the data was first compiled into tables which represented the frequency of responses under a scale ranking for each item. Subsequently, the data was then collapsed, as shown in Table 4.2.3 and Table 4.2.4, all responses that were between one and three were collapsed into the “dissatisfied” category. All responses that were between five and seven were collapsed into the “satisfied” category.

¹⁷² Adrian Furnham, *Personality at work* (New York: Rout ledge, 1992)

¹⁷³ David J. Wesis, Rene V. Dawis, George W. England, and Lloyd H. Lofquist, *Manual for the Minnesota Satisfaction Questionnaire* (University of Minnesota: Industrial Relations Center, 1967), p. vi.

¹⁷⁴ David J. Wesis, Rene V. Dawis, George W. England, and Lloyd H. Lofquist, p. vi.

Table 4.2.3: Intrinsic Factors Scale–Frequency of Responses, Shrunken Into Two Categories

Item	Question	Dissatisfied		Satisfied		Ratio
		Fr.	%	Fr.	%	
Q96	Being able to keep busy all the time. (Activity)	36	17.9	147	73.1	4.08
Q97	The chance to work alone on the job. (Independence)	64	31.8	104	51.7	1.63
Q98	The chance to do different things from time to time. (Task Variety)	39	19.4	146	72.6	3.74
Q99	The chance to be somebody in the community. (Social Status)	27	13.4	155	77.1	5.74
Q100	Being able to do things that don't go against my conscience/ethics. (Morale value)	40	19.9	147	73.1	3.68
Q101	The way my job provides for steady employment. (Job Security)	42	20.9	152	75.6	3.62
Q102	The chance to do things for other people in the society. (Social services)	39	19.4	146	72.6	3.74
Q103	The chance to tell people what to do. (Authority)	33	16.4	155	77.1	4.70
Q104	The chances to do something that make use of my abilities. (Ability Utilization)	35	17.4	153	76.1	4.37
Q105	The freedom of use my own judgment. (Responsibility)	36	17.9	144	71.6	4.00
Q106	The chance to try my own methods of doing the job. (Creativity and innovation)	30	14.9	153	76.1	5.10
Q107	The working conditions. (Physical conditions; safety, noise, heat, air, and illuminations)	38	18.9	147	73.1	3.87
Q108	The way co-workers get along with each other. (Co-worker)	23	11.4	152	75.6	6.61
Q109	The feeling of accomplishment I get from the job. (Achievement)	25	12.4	161	80.1	6.44

Source: Field Survey Data (Appendix-C)

Overall, the survey responses were quite positive with most employees satisfied with intrinsic factors of their job. As can be seen in Table 4.2.3, the highest ratio of those that satisfied was for question 108, “The way co-workers get along with each other,” for which 6.61 times more respondents satisfied than dissatisfied. In addition, questions 108 and 99 had the next highest ratios of respondents that satisfied. For question 108, “The way co-workers get along with each other”, 6.44 times more respondents satisfied than dissatisfied. For question 99, “The chance to be somebody in the community (Social Status)”, for which 5.74 times more respondents satisfied than dissatisfied. The lowest satisfied/dissatisfied ratio was for question 97, “The chance to work alone on the job (Independence)”.

All the other factors had a ratio between three to five times more employees satisfied than dissatisfied.

Table 4.2.4: Extrinsic Factors Scale–Frequency of Responses, Shrunk Into Two Categories

Item	Question	Dissatisfied		Satisfied		Ratio
		Fr.	%	Fr.	%	
Q110	The way bosses handle their subordinates. (Human Relations)	28	13.9	160	79.6	5.71
Q111	The competence of my supervisor in making decisions. (Technical Knowledge)	24	11.9	157	78.1	6.54
Q112	The way company policies put into practices. (Company policies and Practices)	23	11.4	170	84.6	7.39
Q113	My pay and amount of work I do. (Compensation and Benefit)	9	4.5	184	91.5	20.44
Q114	The chances of advancement on this job. (Promotion)	22	10.9	160	79.6	7.27
Q115	The praise and appraisal I get for doing a good job. (Recognition)	12	6.0	163	81.1	13.58

Source: Field Survey Data (Appendix-C)

As can be seen in Table 4.2.4, in case of extrinsic factors of the job, the highest satisfaction ratio was for item 113, “My pay and amount of work I do (Compensation and Benefit)”, which had a ratio of approximately 20 times more respondents satisfied than dissatisfied. In addition, item 115 had the next highest ratio of respondents that satisfied. For question 115, “The praise and appraisal I get for doing a good job (Recognition)”, for which 13.58 times more employees satisfied than dissatisfied. All the other factors had a ratio between five to eight times more employees satisfied than dissatisfied.

Table 4.2.5 represents bank wise distribution of employees’ opinions regarding their satisfaction associated with intrinsic and extrinsic factors of the job. Items regarding extrinsic factors (Mean=5.27) including compensation, promotion, recognition, and so forth got higher ranking from the employees. Employees expressed comparatively lesser satisfaction to the items regarding intrinsic factors (Mean=5.02) including independence, morale value, task variety, job security, and so on. From another point of view, in case of intrinsic and extrinsic job factors,

employees of NBL, EXIM, and DBBL were highly satisfied. And, employees of UCBL were least satisfied for the same.

Table 4.2.5: Employees' Opinions Regarding Their Satisfaction Associated with Intrinsic and Extrinsic Factors of the Job

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Intrinsic Factors									
Q96	6.00	5.22	3.45	5.92	6.23	4.18	5.65	3.68	5.09
Q97	3.56	4.93	4.25	3.68	6.23	3.68	5.54	3.82	4.48
Q98	5.15	4.85	3.50	5.28	6.50	4.00	5.65	3.86	4.90
Q99	5.30	4.78	4.10	5.64	6.54	4.27	5.85	3.93	5.08
Q100	5.70	4.93	4.00	5.60	6.62	3.95	5.81	3.43	5.04
Q101	5.78	4.93	3.80	5.48	6.54	3.95	5.96	3.57	5.04
Q102	5.96	4.70	3.75	6.00	6.31	3.95	5.50	3.68	5.02
Q103	5.81	4.70	4.15	5.72	6.27	4.14	5.54	3.89	5.06
Q104	5.22	4.74	4.10	5.20	6.46	3.82	6.19	4.00	5.00
Q105	5.56	4.67	3.75	5.44	6.08	4.09	5.81	3.64	4.92
Q106	5.63	4.89	4.35	5.72	6.35	4.14	5.88	3.57	5.09
Q107	5.93	5.04	3.75	5.76	6.73	3.73	6.00	3.79	5.14
Q108	6.19	5.07	3.90	5.96	6.42	4.18	5.73	3.96	5.22
Q109	5.70	5.15	4.35	5.68	6.38	3.82	6.08	4.18	5.21
IF	5.53	4.90	3.94	5.51	6.40	3.99	5.80	3.79	5.02
Extrinsic Factors									
Q110	5.67	5.11	3.95	5.84	6.35	4.14	5.88	4.07	5.17
Q111	5.15	5.11	4.30	5.48	6.50	4.00	5.88	4.11	5.10
Q112	6.00	5.22	3.85	5.80	6.58	4.41	6.04	4.36	5.33
Q113	5.96	5.04	5.30	6.04	6.65	4.82	5.65	4.32	5.48
Q114	5.85	4.85	3.70	5.76	6.42	4.32	6.12	4.39	5.23
Q115	6.19	4.81	4.40	5.84	6.35	4.68	5.85	4.11	5.30
EF	5.80	5.02	4.25	5.79	6.47	4.39	5.90	4.23	5.27

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Moderating Variable

Overall, the survey responses were fairly positive with most employees agreeing to questions regarding their concern for social issues. As can be seen in Table 4.2.6,

the highest ratio was for question 93, “It is important to me to work for a company that contributes to the betterment of the world”, which had a ratio of approximately six times more employees agreeing than disagreeing. Other two responses had a ratio of about five times to one. More than 75 percent of the employees of private commercial banks were concerned for social issue.

Table 4.2.6: Concern for Social Issue Scale–Frequency of Responses, Shrunk Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q93	It is important to me to work for a company that contributes to the betterment of the world.	27	13.4	161	80.1	5.96
Q94	It is important to me that business goals are achieved by addressing social and environmental issues.	30	14.9	152	75.6	5.07
Q95	It is important to me that social or environmental issues are integral part of the strategy of my bank.	32	15.9	153	76.1	4.78

Source: Field Survey Data (Appendix-C)

For employees’ attitudes to be influenced by perceived CSR, they need to feel that CSR is important to them. It is likely that employees could have own values which are more in contour with self-enhancement and would not be concerned as much about the CSR activities of a company¹⁷⁵. According to need theory¹⁷⁶ employees could find it more important just to have a job, no matter what the job is. Therefore, it is possible that some employees might find it less important to work for a social responsive company. In addition, even for those employees who do value CSR, it might vary in intensity.¹⁷⁷ It is quite believable that employees vary in how much CSR is important to them. Thus, concern for social issues of the employee should be taken into consideration as a possible moderator.

¹⁷⁵ D. A. Schuler and M. Cording, “A Corporate Social Performance-Corporate Financial Performance Behavioral Model for Consumers,” *Academy of Management Review*, vol. 31 (2006): pp. 540–558.

¹⁷⁶ C. P. Alderfer, *Existence, Relatedness, And Growth: Human Needs in Organizational Settings* (New York: Free Press, 1972)

¹⁷⁷ Ante Glavas, “Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?” PhD Thesis, Department of Organizational Behavior, School of Graduate Studies, Case Western Reserve University, 2009, p. 44.

Table 4.2.7: Bank Wise Distribution of Concern for Social Issue

Item	Name of The Bank								
	Overall	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q93	5.26	6.11	5.04	3.65	5.92	6.42	4.50	5.77	4.25
Q94	5.00	5.44	5.26	3.70	5.48	6.35	4.05	5.38	3.96
Q95	5.21	5.74	5.22	3.75	5.80	6.58	4.09	6.23	3.86
CSI	5.16	5.77	5.17	3.70	5.73	6.45	4.21	5.79	4.02

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 4.2.7 presents bank wise distribution of employees' opinions regarding their concern for social issue. All the statements had a mean score over 5.00 that indicate the employees of the private commercial banks in Bangladesh were quite concerned for social issue. Additionally, employees of NBL, EXIM, and DBBL were highly concerned for social issues. And, employees of EBL were least concerned for the same.

4.2.2 The Relationship between Job Satisfaction and Perceived CSR at the Private Commercial Banks in Bangladesh

Table 4.2.8: Descriptive Statistics for CSR Dimensions and Job Satisfaction

	N	Min.	Max.	Mean	Std. Dev.	Skewness	Kurtosis
Economic Responsibility	201	2.90	6.70	5.0920	1.09162	-.272	-1.471
Legal Responsibility	201	2.88	7.00	5.2154	.97179	-.224	-1.012
Ethical Responsibility	201	3.15	6.00	4.6686	.78203	-.436	-1.223
Philanthropic Responsibility	201	3.00	6.50	5.0166	1.04230	-.638	-1.224
Overall CSR	201	3.52	6.21	4.9981	.86823	-.295	-1.460
Concern for Social Issues	201	2.33	7.00	5.1559	1.03656	-.463	-.686
Job Satisfaction	201	2.67	7.00	5.3002	1.05410	-.442	-.695
Valid N	201						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

In order to measure the effect of corporate social responsibility on job Satisfaction, it was important to measure the employee's perception of whether they consider their company to be a good advocate of CSR. Just because a

company is overtly considered to be a good social performer, it cannot be assumed that every individual employee will be positively affected. For employees to become more satisfied in their job because of CSR, they need to perceive that their company is good enough in CSR.

Descriptive statistics were analyzed to ensure normality and required variance. Frequencies of the sample were tested with normality and variance being ascertained. Skewness and kurtosis were normal with all types of CSR, concern for social issues, and job satisfaction.

Control Variables

The demographic variables, intrinsic factors of job, and extrinsic factors of job were tested through correlation analysis to check if they had any significant effect on the dependent variable (Overall Job Satisfaction).

Table 4.2.9: Correlations between Job Satisfaction and Demographic Variables.

		1	2	3	4	5	6	7	8	9	10
1	Age	1	-.242**	.475**	.058	.965**	.811**	.770**	.250**	.200**	.215**
			.001	.000	.412	.000	.000	.000	.000	.004	.002
2	Gender	-.242**	1	.000	-.009	-.217**	-.128	-.220**	-.042	-.116	-.089
		.001		.995	.901	.002	.070	.002	.558	.100	.210
3	Marital Status	.475**	.000	1	.084	.445**	.371**	.365**	.133	.091	.107
		.000	.995		.236	.000	.000	.000	.060	.201	.129
4	Education	.058	-.009	.084	1	.041	-.023	.161*	-.028	.019	-.017
		.412	.901	.236		.563	.747	.023	.688	.790	.814
5	Total Work Experience	.965**	-.217**	.445**	.041	1	.820**	.799**	.228**	.164*	.184**
		.000	.002	.000	.563		.000	.000	.001	.020	.009
6	Tenure in Present Bank	.811**	-.128	.371**	-.023	.820**	1	.661**	.177*	.105	.139*
		.000	.070	.000	.747	.000		.000	.012	.140	.050
7	Managerial Level	.770**	-.220**	.365**	.161*	.799**	.661**	1	.240**	.167*	.194**
		.000	.002	.000	.023	.000	.000		.001	.018	.006
8	Overall Job Satisfaction	.250**	-.042	.133	-.028	.228**	.177*	.240**	1	.912**	.909**
		.000	.558	.060	.688	.001	.012	.001		.000	.000
9	Intrinsic Factors	.200**	-.116	.091	.019	.164*	.105	.167*	.912**	1	.957**
		.004	.100	.201	.790	.020	.140	.018	.000		.000
10	Extrinsic Factors	.215**	-.089	.107	-.017	.184**	.139*	.194**	.909**	.957**	1
		.002	.210	.129	.814	.009	.050	.006	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Those demographic variables (Age, Total work experience, and Managerial Level), intrinsic factors of job, and extrinsic factors of job showed significant correlations with dependent variable (Overall Job Satisfaction) at the 0.01 level were incorporated as control variables in the final model.

The inter-correlation matrix of measures of overall job satisfaction, job factors, and demographic variables are reported in Table 4.2.9. In brief, relative to those who were comparatively younger, had less work experience, and at lower managerial position, those who were older, had more work experience, and at higher managerial level showed signs of more job satisfaction. The correlations explained a strong relationship between dimensions of the job factors (Intrinsic and extrinsic) and overall job satisfaction of the employees.

Table 4.2.10: Correlations among Perceived CSR, Concern for Social Issues, and Employees' Job Satisfaction for the Study.

		1	2	3	4	5	6	7
1	Economic Responsibility	1	.879**	.515**	.613**	.860**	.804**	.705**
			.000	.000	.000	.000	.000	.000
2	Legal Responsibility	.879**	1	.697**	.761**	.942**	.870**	.843**
		.000		.000	.000	.000	.000	.000
3	Ethical Responsibility	.515**	.697**	1	.912**	.856**	.765**	.796**
		.000	.000		.000	.000	.000	.000
4	Philanthropic Responsibility	.613**	.761**	.912**	1	.911**	.814**	.834**
		.000	.000	.000		.000	.000	.000
5	Overall CSR	.860**	.942**	.856**	.911**	1	.913**	.887**
		.000	.000	.000	.000		.000	.000
6	Overall Job Satisfaction	.804**	.870**	.765**	.814**	.913**	1	.861**
		.000	.000	.000	.000	.000		.000
7	Concern for Social Issues	.705**	.843**	.796**	.834**	.887**	.861**	1
		.000	.000	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

The inter-correlation matrix of measures of overall job satisfaction, perceived CSR, and concern for social issues of employees are reported in Table 4.2.10. The correlations as demonstrated in this table resulted in all relationships being significant with a $p < 0.01$. The table showed significant relationships between the independent variables (Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility, and overall

CSR) and dependent variable (Overall Job Satisfaction). This table also reported a significant relationship between overall job satisfaction and concern for social issues of the employees.

Table 4.2.11(a): The Relationship between CSR and Job Satisfaction (Model Summary and ANOVA)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.272 ^a	.074	.060	1.02194	.074	5.26	3	197	.002
2	.924 ^b	.853	.849	.40899	.779	517.48	2	195	.000
3	.933 ^c	.871	.867	.38416	.018	27.02	1	194	.000
4	.934 ^d	.871	.867	.38469	.000	.47	1	193	.493
5	.934 ^e	.872	.866	.38554	.000	.14	1	192	.701
^a Predictors: (Constant), Managerial Level (ML), Total Work Experience (TWC), Age									
^b Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Concern for Social Issues (CSI)									
^e Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Concern for Social Issues, CSRXCSI									
ANOVA ^f									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	16.483	3	5.494	5.26	.002 ^a			
	Residual	205.741	197	1.044					
	Total	222.223	200						
2	Regression	189.605	5	37.921	226.70	.000 ^b			
	Residual	32.619	195	.167					
	Total	222.223	200						
3	Regression	193.593	6	32.265	218.63	.000 ^c			
	Residual	28.631	194	.148					
	Total	222.223	200						
4	Regression	193.662	7	27.666	186.95	.000 ^d			
	Residual	28.561	193	.148					
	Total	222.223	200						
5	Regression	193.684	8	24.211	162.88	.000 ^e			
	Residual	28.539	192	.149					
	Total	222.223	200						
^a Predictors: (Constant), Managerial Level (ML), Total Work Experience (TWC), Age									
^b Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Concern for Social Issues (CSI)									
^e Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Concern for Social Issues, CSRXCSI									
^f Dependent Variable: Overall Job Satisfaction									

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Before running the regression analyses, assumptions were checked. Skewness and kurtosis were checked and normality was found. There was

adequate variance on the scale for each variable with no clustering of data on any single scale point. For the regression analyses, a Hierarchical Linear Regression model was followed for each multiple regression.

As can be seen in Table 4.2.11(a) and Table 4.2.11(b), the demographic variables (Age, Total Work Experience, and Managerial Level) were entered first into Model 1 to test for the effects on the dependent variable (Overall Job Satisfaction). Then in Model 2, job factors (Intrinsic Factor and Extrinsic Factor) were added as control variables to test for the effects on the dependent variable (Overall Job Satisfaction). Then in Model 3, Perceived CSR was added and control variables are tested for significance within the overall relationship of CSR and Overall Job Satisfaction. In Model 4, concern for social issues was added. Finally in Model 5, the interaction variable (CSR \times concern for social issues) was added to test for any interaction of concern for social issues on the Overall Job Satisfaction.

The regression analyses supported hypothesis 8. The F value of 162.88 (df=192) showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. Therefore, the null hypothesis can be rejected at 1% significant level.

The adjusted R squared for the overall model was 0.866. This means that the independent variables (Total Work Experience, Age, Managerial Level, Intrinsic Factor, Extrinsic Factor, CSR, Concern for Social Issues, and CSR \times CSI) explained 86.6% variance in the dependent variable (Overall Job Satisfaction).

Table 4.2.11 (b) shows the results of these regressions. Model 3 is the model that was used for reporting the following data. As can be seen in the Table, the effect of perceived CSR on Overall Job Satisfaction was significant at $p < 0.01$ level. This implies that it is explaining the variance in the dependent variable significantly. Beta, which can be interpreted similar to correlation, is 0.401, while $t = 5.198$ ($p = .000$). The unstandardized B value for CSR is 0.487. This means for every 1 unit increase in perceived CSR, Overall Job Satisfaction increased by 0.487 unit.

Table 4.2.11 (b) Relationship between CSR and Job Satisfaction (Results of the Regressions)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.103	1.043		2.976	.003
	Age	.066	.039	.436	1.675	.095
	Total Work Experience	-.053	.046	-.321	-1.163	.246
	Managerial Level	.226	.161	.161	1.407	.161
2	(Constant)	.185	.438		.423	.673
	Age	-.014	.016	-.092	-.871	.385
	Total Work Experience	.018	.018	.112	1.001	.318
	Managerial Level	.080	.065	.057	1.246	.214
	Intrinsic Factor	.569	.103	.525	5.525	.000
	Extrinsic Factor	.468	.113	.394	4.133	.000
3	(Constant)	.043	.412		.105	.917
	Age	-.017	.015	-.111	-1.122	.263
	Total Work Experience	.023	.017	.137	1.312	.191
	Managerial Level	.062	.061	.044	1.014	.312
	Intrinsic Factor	.327	.107	.302	3.048	.003
	Extrinsic Factor	.282	.112	.238	2.514	.013
	CSR	.487	.094	.401	5.198	.000
4	(Constant)	.073	.415		.176	.861
	Age	-.018	.015	-.117	-1.170	.243
	Total Work Experience	.023	.017	.141	1.346	.180
	Managerial Level	.064	.061	.045	1.045	.297
	Intrinsic Factor	.305	.112	.281	2.709	.007
	Extrinsic Factor	.264	.115	.222	2.290	.023
	CSR	.477	.095	.393	5.041	.000
	Concern for Social Issues	.047	.069	.047	.687	.493
5	(Constant)	.465	1.102		.422	.673
	Age	-.018	.015	-.119	-1.186	.237
	Total Work Experience	.024	.017	.145	1.370	.172
	Managerial Level	.060	.062	.043	.981	.328
	Intrinsic Factor	.290	.119	.268	2.433	.016
	Extrinsic Factor	.261	.116	.220	2.249	.026
	CSR	.408	.205	.336	1.989	.048
	Concern for Social Issues	-.025	.201	-.025	-.126	.899
	CSR× Concern for Social Issues	.016	.043	.142	.385	.701

^a Dependent Variable: Overall Job Satisfaction

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

We can see that R square change value in model 3 is equal to 0.018. This means that inclusion of CSR after control variables helps in explaining the additional 1.8% variance in the Overall Job Satisfaction of the banks. Hence hypothesis 8 was supported. As can be seen in Model 2, which tests for the significance of control variables in the relationship between CSR and Overall Job Satisfaction; age, total work experience, and management level did not have a significant effect on the dependent variable at $p < 0.05$ level. But extrinsic factors and intrinsic factors of job have significant impact on Overall Job Satisfaction of employees.

To test for the moderation effect of employees' concern for social issues, a fourth multiple regression was run with overall job satisfaction as the dependent variable using age, total work experience, managerial level, intrinsic factors, and extrinsic factors as control variables. To test for the effect of the interaction term, the interaction variable (CSR \times CSI) was added to the model. The coefficient for the interaction term was not significant at $p < 0.05$. This means that employees' concern for social issues does not moderate the relationship between CSR and overall job satisfaction of the employees.

4.3 Effects of CSR on Job Involvement

In addition to the job satisfaction, another distinct, but related, employee attitude is significant to many companies. The construct of job involvement is somewhat similar to organizational commitment in that they are both concerned with an employee's identification with the work experience. Job involvement is defined as the extent to which one identifies psychologically with one's work.¹⁷⁸ Job involvement is the degree to which employees immerse themselves in their jobs, invests time and energy in them, and view work as a central part of their lives.¹⁷⁹ It is the degree to which one is cognitively preoccupied with, engaged in, and

¹⁷⁸ R. N. Kanungo, "Measurement of Job and Work Involvement," *Journal of Applied Psychology*, vol 77 (1982): pp. 341-349.

¹⁷⁹ Gary J. Blau and Kimberly .B. Boal, "Conceptualizing How Job Involvement and Organizational Commitment Affect Turnover and Absenteeism?" *The Academy of Management Review*, vol. 12 (1987): p. 296.

concerned with one's present job.¹⁸⁰ Job involvement involves the internalization of values about the goodness of work or the importance of work in the worth of the individual.¹⁸¹ In this sense, when examining and explaining the relationships between job involvement and other key variables, the psychological identification dimension may hold the most interest. In line with previous definitions of job involvement—as the degree to which people identify psychologically with their jobs or the psychological importance of the work to the person—this study operationally defines job involvement as the importance of work efficiency to an employee.

The construct of job involvement, have approached it from two different perspectives. First when viewed as an individual difference variable, job involvement is believed to occur when the possession of certain needs, values or personal characteristics predispose individuals to become more or less involved in their jobs.¹⁸² The second perspective views job involvement as a response to specific work situation characteristics. In other words certain types of jobs or characteristics of the work situation influence the degree to which an individual becomes involved in his/her job. Research has demonstrated that job involvement has been related to job characteristics such as task autonomy, task significance, task identity, skill variety and feedback and supervisory behaviors such as leader consideration, participative decision making and amount of communication.¹⁸³

Socially responsible companies are likely to have more involved employees because they are dedicated to ensuring the quality of work life of the employees as primary stakeholders. Accordingly,

H 9: The greater the perceived CSR, the greater the employee job involvement.

¹⁸⁰ I. Paullay, G. Alliger, and E. Stone-Romero, "Construct Validation of Two Instruments Designed to Measure Job Involvement and Work Centrality", *Journal of Applied Psychology*, vol. 79 (1994): p.225.

¹⁸¹ T. Lodahl and M. Kejner "The Definition and Measurement of Job Involvement", *Journal of Applied Psychology*, vol. 49 (1965): p.25.

¹⁸² S. Rabinowitz and D. T. Hall, "Organizational Research on Job Involvement", *Psychological Bulletin*, vol. 84 (1977): p. 267.

¹⁸³ S. P. Brown, "A Meta-Analysis and Review of Organizational Research on Job Involvement", *Psychological Bulletin*, vol. 120 (1996): p. 251.

4.3.1 Job Involvement of the Employees of Private Commercial Banks in Bangladesh

To illustrate the meaning of items and patterns, the data was analyzed for trends. As shown in Appendix C, the data was first compiled into tables which represented the frequency of responses under a scale ranking for each item. Subsequently, the data was then collapsed, as shown in Tables 4.3.1, all responses that were a 1, 2, and 3 were collapsed into the “disagree” category. All responses that were a 5, 6, and 7 were collapsed into the “agree” category.

Table 4.3.1: Job Involvement Scale–Frequency Of Responses, Shrunk Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q62	The most important things that happen to me involve my present job	16	8.00	169	84.10	10.56
Q63	To me, my job is only a small part of who I am. (R)	14	7.00	170	84.60	12.14
Q64	I am very much involved personally in my job.	25	12.40	155	77.10	6.20
Q65	I live, eat, and breathe my job.	17	8.50	163	81.10	9.59
Q66	Most of my interests are centered on my job.	22	10.90	157	78.10	7.14
Q67	I have very strong ties with my present job that would be very difficult to break.	23	11.40	152	75.60	6.61
Q68	Usually I feel detached from my job. (R)	27	13.40	147	73.10	5.44
Q69	Most of my personal life goals are job-oriented	23	11.40	158	78.60	6.87
Q70	I consider my job to be very central to my existence	23	11.40	157	78.10	6.83
Q71	I like to be absorbed in my job most of the time	16	8.00	154	76.60	9.63

Source: Field Survey Data (Appendix-C)

Overall, the survey responses were quite positive with most employees agreeing to questions regarding their job involvement in their banks. As can be seen in Table 4.3.1, the highest percentage of those that agreed was for question 63, “To me, my job is only a small part of who I am (R),” when we reverse the question, for which 12.14 times more respondents agreed than disagreed. In addition, questions 62 and 65 had the next highest percentages of respondents that agreed. For question 62, “The most important things that happen to me involve my

present job”, 84.10% of employees agreed. For question 65, “I live, eat, and breathe my job”, 81.10% of respondents agreed. All the other responses had a percentage over 70 that indicate most of the employees of the private commercial banks in Bangladesh fairly involved in their job.

Table 4.3.2: Bank Wise Distribution of Employees’ Opinions Regarding Job Involvement

Item	Name of The Bank								
	Overall	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q62	5.41	6.11	5.30	4.20	6.12	6.46	4.27	5.88	4.54
Q63	5.33	5.89	5.30	4.65	5.68	6.38	4.32	5.96	4.21
Q64	5.22	6.00	4.96	3.90	6.04	6.38	4.09	5.92	4.07
Q65	5.22	5.74	5.00	4.40	5.72	6.19	4.45	5.92	4.14
Q66	5.26	5.85	4.85	3.90	5.52	6.54	4.50	6.42	4.18
Q67	5.29	6.15	4.93	4.20	6.16	6.42	4.14	6.12	3.93
Q68	5.14	5.81	4.78	4.10	6.12	6.35	3.91	5.96	3.82
Q69	5.48	6.00	6.59	4.40	5.88	6.58	4.18	5.96	3.86
Q70	5.30	6.00	4.89	4.30	5.92	6.65	4.14	6.19	4.00
Q71	5.15	5.52	4.89	4.25	5.72	6.54	4.05	5.81	4.14
JI	5.28	5.91	5.15	4.23	5.89	6.45	4.20	6.02	4.09

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 4.3.2 depicts bank wise distribution of employees’ opinions regarding job involvement. Employees rated highly the statements–Most of my personal life goals are job-oriented (Mean=5.48) and the most important things that happen to me involve my present job (Mean=5.41). Employees rated low the reverse statement–usually I feel detached from my job (R) (Mean=5.14). All the statements had a mean score over 5.10 that indicate the employees of the private commercial banks in Bangladesh fairly involved with their job.

Through another lens, in case of job involvement NBL (National Bank Limited), EXIM (EXIM Bank Limited), and DBBL (Dutch-Bangla Bank Limited) had stood at the highest mark. And, UCBL (United Commercial Bank Ltd) was rated lowest for the same.

4.3.2 The Relationship between Job Involvement and Perceived CSR at the Private Commercial Banks in Bangladesh

In order to measure the effect of corporate social responsibility on job involvement, it was important to measure the employee's perception of whether they consider their company to be a good advocate of CSR. Just because a company is overtly considered to be a good social performer, it cannot be assumed that every individual employee will be positively affected. For employees to become more involved in their job because of CSR, they need to perceive that their company is good enough in CSR.

Table 4.3.3: Descriptive Statistics of CSR Dimensions and Job involvement.

	N	Min.	Max.	Mean	Std. Dev.	Skewness	Kurtosis
Economic Responsibility	201	2.90	6.70	5.09	1.091	-.272	-1.471
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Ethical Responsibility	201	3.15	6.00	4.67	.782	-.436	-1.223
Philanthropic Responsibility	201	3.00	6.50	5.05	1.042	-.638	-1.224
Overall CSR	201	3.52	6.21	5.00	.868	-.295	-1.460
Importance of CSR	201	2.33	7.00	5.16	1.037	-.463	-.686
Job Involvement	201	3.50	7.00	5.26	.943	-.090	-1.417
Valid N	201						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Descriptive statistics were analyzed to ensure normality and required variance. Frequencies of the sample were tested with normality and variance being ascertained. Skewness and kurtosis were normal with all types of CSR, importance of CSR, and job involvement.

Control Variables

The demographic variables, intrinsic factors of job, and extrinsic factors of job were tested through correlation analysis to check if they had any significant effect on the dependent variable. Those demographic variables (Age, Total work experience), intrinsic factors of job, and extrinsic factors of job showed a

significant correlations with dependent variable (Job Involvement) were included as control variables in the final model.

Table 4.3.4: Correlations between Job Involvement and Demographic Variables.

		1	2	3	4	5	6	7	8	9	10
1	Age	1									
2	Gender	-.242**	1								
		.001									
3	Marital Status	.475**	.000	1							
		.000	.995								
4	Education	.058	-.009	.084	1						
		.412	.901	.236							
5	Total Work Experience	.965**	-.217**	.445**	.041	1					
		.000	.002	.000	.563						
6	Tenure in Present Bank	.811**	-.128	.371**	-.023	.820**	1				
		.000	.070	.000	.747	.000					
7	Managerial Level	.770**	-.220**	.365**	.161*	.799**	.661**	1			
		.000	.002	.000	.023	.000	.000				
8	Job Involvement	.185**	-.077	.093	.007	.152*	.082	.132	1		
		.008	.278	.189	.925	.032	.245	.061			
9	Intrinsic Factors	.152*	-.041	.106	-.018	.127	.090	.125	.828**	1	
		.031	.559	.135	.797	.072	.204	.077	.000		
10	Extrinsic Factors	.215**	-.089	.107	-.017	.184**	.139*	.194**	.933**	.861**	1
		.002	.210	.129	.814	.009	.050	.006	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The inter-correlation matrix of measures of job involvement, job factors, and demographic variables are reported in Table 4.3.4. In a nutshell, relative to those who were comparatively younger and had less work experience, those who were older and had more work experience exhibited higher job involvement. The correlations showed a strong relationship between dimensions of the job factors (Intrinsic and extrinsic) and job involvement of the employees.

The inter-correlation matrix of measures of job involvement, perceived CSR, and perceived importance of CSR of employees are reported in Table 4.3.5.

Table 4.3.5: Correlations among Perceived CSR, Importance of CSR, and Employees' Job involvement for the Study.

		1	2	3	4	5	6	7
1	Economic Responsibility	1						
2	Legal Responsibility	.879**	1					
3	Ethical Responsibility	.515**	.697**	1				
4	Philanthropic Responsibility	.613**	.761**	.912**	1			
5	Overall CSR	.860**	.942**	.856**	.911**	1		
6	Job Involvement	.799**	.873**	.811**	.871**	.940**	1	
7	Importance of CSR	.705**	.843**	.796**	.834**	.887**	.864**	1

** Correlation is significant at the 0.01 level (2-tailed).

The correlations as reported in this table resulted in all relationships being significant with a $p < 0.01$. The correlations showed a strong relationship between dimensions of the independent variables (Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility, and overall CSR). The table also showed a significant relationship between the independent variables (Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility, and overall CSR) and dependent variable (Job involvement). This table also reported a significant relationship between job involvement and perceived importance of CSR to employees.

Before running the regression analyses, assumptions were checked. Skewness and kurtosis were checked and normality was found. There was adequate variance on the scale for each variable with no clustering of data on any single scale point. For the regression analyses, a Hierarchical Linear Regression model was followed for each multiple regression. As can be seen in Table 4.3.6(a) and 4.3.6(b), the demographic variables (Age and Total Work Experience) were entered first into Model 1 to test for the effects on the dependent variable (Job Involvement). Then in Model 2, job factors (Intrinsic Factor and Extrinsic Factor)

were added as control variables to test for the effects on the dependent variable (Job Involvement). Then in Model 3, Perceived CSR was added and control variables are tested for significance within the overall relationship of CSR and Job Involvement. In Model 4, Importance of CSR was added. Finally in Model 5, the interaction variable (CSR \times Importance of CSR) was added to test for any interaction of Importance of CSR on the job involvement.

Table 4.3.6 (a): Relationship between CSR and Job Involvement (Model Summary and ANOVA)

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.212 ^a	.045	.035	.92599	.045	4.653	2	198	.011	
2	.934 ^b	.873	.870	.33998	.828	636.387	2	196	.000	
3	.954 ^c	.910	.908	.28588	.038	82.207	1	195	.000	
4	.954 ^d	.911	.908	.28590	.000	.975	1	194	.325	
5	.955 ^e	.913	.910	.28314	.002	4.793	1	193	.030	
^a Predictors: (Constant), Total Work Experience, Age										
^b Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor										
^c Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor, CSR										
^d Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR										
^e Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI										
ANOVA ^f										
Model			Sum of Squares	df	Mean Square	F	Sig.			
1	Regression		7.980	2	3.990	4.653	.011 ^a			
	Residual		169.775	198	.857					
	Total		177.755	200						
2	Regression		155.099	4	38.775	335.452	.000 ^b			
	Residual		22.656	196	.116					
	Total		177.755	200						
3	Regression		161.818	5	32.364	395.991	.000 ^c			
	Residual		15.937	195	.082					
	Total		177.755	200						
4	Regression		161.897	6	26.983	330.113	.000 ^d			
	Residual		15.857	194	.082					
	Total		177.755	200						
5	Regression		162.282	7	23.183	289.171	.000 ^e			
	Residual		15.473	193	.080					
	Total		177.755	200						
^a Predictors: (Constant), Total Work Experience, Age										
^b Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor										
^c Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor, CSR										
^d Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR										
^e Predictors: (Constant), Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI										
^f Dependent Variable: Job Involvement										

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The regression analyses supported hypothesis 9. The F value of 289.17 (df=193) showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. Therefore, the null hypothesis can be rejected at 1% significant level.

Table 4.3.6 (b): Relationship between CSR and Job Involvement (Results of the Regressions)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.094	.938		3.299	.001
	Age	.076	.036	.561	2.130	.034
	Total Work Experience	-.058	.039	-.390	-1.479	.141
2	(Constant)	-.108	.357		-.304	.762
	Age	.009	.013	.064	.649	.517
	Total Work Experience	-.012	.014	-.079	-.810	.419
	Intrinsic Factor	.076	.041	.094	1.859	.064
	Extrinsic Factor	.906	.054	.853	16.720	.000
3	(Constant)	-.087	.300		-.290	.772
	Age	.002	.011	.012	.140	.889
	Total Work Experience	-.005	.012	-.031	-.378	.706
	Intrinsic Factor	.040	.034	.050	1.163	.246
	Extrinsic Factor	.429	.070	.403	6.154	.000
	CSR	.573	.063	.528	9.067	.000
4	(Constant)	-.134	.304		-.442	.659
	Age	.003	.011	.019	.232	.817
	Total Work Experience	-.006	.012	-.039	-.468	.640
	Intrinsic Factor	.043	.035	.054	1.256	.210
	Extrinsic Factor	.460	.077	.433	6.005	.000
	CSR	.590	.066	.544	8.999	.000
	Importance of CSR	-.048	.049	-.053	-.987	.325
5	(Constant)	1.437	.779		1.846	.066
	Age	.001	.011	.009	.105	.916
	Total Work Experience	-.004	.012	-.030	-.364	.716
	Intrinsic Factor	.037	.034	.046	1.073	.284
	Extrinsic Factor	.418	.078	.393	5.338	.000
	CSR	.297	.149	.273	1.991	.048
	Importance of CSR	-.345	.144	-.379	-2.398	.017
	CSR× Importance of CSR	.065	.030	.626	2.189	.030

^a Dependent Variable: Job Involvement

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The adjusted R squared for the overall model was 0.913. This means that the independent variables (Total Work Experience, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, and CSR×CSI) explained 91.3% variance in the dependent variable (Job involvement). Table 4.3.6 (b) shows the results of these regressions. Model 3 is the model that was used for reporting the following data. As can be seen in the Table, the effect of perceived CSR on job involvement was significant at $p < 0.01$ level. This implies that it is explaining the variance in the dependent variable significantly. Beta, which can be interpreted similar to correlation, is 0.528, while $t = 9.067$ ($p = .000$). The unstandardized B value for CSR is 0.573. This means for every 1 unit increase in CSR, job involvement increased by 0.573. We can see that R square change value in model 3 is equal to 0.038. This means that inclusion of CSR after control variables helps in explaining the additional 3.8% variance in the job involvement of the banks. Hence hypothesis 9 was supported.

As can be seen in Model 2, which tests for the significance of control variables in the relationship between CSR and job involvement, age and total work experience did not have a significant effect on the dependent variable at $p < 0.05$ level. But extrinsic factors like technical knowledge, human relations, company policies and practices, compensation, promotion, and recognition have significant impact on job involvement of employees.

To test for the moderation effect of perceived importance of CSR, a fourth multiple regression was run with job involvement as the dependent variable using age, total work experience, intrinsic factors, and extrinsic factors as control variables. Using a hierarchical regression model, the control variables were added, and then the centered values of CSR and importance of CSR were entered together as independent variables. To test for the effect of the interaction term, the interaction variable (CSR×Importance of CSR) was added to the model. The coefficient for the interaction term was significant at $p < 0.05$. This means that perceived importance of CSR significantly moderate the relationship between CSR and job involvement of the employees. This considerably supports the notion that those who are higher in perceived importance of CSR will show a stronger relationship between CSR and job involvement.

4.4 Effects of CSR on Organizational Commitment

Commitment, in general, can be defined as a disposition to engage in consistent lines of activity.¹⁸⁴ When used to explain commitment to the organization, the consistent line of activity refers to maintaining membership in the organization.¹⁸⁵ Perhaps, the prevailing conceptualization of organizational commitment is that of Meyer and Allen. Meyer and Allen's view posits three ways that individuals can be bound to organizations. Affective commitment (AC) denoting an emotional attachment to, identification with, and involvement in the organization. Continuance commitment (CC) denoting the perceived costs associated with leaving the organization. Normative commitment (NC) reflecting a perceived obligation to remain in the organization.¹⁸⁶ These can be summarized as: wanting (AC), needing (CC), and being obliged (NC) to stay with the organization.¹⁸⁷

Organizational commitment forms the basis of and extensive know-how which has focused on the antecedents and consequences for organizational behavior. Meta-analytic studies of the literature imply that organizational commitment is driven by perceived organizational support rather than the acquisition of employees.¹⁸⁸

Social identity theory proposes that individuals view themselves as members of social categories. Individuals attempt to enhance their positive self-concept through the comparison of the characteristics of themselves and the groups they belongs to with other individuals and groups.¹⁸⁹ Favorable comparisons lead to an increased self-concept. Perceptions of an organization's identity, the assumptions held by an employee of an organization may influence the strength of

¹⁸⁴ H. S. Becker, "Notes on the Concept of Commitment", *American Journal of Sociology*, vol. 66 (1960): p. 33.

¹⁸⁵ John P. Meyer and Natalie J. Allen, "Testing the "Side-Bet Theory" of Organizational Commitment: Some Methodological Considerations," *Journal of Applied Psychology*, Vol 69. No 3 (1984): pp. 372–378.

¹⁸⁶ John P. Meyer, David J. Stanley, Lynne Herscovitch, and Laryssa Topolnytsky, "Affective, Continuance, and Normative Commitment to the Organization: A Meta-analysis of Antecedents, Correlates, and Consequences", *Journal of Vocational Behavior*, vol. 61 (2002): p. 21.

¹⁸⁷ Mindy E. Bergman, "The Relationship between Affective and Normative Commitment: Review and Research Agenda", *Journal of Organizational Behavior*, vol. 27 (2006): p. 647.

¹⁸⁸ John P. Meyer, David J. Stanley, Lynne Herscovitch, and Laryssa Topolnytsky, p. 32

¹⁸⁹ B. E. Ashforth and F. Mael, "Social Identity Theory and the Organization", *Academy of Management Review*, vol. 14 (1989): p. 32.

identification of a member with an organization.¹⁹⁰ Therefore it can be assumed that individuals are contented when they associate themselves with organizations that have positive image in society. Additionally, individuals choose activities congruent with relevant aspects of their identities, and they support the organizations exemplifying those identities.¹⁹¹

So it can be said that, employees may be expected to identify with socially responsible behavior by firms resulting in an increase in organizational commitment. CSR is likely to engender employee commitment first because they make work activities more pleasant for employees and second because they decode into perceptible maneuvers that are likely to create a sensation of pride among employees. Consequently,

H10: The greater the perceived CSR, the greater the employee commitment.

4.4.1 Organizational Commitment of the Employees of Private Commercial Banks in Bangladesh

To illustrate the meaning of items and patterns, the data was analyzed for trends. As shown in Appendix C, the data was first compiled into tables which represented the frequency of responses under a scale ranking for each item. Subsequently, the data was then collapsed, as shown in Table 4.4.1, all responses that were a 1, 2, and 3 were collapsed into the “disagree” category. All responses that were a 5, 6, and 7 were collapsed into the “agree” category.

Overall, the survey responses were quite positive with most employees agreeing to questions regarding their organizational commitment to their banks. As can be seen in Table 4.4.1, in case of affective commitment, the highest percentage of those that agreed was for questions 75 and 76—“I do not feel "emotionally attached" to this bank. (R)” and “I do not feel like "part of the family" at my bank. (R)”, when we reverse the questions, for which 8.40 and 6.72 times more respondents agreed than disagreed respectively. In addition, questions 72—“I

¹⁹⁰ J. E. Dutton, J. M. Dukerich, and C.V. Harquail, “Organizational Image and Member Identification”, *Administrative Science Quarterly*, vol. 39 (1994): p. 240.

¹⁹¹ B. E. Ashforth and F. Mael, “Social Identity Theory and the Organization”, *Academy of Management Review*, 14 (1989): p. 25.

would be very happy to spend the rest of my career with this bank” had the highest ratio of 11.78.

Table 4.4.1: Organizational Commitment Scale–Frequency of Responses, Shrunk Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Affective Commitment Scale						
Q72.	I would be very happy to spend the rest of my career with this bank.	14	6.97	166	82.59	11.86
Q73.	I really feel as if this bank's problems are my own.	20	9.95	162	80.60	8.10
Q74.	I do not feel a strong sense of "belonging" to my bank. (R)	24	11.94	155	77.11	6.46
Q75.	I do not feel "emotionally attached" to this bank. (R)	20	9.95	168	83.58	8.40
Q76.	I do not feel like "part of the family" at my bank. (R)	25	12.44	168	83.58	6.72
Q77.	This bank has a great deal of personal meaning for me.	22	10.95	167	83.08	7.59
Continuance Commitment Scale						
Q78.	Right now, staying with my bank is a matter of necessity as much as desire.	30	14.93	159	79.10	5.30
Q79.	It would be very hard for me to leave my bank right now, even if I wanted to.	44	21.89	149	74.13	3.39
Q80.	Too much of my life would be disrupted if I decided I wanted to leave my bank now.	29	14.43	157	78.11	5.41
Q81.	I feel that I have too few options to consider leaving this bank.	47	23.38	127	63.18	2.70
Q82.	If I had not already put so much of myself into this bank, I might consider working elsewhere.	27	13.43	144	71.64	5.33
Q83.	One of the few negative consequences of leaving this bank would be the scarcity of available alternatives.	26	12.94	140	69.65	5.38
Normative Commitment Scale						
Q84.	I do not feel any obligation to remain with my current bank. (R)	21	10.45	160	79.60	7.62
Q85.	Even if it were to my advantage, I do not feel it would be right to leave my bank now.	25	12.44	159	79.10	6.36
Q86.	I would feel guilty if I left my bank now.	25	12.44	149	74.13	5.96
Q87.	This bank deserves my loyalty.	18	8.96	163	81.10	9.06
Q88.	I would not leave my bank right now because I have a sense of obligation to the people in it.	21	10.45	159	79.10	7.57
Q89.	I owe a great deal to my bank.	22	10.95	157	78.11	7.14

Source: Field Survey Data (Appendix-C)

All the other responses of affective commitment scale had a percentage over 75 that indicate most of the employees of the private commercial banks in Bangladesh fairly attached to their organization.

In case of continuance commitment, the highest percentage of those that agreed was for question 78—“Right now, staying with my bank is a matter of necessity as much as desire”, for which 5.3 times more respondents agreed than disagreed. Next, questions 80—“I would be very happy to spend the rest of my career with this bank” had the highest percentage of 78.11. All the other responses of continuance commitment scale had a percentage over 60 that indicate most of the employees of the private commercial banks in Bangladesh somewhat aware of perceived costs associated with leaving the organization.

In case of normative commitment, the highest percentage of those that agreed was for question 87—“This bank deserves my loyalty”, for which 9.06 times more respondents agreed than disagreed. In addition, questions 84—“I do not feel any obligation to remain with my current bank (R),” when reversed, had the highest percentage of 79.60. All the other responses of normative commitment scale had a percentage over 70 that indicate most of the employees of the private commercial banks in Bangladesh are quite obliged to stay with the organization.

Table 4.4.2 represents bank wise distribution of employees’ opinions regarding organizational commitment. Questions regarding affective commitment got highest ranking from the employees (Mean=5.25). Employees rated lowest the statements regarding continuance commitment denoting the perceived costs associated with leaving the (Mean=4.85). Questions regarding normative commitment had a mean score of 5.17 that indicate the employees of the private commercial banks in Bangladesh fairly obliged to stay with the organization. So, it can be said that employees of the private commercial banks in Bangladesh are wanting and being obliged to commit to their organization rather than needing.

Table 4.4.2: Bank Wise Distribution of Employees' Opinions Regarding Organizational Commitment

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Affective Commitment									
Q72.	6.00	4.93	4.20	6.00	6.38	4.41	6.15	4.46	5.36
Q73.	5.78	4.89	4.35	5.60	6.58	4.09	6.12	4.21	5.24
Q74.	5.67	4.74	3.80	5.60	6.19	4.59	6.31	4.11	5.16
Q75.	5.26	4.89	4.60	5.36	6.42	4.55	6.04	4.00	5.15
Q76.	5.81	5.00	3.85	5.88	6.58	4.95	5.92	4.18	5.31
Q77.	5.85	4.96	4.30	5.64	6.46	4.77	5.65	4.18	5.25
AC	5.73	4.90	4.18	5.68	6.44	4.56	6.03	4.19	5.25
Continuance Commitment									
Q78.	5.67	5.30	3.85	5.80	4.96	4.68	5.85	4.11	5.06
Q79.	4.56	5.30	4.25	5.00	4.12	4.68	6.00	3.93	4.74
Q80.	5.30	5.44	3.95	5.60	5.31	4.82	6.19	3.82	5.08
Q81.	4.15	5.41	4.10	4.24	4.19	5.00	5.58	3.71	4.55
Q82.	4.59	5.33	3.85	4.96	5.04	4.86	5.38	4.11	4.79
Q83.	4.81	5.30	3.95	4.96	5.35	4.55	5.65	4.14	4.87
CC	4.85	5.35	3.99	5.09	4.83	4.77	5.78	3.97	4.85
Normative Commitment									
Q84.	5.78	5.33	3.65	5.68	5.96	4.68	6.27	4.21	5.24
Q85.	5.37	5.11	4.25	5.48	5.81	4.18	5.88	4.14	5.06
Q86.	5.70	5.07	3.70	5.56	6.12	4.45	5.81	3.93	5.08
Q87.	6.15	4.96	4.30	5.72	6.12	4.77	5.81	3.96	5.25
Q88.	5.44	4.78	3.90	5.48	6.04	4.55	5.77	4.32	5.07
Q89.	6.00	5.11	4.05	6.04	6.31	4.32	6.12	4.07	5.29
NC	5.74	5.06	3.98	5.66	6.06	4.49	5.94	4.11	5.17

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Through another lens, in case of affective commitment NBL, EXIM, and DBBL had stood at the highest mark. And, EBL was rated lowest for the same. In case of continuance commitment EXIM, IBBL, and PBL had stood at the highest mark. And, UCBL was rated lowest for the same. In case of normative commitment NBL, EXIM, and DBBL had stood at the highest mark. And, EBL was rated lowest for the same.

4.4.2 The Relationship between Organizational Commitment and Perceived CSR at the Private Commercial Banks in Bangladesh

In order to measure the effect of corporate social responsibility on organizational commitment, it was essential to determine the employee's perception of whether they consider their company to be a good advocate of CSR. Just because a company is explicitly considered to be a good social performer, it cannot be assumed that every individual employee will be positively affected. For employees to become more committed to their organization because of CSR, they need to recognize that their company is outstanding in every aspects of CSR.

Table 4.4.3: Descriptive Statistics of CSR and Organizational Commitment

	N	Min.	Max.	Mean	Std. Dev.	Skewness	Kurtosis
CSR	201	3.52	6.21	4.998	.86823	-.295	-1.460
Importance of CSR	201	2.33	7.00	5.156	1.03656	-.463	-.686
AC	201	3.33	7.00	5.246	.88633	-.043	-1.005
NC	201	3.33	7.00	5.167	.87686	-.231	-1.079
CC	201	3.17	6.50	4.846	.78012	-.296	-.766
IF	201	3.21	7.00	5.022	.97272	-.049	-1.194
EF	201	3.50	7.00	5.269	.88692	-.164	-.990

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Descriptive statistics were analyzed to ensure normality and required variance. Frequencies of the sample were tested with normality and variance being ascertained. Skewness and kurtosis were normal with all types of CSR, importance of CSR, and three types of organizational commitment.

Control Variables

The demographic variables, intrinsic factors of job, and extrinsic factors of job were tested through correlation analysis to check if they had any significant effect on the dependent variable. Those demographic variables (Age, Total work experience, Tenure, and Managerial Level), intrinsic factors of job, and extrinsic factors of job showed a significant correlations ($p < 0.01$) with dependent variable (Organizational Commitment) were included as control variables in the final model.

Table 4.4.4: Correlations between Organizational Commitment and Control Variables.

		1	2	3	4	5	6	7	8	9	10	11	12
1	Age	1											
2	Gen.	-.242**	1										
		.001											
3	M St.	.475**	.000	1									
		.000	.995										
4	Edu.	.058	-.009	.084	1								
		.412	.901	.236									
5	TWE	.965**	-.217**	.445**	.041	1							
		.000	.002	.000	.563								
6	Ten.	.811**	-.128	.371**	-.023	.820**	1						
		.000	.070	.000	.747	.000							
7	M.L.	.770**	-.220**	.365**	.161*	.799**	.661**	1					
		.000	.002	.000	.023	.000	.000						
8	AC	.245**	-.090	.069	-.062	.220**	.158*	.225**	1				
		.000	.204	.329	.379	.002	.025	.001					
9	CC	.231**	-.114	.146*	-.010	.213**	.193**	.173*	.530**	1			
		.001	.107	.039	.892	.002	.006	.014	.000				
10	NC	.180*	-.080	.111	.008	.149*	.086	.132	.885**	.627**	1		
		.010	.259	.118	.910	.035	.227	.062	.000	.000			
11	I F	.200**	-.116	.091	.019	.164*	.105	.167*	.914**	.493**	.863**	1	
		.004	.100	.201	.790	.020	.140	.018	.000	.000	.000		
12	E F	.215**	-.089	.107	-.017	.184**	.139*	.194**	.913**	.463**	.830**	.957**	1
		.002	.210	.129	.814	.009	.050	.006	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The inter-correlation matrix of measures of organizational commitment, job factors, and demographic variables are reported in Table 4.4.4. In a nutshell, relative to those who were comparatively younger and had less work experience, those who were older and had more work experience exhibited higher level of organizational commitment.

Consistent with the previous studies, correlations with the demographic variables were generally low.¹⁹² Age, work experience, tenure, and managerial level correlated positively, albeit weakly, with all three components of

¹⁹² John P. Meyer, David J. Stanley, Lynne Herscovitch, and Laryssa Topolnytsky, "Affective, Continuance, and Normative Commitment to the Organization: A Meta-analysis of Antecedents, Correlates, and Consequences", *Journal of Vocational Behavior*, vol. 61 (2002): p. 28.

commitment. Specifically, age, work experience, and managerial level correlated more strongly with affective commitment and the reverse was true for the correlations with normative commitment. In line with the previous studies tenure also correlated less strongly with normative commitment and more strongly with continuance commitment.¹⁹³

Table 4.4.5: Correlations between Perceived CSR, Importance of CSR, and Organizational Commitment in the Study.

		1	2	3	4	5	6	7	8	9
1	Economic Responsibility	1								
2	Legal Responsibility	.879**	1							
		.000								
3	Ethical Responsibility	.515**	.697**	1						
		.000	.000							
4	Philanthropic Responsibility	.613**	.761**	.912**	1					
		.000	.000	.000						
5	Overall CSR	.860**	.942**	.856**	.911**	1				
		.000	.000	.000	.000					
6	Affective Commitment	.841**	.907**	.729**	.827**	.931**	1			
		.000	.000	.000	.000	.000				
7	Continuance Commitment	.440**	.532**	.605**	.572**	.595**	.530**	1		
		.000	.000	.000	.000	.000	.000			
8	Normative Commitment	.771**	.849**	.802**	.822**	.907**	.885**	.627**	1	
		.000	.000	.000	.000	.000	.000	.000		
9	Importance of CSR	.705**	.843**	.796**	.834**	.887**	.833**	.499**	.790**	1
		.000	.000	.000	.000	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

Two job factors variables met the criterion for inclusion. Correlations involving the job factors variables were generally much stronger than those involving demographic characteristics. As expected, intrinsic and extrinsic factors of job correlated most strongly with affective commitment. In both cases, the strength of the correlation involving continuance commitment was comparatively weaker than others.

¹⁹³ John P. Meyer, David J. Stanley, Lynne Herscovitch, and Laryssa Topolnytsky, p. 32

The inter-correlation matrix of measures of organizational commitment, perceived CSR, and perceived importance of CSR of employees is reported in Table 4.4.5. The correlations as reported in this table resulted in all relationships being significant with a $p < 0.01$. The table showed strong relationship between the independent variables (Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility, and overall CSR) and dependent variables (Affective Commitment, Continuance Commitment, and Normative Commitment). But the relationship between continuance commitment and measures of CSR is comparatively weaker than affective and normative commitment. This table also reported a significant relationship between all types of commitment and perceived importance of CSR to employees.

Before running the regression analyses, assumptions were checked. Skewness and kurtosis were checked and normality was found. There was adequate variance on the scale for each variable with no clustering of data on any single scale point. For the regression analyses, a Hierarchical Linear Regression model was followed for each multiple regression.

As can be seen in Table 4.4.6(a) and Table 4.4.6(b), the demographic variables (Age, Total Work Experience, and Managerial Level) were entered first into Model 1 to test for the effects on the dependent variable (Affective Commitment). Then in Model 2, job factors (Intrinsic Factor and Extrinsic Factor) were added as control variables to test for the effects on the dependent variable (Affective Commitment). Then in Model 3, Perceived CSR was added and control variables are tested for significance within the overall relationship of CSR and affective commitment. In Model 4, Importance of CSR was added. Finally in Model 5, the interaction variable (CSR \times Importance of CSR) was added to test for any interaction of Importance of CSR on the affective commitment.

Table 4.4.6 (a): Relationship between CSR and Affective Commitment (Model Summary and ANOVA)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.267 ^a	.071	.057	.86066	.071	5.035	3	197	.002
2	.925 ^b	.856	.852	.34049	.785	531.852	2	195	.000
3	.943 ^c	.889	.885	.30035	.032	56.602	1	194	.000
4	.945 ^d	.894	.890	.29388	.005	9.641	1	193	.002
5	.945 ^e	.894	.889	.29464	.000	.001	1	192	.980
^a Predictors: (Constant), Managerial Level (ML), Total Work Experience (TWC), Age									
^b Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR									
^e Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI									
ANOVA ^f									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	11.190	3	3.730	5.035	.002 ^a			
	Residual	145.926	197	.741					
	Total	157.115	200						
2	Regression	134.508	5	26.902	232.044	.000 ^b			
	Residual	22.607	195	.116					
	Total	157.115	200						
3	Regression	139.614	6	23.269	257.941	.000 ^c			
	Residual	17.501	194	.090					
	Total	157.115	200						
4	Regression	140.447	7	20.064	232.317	.000 ^d			
	Residual	16.668	193	.086					
	Total	157.115	200						
5	Regression	140.447	8	17.556	202.225	.000 ^e			
	Residual	16.668	192	.087					
	Total	157.115	200						
^a Predictors: (Constant), Managerial Level (ML), Total Work Experience (TWC), Age									
^b Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR									
^e Predictors: (Constant), ML, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI									
^f Dependent Variable: Affective Commitment									

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The regression analyses supported hypothesis 10. The F value of 202.23 (df=192) showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. Therefore, the null hypothesis can be rejected at 1% significant level.

Table 4.4.6 (b): Relationship between CSR and Affective Commitment (Regression Analysis Results)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.267	.878		3.719	.000
	Age	.062	.033	.485	1.861	.064
	Total Work Experience	-.050	.038	-.357	-1.292	.198
	Managerial Level	.162	.135	.137	1.195	.233
2	(Constant)	.773	.365		2.118	.035
	Age	-.005	.013	-.043	-.409	.683
	Total Work Experience	.010	.015	.075	.681	.497
	Managerial Level	.038	.054	.032	.698	.486
	Intrinsic Factor	.448	.086	.491	5.219	.000
	Extrinsic Factor	.431	.094	.432	4.574	.000
3	(Constant)	.612	.322		1.898	.059
	Age	-.009	.012	-.069	-.746	.457
	Total Work Experience	.015	.014	.110	1.130	.260
	Managerial Level	.016	.048	.014	.341	.733
	Intrinsic Factor	.174	.084	.191	2.071	.040
	Extrinsic Factor	.221	.088	.221	2.518	.013
	CSR	.551	.073	.540	7.523	.000
4	(Constant)	.510	.317		1.607	.110
	Age	-.006	.011	-.047	-.521	.603
	Total Work Experience	.013	.013	.094	.981	.328
	Managerial Level	.009	.047	.008	.199	.843
	Intrinsic Factor	.252	.086	.277	2.933	.004
	Extrinsic Factor	.283	.088	.283	3.210	.002
	CSR	.583	.072	.571	8.052	.000
	Importance of CSR	-.163	.053	-.191	-3.105	.002
5	(Constant)	.490	.842		.582	.561
	Age	-.006	.012	-.047	-.518	.605
	Total Work Experience	.013	.013	.093	.974	.332
	Managerial Level	.009	.047	.008	.200	.842
	Intrinsic Factor	.253	.091	.277	2.776	.006
	Extrinsic Factor	.283	.089	.283	3.195	.002
	CSR	.586	.157	.574	3.743	.000
	Importance of CSR	-.160	.154	-.187	-1.038	.301
	CSR× Importance of CSR	-.001	.033	-.008	-.025	.980

^aDependent Variable: Affective Commitment

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The adjusted R squared for the overall model was 0.889. This means that the independent variables (Total Work Experience, Age, Managerial Level, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, and CSR×CSI) explained 88.9% variance in the dependent variable (Affective Commitment).

Table 4.4.6 (b) shows the results of these regressions. Model 3 is the model that was used for reporting the following data. As can be seen in the Table, the effect of perceived CSR on affective commitment was significant at $p < 0.01$ level. This implies that it is explaining the variance in the dependent variable significantly. Beta, which can be interpreted similar to correlation, is 0.54, while $t = 7.523$ ($p = .000$). The unstandardized B value for CSR is 0.551. This means for every 1 unit increase in CSR, affective commitment increased by 0.551. We can see that R square change value in model 3 is equal to 0.032. This means that inclusion of CSR after control variables helps in explaining the additional 3.2% variance in the affective commitment of the banks. Hence hypothesis 10 was supported.

As can be seen in Model 2, which tests for the significance of control variables in the relationship between CSR and affective commitment; age, total work experience, and management level did not have a significant effect on the dependent variable at $p < 0.05$ level. But extrinsic factors and intrinsic factors of job have significant impact on affective commitment of employees.

To test for the moderation effect of perceived importance of CSR, a fourth multiple regression was run with affective commitment as the dependent variable using age, total work experience, managerial level, intrinsic factors, and extrinsic factors as control variables. To test for the effect of the interaction term, the interaction variable (CSR × Importance of CSR) was added to the model. The coefficient for the interaction term was not significant at $p < 0.05$. This means that perceived importance of CSR does not moderate the relationship between CSR and affective commitment of the employees.

As can be seen in Table 4.4.7(a) and Table 4.4.7(b), the demographic variables (Age, Total Work Experience, and Tenure) were entered first into Model

1 to test for the effects on the dependent variable (Continuance Commitment). Then in Model 2, job factors (Intrinsic Factor and Extrinsic Factor) were added as control variables to test for the effects on the dependent variable (Continuance Commitment).

Table 4.4.7 (a): Relationship between CSR and Continuance Commitment (Model Summary and ANOVA)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.235 ^a	.055	.041	.76407	.055	3.832	3	197	.011
2	.517 ^b	.267	.248	.67644	.212	28.172	2	195	.000
3	.658 ^c	.433	.416	.59633	.166	56.910	1	194	.000
4	.662 ^d	.438	.418	.59533	.005	1.653	1	193	.200
5	.683 ^e	.466	.444	.58185	.028	10.047	1	192	.002
^a Predictors: (Constant), Tenure, Total Work Experience (TWC), Age									
^b Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR									
^e Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI									
ANOVA ^f									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	6.711	3	2.237	3.832	.011 ^a			
	Residual	115.008	197	.584					
	Total	121.719	200						
2	Regression	32.493	5	6.499	14.202	.000 ^b			
	Residual	89.226	195	.458					
	Total	121.719	200						
3	Regression	52.731	6	8.788	24.714	.000 ^c			
	Residual	68.988	194	.356					
	Total	121.719	200						
4	Regression	53.316	7	7.617	21.491	.000 ^d			
	Residual	68.402	193	.354					
	Total	121.719	200						
5	Regression	56.718	8	7.090	20.942	.000 ^e			
	Residual	65.001	192	.339					
	Total	121.719	200						
^a Predictors: (Constant), Tenure, Total Work Experience (TWC), Age									
^b Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR									
^e Predictors: (Constant), Tenure, TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI									
^f Dependent Variable: Continuance Commitment									

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 4.4.7 (b): Relationship between CSR and Continuance Commitment (Regression Analysis Results)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.583	.778		4.603	.000
	Age	.040	.030	.360	1.356	.177
	Total Work Experience	-.020	.033	-.163	-.603	.547
	Tenure	.006	.021	.036	.291	.771
2	(Constant)	2.784	.727		3.832	.000
	Age	.006	.027	.051	.212	.832
	Total Work Experience	.000	.030	.003	.014	.989
	Tenure	.018	.019	.107	.980	.328
	Intrinsic Factor	.511	.171	.637	2.980	.003
	Extrinsic Factor	-.153	.188	-.173	-.812	.418
3	(Constant)	2.444	.642		3.806	.000
	Age	-.001	.023	-.009	-.042	.966
	Total Work Experience	.006	.026	.046	.219	.827
	Tenure	.019	.016	.112	1.165	.245
	Intrinsic Factor	-.029	.167	-.036	-.171	.865
	Extrinsic Factor	-.577	.175	-.656	-3.300	.001
	CSR	1.095	.145	1.218	7.544	.000
4	(Constant)	2.525	.644		3.920	.000
	Age	-.003	.023	-.027	-.126	.900
	Total Work Experience	.009	.026	.072	.337	.737
	Tenure	.017	.016	.102	1.060	.290
	Intrinsic Factor	-.097	.175	-.121	-.553	.581
	Extrinsic Factor	-.627	.179	-.713	-3.506	.001
	CSR	1.068	.146	1.189	7.302	.000
	Importance of CSR	.137	.107	.183	1.286	.200
5	(Constant)	-2.316	1.652		-1.402	.163
	Age	.001	.023	.011	.056	.956
	Total Work Experience	.007	.026	.059	.284	.776
	Tenure	.014	.016	.081	.855	.393
	Intrinsic Factor	.077	.180	.096	.429	.668
	Extrinsic Factor	-.578	.176	-.657	-3.291	.001
	CSR	1.934	.308	2.153	6.272	.000
	Importance of CSR	1.036	.302	1.377	3.429	.001
	CSR× Importance of CSR	-.202	.064	-2.368	-3.170	.002

^aDependent Variable: Continuance Commitment

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Then in Model 3, Perceived CSR was added and control variables are tested for significance within the overall relationship of CSR and continuance commitment. In Model 4, Importance of CSR was added. Finally in Model 5, the interaction variable (CSR \times Importance of CSR) was added to test for any interaction of importance of CSR on the continuance commitment.

The regression analyses supported hypothesis 10. The F value of 20.94 (df=192) showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. Therefore, the null hypothesis can be rejected at 1% significant level. The adjusted R squared for the overall model was 0.444. This means that the independent variables (Total Work Experience, Age, Tenure, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, and CSR \times CSI) explained 44.4% variance in the dependent variable (Continuance Commitment).

Table 4.4.7 (b) shows the results of these regressions. Model 3 is the model that was used for reporting the following data. As can be seen in the Table, the effect of perceived CSR on continuance commitment was significant at $p < 0.01$ level. This implies that it is explaining the variance in the dependent variable significantly. Beta, which can be interpreted similar to correlation, is 1.10, while $t = 7.544$ ($p = .000$). The unstandardized B value for CSR is 1.22. This means for every 1 unit increase in CSR, continuance commitment increased by 1.22. We can see that R square change value in model 3 is equal to 0.166. This means that inclusion of CSR after control variables helps in explaining the additional 16.6% variance in the continuance commitment of the banks. Hence hypothesis 10 was supported.

As can be seen in Model 2, which tests for the significance of control variables in the relationship between CSR and continuance commitment, age, total work experience, tenure, and extrinsic factors of job did not have any significant effect on the dependent variable at $p < 0.05$ level. But intrinsic factors of job like

autonomy, creativity, task variety, achievement, authority and so forth have significant impact on continuance commitment of employees.

Table 4.4.8(a): Relationship between CSR and Normative Commitment (Model Summary and ANOVA)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.204 ^a	.041	.032	.86282	.041	4.282	2	198	.015
2	.863 ^b	.745	.740	.44712	.704	270.664	2	196	.000
3	.912 ^c	.831	.827	.36475	.086	99.522	1	195	.000
4	.913 ^d	.833	.828	.36336	.002	2.492	1	194	.116
5	.914 ^e	.835	.829	.36210	.002	2.347	1	193	.127
^a Predictors: (Constant), Total Work Experience (TWC), Age									
^b Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR									
^e Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI									
ANOVA ^f									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	6.375	2	3.188	4.282	.015 ^a			
	Residual	147.402	198	.744					
	Total	153.778	200						
2	Regression	114.595	4	28.649	143.305	.000 ^b			
	Residual	39.183	196	.200					
	Total	153.778	200						
3	Regression	127.835	5	25.567	192.175	.000 ^c			
	Residual	25.943	195	.133					
	Total	153.778	200						
4	Regression	128.164	6	21.361	161.787	.000 ^d			
	Residual	25.614	194	.132					
	Total	153.778	200						
5	Regression	128.472	7	18.353	139.973	.000 ^e			
	Residual	25.306	193	.131					
	Total	153.778	200						
^a Predictors: (Constant), Total Work Experience (TWC), Age									
^b Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor									
^c Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR									
^d Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR									
^e Predictors: (Constant), TWC, Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, CSRXCSI									
^f Dependent Variable: Normative Commitment									

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

To test for the moderation effect of perceived importance of CSR, a fourth multiple regression was run with continuance commitment as the dependent variable using age, total work experience, tenure, intrinsic factors, and extrinsic factors as control variables. To test for the effect of the interaction term, the interaction variable (CSR × Importance of CSR) was added to the model. The coefficient (B=-.20, t=-317) for the interaction term was significant at $p < 0.05$. This means that perceived importance of CSR significantly moderate the relationship between CSR and continuance commitment of the employees. This significantly supports the idea that those who are lower in perceived importance of CSR will show a stronger relationship between CSR and continuance commitment.

As can be seen in Table 4.4.8(a) and Table 4.4.8(b), the demographic variables (Age and Total Work Experience) were entered first into Model 1 to test for the effects on the dependent variable (Normative Commitment). Then in Model 2, job factors (Intrinsic Factor and Extrinsic Factor) were added as control variables to test for the effects on the dependent variable (Normative Commitment). Then in Model 3, perceived CSR was added and control variables are tested for significance within the overall relationship of CSR and normative commitment. In Model 4, Importance of CSR was added. Finally in Model 5, the interaction variable (CSR × Importance of CSR) was added to test for any interaction of importance of CSR on the normative commitment.

The regression analyses supported hypothesis 10. The F value of 139.97 (df=193) showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. Therefore, the null hypothesis can be rejected at 1% significant level. The adjusted R squared for the overall model was 0.829. This means that the independent variables (Total Work Experience and Age, Intrinsic Factor, Extrinsic Factor, CSR, Importance of CSR, and CSR×CSI) explained 82.9% variance in the dependent variable (Normative Commitment).

Table 4.4.8 (b): Relationship between CSR and Normative Commitment (Regression Analysis Results)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.273	.874		3.746	.000
	Age	.066	.033	.527	1.994	.047
	Total Work Experience	-.049	.036	-.359	-1.359	.176
2	(Constant)	1.182	.477		2.478	.014
	Age	.001	.017	.012	.084	.933
	Total Work Experience	-.001	.019	-.005	-.038	.970
	Intrinsic Factor	.738	.112	.819	6.563	.000
	Extrinsic Factor	.044	.124	.045	.357	.722
3	(Constant)	.903	.390		2.315	.022
	Age	-.004	.014	-.030	-.264	.792
	Total Work Experience	.004	.015	.028	.246	.806
	Intrinsic Factor	.301	.102	.334	2.960	.003
	Extrinsic Factor	-.299	.106	-.302	-2.806	.006
	CSR	.885	.089	.877	9.976	.000
4	(Constant)	.836	.391		2.140	.034
	Age	-.002	.014	-.016	-.141	.888
	Total Work Experience	.002	.015	.014	.127	.899
	Intrinsic Factor	.351	.106	.389	3.306	.001
	Extrinsic Factor	-.260	.109	-.263	-2.391	.018
	CSR	.905	.089	.896	10.136	.000
	Importance of CSR	-.103	.065	-.121	-1.579	.116
5	(Constant)	-.612	1.022		-.598	.550
	Age	-.001	.014	-.008	-.067	.947
	Total Work Experience	.001	.015	.008	.070	.944
	Intrinsic Factor	.404	.111	.449	3.631	.000
	Extrinsic Factor	-.246	.109	-.249	-2.263	.025
	CSR	1.165	.192	1.154	6.078	.000
	Importance of CSR	.167	.187	.197	.890	.375
	CSR× Importance of CSR	-.061	.040	-.632	-1.532	.127

^aDependent Variable: Normative Commitment

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 4.4.8 (b) shows the results of these regressions. Model 3 is the model that was used for reporting the following data. As can be seen in the Table, the effect of perceived CSR on normative commitment was significant at $p < 0.01$ level. This entails that it is explaining the variance in the dependent variable

significantly. Beta, which can be interpreted similar to correlation, is 0.885, while $t = 9.98$ ($p = .000$). The unstandardized B value for CSR is 0.877. This means for every 1 unit increase in CSR, normative commitment increased by 0.877. We can see that R square change value in model 3 is equal to 0.086. This means that inclusion of CSR after control variables helps in explaining the additional 8.6% variance in the normative commitment of the banks. Hence hypothesis 10 was supported.

As can be seen in Model 2, which tests for the significance of control variables in the relationship between CSR and normative commitment, age, total work experience, and extrinsic factors of job did not have any significant effect on the dependent variable at $p < 0.05$ level. But intrinsic factors of job like autonomy, creativity, task variety, achievement, authority and so forth have significant impact on normative commitment of employees.

To test for the moderation effect of perceived importance of CSR, a fourth multiple regression was run with normative commitment as the dependent variable using age, total work experience, intrinsic factors, and extrinsic factors as control variables. To test for the effect of the interaction term, the interaction variable (CSR \times Importance of CSR) was added to the model. The coefficient for the interaction term was not significant at $p < 0.05$. This means that perceived importance of CSR does not moderate the relationship between CSR and normative commitment of the employees.

4.5 Conclusion

As will be outlined in this chapter, several findings support the hypotheses that employee attitude is influenced by the employee's perception of their company's CSR posture. Other potential moderators were found. In addition, correlation analyses found interesting results from analyzing the effects of the dimensions of CSR (economic, legal, ethical, philanthropic) on employee attitude.

This chapter provides an understanding that employees of the private commercial banks in Bangladesh are moderately satisfied with their job, fairly involved in their job, and reasonably obliged to stay with their organization. And, it can be also concluded that employees of the private commercial banks in Bangladesh are wanting and being obliged to commit to their organization rather than needing. As revealed in this chapter, correlation analysis has shown that employees care for more than just making money. Firm economic responsibility is important predictor of job satisfaction, but it is not the only predictor of job satisfaction for an employee. In fact, correlation analysis showed a stronger influence of legal responsibilities than economic responsibilities on job satisfaction in the private commercial banks in Bangladesh.

According to results of regression analyses in this chapter, employees of socially responsible firms are likely to be satisfied with their job. Such findings not only support the hypothesis that an employee's perception of their company's CSR influences their satisfaction, but show that perceived CSR has a significantly large influence on employee satisfaction. Employees, who perceived their firms as social responsible entity, are likely to be satisfied with their jobs because they perceive the organization ensuring profitability as well as their long-term growth and by seeking out opportunities to develop new competencies which make themselves more valuable to their present firm and all at once make themselves more valuable in the career path.

Testing for control variables found that employee's age and management level had significant effects on Job satisfaction. However, even if the effect of management level was positive, it was immaterial. In line with the previous studies the correlations explained a strong relationship between dimensions of the job factors (intrinsic–work itself, growth, advancement¹⁹⁴ and extrinsic–compensation, promotion, human relation¹⁹⁵) and overall job satisfaction of the employees. The results of this study also found that concern of the social issues does not mediate the CSR–job satisfaction relationship. Regression analysis showed that the concern

¹⁹⁴ S. B. MacKenzie, P. M. Podsakoff, and M. Ahearne, "Some possible antecedents and consequences of in-role and extra-role salesperson performance," *Journal of Marketing*, vol. 62 (1998): p. 95.

¹⁹⁵ Fred Luthans, *Organizational Behavior* (Boston: Irwin/McGraw-Hill., 1998), p. 145.

for social issue by the employees of banks did not significantly moderate the relationship between the perceived CSR and Job satisfaction. The lack of significant results could be due to a lack of statistical power of relevant data.¹⁹⁶ Further tests should be run with a larger sample size.

This study proposes several specific relationships between the CSR dimensions and job involvement, adapted from reviews of relevant human resources research, in application to a real sample. It also investigated the cumulative effect of the perceived CSR on job involvement. CSR was found to significantly affect job involvement of the employees in the private commercial banks in Bangladesh. Results of regression analyses, as shown in section 4.3, show compelling support that the influence of CSR is quite strong on job involvement. Employees, who perceived their organizations as proactive in case of CSR, are prone to be identified with their jobs because they perceive the firm ensuring work environment¹⁹⁷ factors like– equal employment opportunity (EEO) and fulfilling the need for association with society by bringing of their entire selves to the work place.

Correlation analysis also found a significant effect of dimensions of CSR on job involvement. Involved employees mostly care for legal and philanthropic responsibilities of their banks. Because, philanthropic and legal responsibilities like–facilities of additional education and training, flexible company policies that enable employees to better coordinate organizational and personal life, complying with all laws regulating human resource practices, and internal policies prevent discrimination induce employees to be more involved in their job. Consistent with prior study¹⁹⁸, firm economic responsibility is significant but inferior predictor of organizational behavior.

¹⁹⁶ Ante Glavas, “Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?” PhD Thesis, Department of Organizational Behavior, School of Graduate Studies, Case Western Reserve University, 2009, p. 97.

¹⁹⁷ T. J. Newton, and A. Keenan, “Is Work Involvement an Attribute of the Person or the Environment?”, *Journal of Occupational Behavior*, vol. 4 (1983): p. 170.

¹⁹⁸ Isabelle Maignan, O. C. Ferrell, and G. Tomas M. Hult, “Corporate Citizenship: Cultural Antecedents and Business Benefits,” *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (Fall 1999): p. 464.

Testing for control variables found that employee's age had significant effects on Job involvement. However, even if the effect of work experience was positive, it was insignificant. In line with the previous study¹⁹⁹ the correlations explained a strong relationship between dimensions of the job extrinsic factors and job involvement of the employees. The results of this study also found that employees' concern for social issues mediates the CSR-Job involvement relationship. Thus, the direct relationship between perceived CSR and job involvement can also be explained by concern for social issues. Employees who concerned of society are likely to be involved with their job not only because of fulfilling, positive work-related experience from job, but also because of being a part of whole societal system.

According to the results in this chapter, members of socially proactive organizations likely to feel committed to their organization and to be supportive of its mission. CSR was found to significantly affect organizational commitments (affective, continuance, normative) of the employees in the private commercial banks in Bangladesh. Results of regression analyses, as shown in section 4.4, illustrate convincing support that the influence of CSR is quite strong on employee commitment. Employees, who perceived their companies as proactive in case of CSR, are likely to be committed to their organization because they perceive the firm ensuring an environment designed to enhance workplace experience and working in a company whose goals go beyond the mere maximization of profit. Thus CSR is an excellent tool to motivate employees, to educate them about the organization, and to gain their patronage.²⁰⁰

Correlation analysis also found a significant effect of dimensions of CSR on different types of organizational commitment. As discovered in this chapter, employees with affective commitment mostly concerned with legal and economic responsibilities of their banks. This probably is due to the fact that employees who

¹⁹⁹ S. Rabinowitz and D. T. Hall, "Organizational Research on Job Involvement", *Psychological Bulletin*, vol. 84 (1977):, 265–288.

²⁰⁰ Isabelle Maignan, O. C. Ferrell, and G. Tomas M. Hult , "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (Fall 1999): p. 465.

perceive that their bank is treating them fairly through employment policies. These policies include recruitment and promotion, non-discrimination and privacy. All these may bring about employees having faith in the bank. This faith strongly affects employee identification and involvement with the bank, as well as enjoyment in being members of this bank.²⁰¹ Furthermore, the finding of this study indicates the importance of ensuring economic responsibility for predicting employee's affective commitment. Because, organizations need to invest resources in ensuring that the work environment is pleasant to and manageable by employees. As revealed in this chapter, employees with continuance commitment mostly care for ethical responsibilities of their banks. The relationship between CSR and continuance commitment is lowest in comparison with other forms of organizational commitment. These results are similar to Side-Bet theory postulations.²⁰² According to this theory, employees make certain investments in their organizations. These investments are sunk costs which reduce the attractiveness of other employment opportunities.²⁰³

Consistent with previous study all the dimensions of CSR have significant effect on normative commitment.²⁰⁴ The strong correlation observed between legal and philanthropic responsibilities and normative commitment is likely due to the fact that normative commitment reflects a perceived obligation to remain in the organization. Thus, the results of this study suggests that in Bangladesh, employees who perceived that their banks expressed responsibility and treated them fairly, are more likely to reciprocate with more positive attitudes such as higher normative commitment. This means that employees might have perceived their banks respecting the diversity by ensuring equal employment opportunity

²⁰¹ A. Rego, S. Leal, M. P. Cunha, and J. Faria., "How the Employees' Perceptions of Corporate Citizenship Predict Their Organizational Commitment?". International Conference on Business And Information. J W Marriott Hotel, Seoul, South Korea July 7-9, 2008 Volume 5, 2008. <http://academicpapers.org/ocs2/session/Papers/A8/355-460-1-RV.doc>. (access on 25 May, 2013)

²⁰² H. S. Becker, "Notes on the Concept of Commitment", *American Journal of Sociology*, vol. 66 (1960): p. 37.

²⁰³ John P. Meyer and Natalie J. Allen, Testing the "Side-Bet Theory" of Organizational Commitment: Some Methodological Considerations, *Journal of Applied Psychology*, Vol 69. No 3 (1984): p. 375.

²⁰⁴ S-Chen Kao, M-Hong Ho, C-Hsing Wu, and T-Zang Lee, "Relationships Between Employees' Perception of Corporate Social Responsibility, Personality, Job Satisfaction, and Organizational Commitment", <http://bai2009.org/file/Papers/1224.doc>, (access on 12 July, 2014)

(EEO) in the workplace such as gender and disabilities. Therefore employees might have developed a higher normative commitment towards their bank. This finding is also similar to a study suggested that, if an organization is loyal to the employee or has supported their educational efforts as philanthropic responsibly, the employee may report a higher degree of normative commitment.²⁰⁵ The results of this study also found that concern of the social issues does not positively mediate the CSR–organizational commitment relationships.

Regression analysis showed that the concern for social issue by the employees of banks did not significantly moderate the relationship between the perceived CSR and dimensions of organizational commitment. The lack of significant results could be due to a lack of statistical power of relevant data.²⁰⁶

²⁰⁵ A. Ali Al-bdour, Elisha Nasruddin, and Soh Keng Lin, “The Relationship between Internal Corporate Social Responsibility and Organizational Commitment within the Banking Sector in Jordan, *International Journal of Human and Social Sciences*, vol. 5, no.14 (2010): p. 947.

²⁰⁶ Ante Glavas, “Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?” PhD Thesis, Department of Organizational Behavior, School of Graduate Studies, Case Western Reserve University, 2009, p. 97.

Chapter 5

Impacts of Corporate Social Responsibility on Customer Attitude

5.1 Prelude

Corporate social responsibility became a critical matter for companies after corporate scandals²⁰⁷, social problem²⁰⁸, and environmental disaster²⁰⁹ which augmented force on companies through enlarged media coverage and enhanced transparency obligation. It is evident that CSR initiatives certainly have a strong influence on customers' attitude and behaviors towards products and companies. Based on the postulation that customers will recompense firms for their support of social programs, many companies have adopted social causes. However, it is implausible that customers will blindly accept these social initiatives as earnest actions and thus may or may not prize the firm.²¹⁰ Researchers have investigated diverse CSR impacts, for instance, the link between CSR and economic performance.²¹¹

Particularly, most customers do not comprehend the ethical dimensions of the products that they purchase,²¹² but it has been shown that once customers acknowledge a firm's socially responsible initiatives their evaluation of that firm increases.²¹³ Demand from socially responsible customers may amplify in line with increasing promotion of a firm's socially responsible actions. Research²¹⁴ suggests that customers sensitive to the particular cause supported by a corporation are

²⁰⁷ (e.g. Enron Affair)

²⁰⁸ (e.g. Poor Working Condition in Developing Countries)

²⁰⁹ (e.g. Prestige Shipwreck)

²¹⁰ Ronald Paul Hill and Karen L. Becker-Olsen, "The Impact of Perceived Corporate Social Responsibility on Consumer Behavior," *Working Paper Series*, Center for Responsible Business, UC Berkeley, (2005): p. 3.

²¹¹ Catherine J. Morrison Paul and Donald S. Siegel, "Corporate Social Responsibility and Economic Performance," *Rensselaer Working Papers in Economics*, no. 0605 (March 2006): pp. 3–4, <http://www.rpi.edu/dept/economics/www/workingpapers/> (accessed on 05 May, 2011).

²¹² P. Auger, P. Burke, T. M. Devinney, and J.J Louviere, "What will consumers pay for social product features?" *Journal of Business Ethics*, vol. 42 no. 3, (2003): p. 299.

²¹³ T. J. Brown, P.A. Dacin, "The company and the product: Corporate associations and consumer product responses", *Journal of Marketing*, vol. 61, no. 1 (1997): p. 79.

²¹⁴ Sankar Sen and C.B. Bhattacharya, "Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility," *Journal of Marketing Research*, vol. 38 no. 2 (2001): p. 237.

more likely to react positively towards that corporation. Indeed, study suggests customers will penalize firms that are perceived as insincere in their social responsibilities.²¹⁵

Market surveys report the public expects business to contribute more to society than economic considerations, and will imitate this through their purchase behavior.²¹⁶ But, it is evident that, not all customers place a high value on the socially responsible actions of a firm. The price of competing goods can affect the demand for goods provided by socially responsible companies. It has been suggested that income also has a significant impact on demand for products from firms with a good reputation for CSR; low-income customers are seen to be more price sensitive than affluent customers.²¹⁷ This means that affluent customers are more willing to pay a higher price for those products.

Extant research has provided extensive evidence that customer perception of CSR influences customer responses to product and services,²¹⁸ attitude toward products,²¹⁹ identification with a particular firm, and customers' behavioral intention.²²⁰ However, academicians have called for more empirical studies in this area as most studies lack empirical support, or results are mixed.²²¹ And, most of these research were conducted in developed countries lead to the urgency to examine the customer perception of social responsibility in developing countries. Despite this increased attention in developed economy, the lack of empirical investigation into customers' responses to CSR in developing countries has left our understanding of the CSR-customer relationship unclear. Therefore, there is a need to further test the proposed relationship.

²¹⁵ Sankar Sen and C.B. Bhattacharya, p. 235.

²¹⁶ J. Dawkins, *The Public's Views of Corporate Responsibility* (MORI, 2004).

²¹⁷ Abigail McWilliams and Donald S. Siegel, "Corporate Social Responsibility: A Theory of the Firm Perspective", *Academy of Management Review*, Vol. 26, No. 1, (2001): p. 123. (Accessed 07/02/12)

²¹⁸ X. Nan and K. Heo, "Consumer Responses to Corporate Social Responsibility (CSR) Initiatives", *American Academy of Advertising*, vol. 36 no. 2 (2007): p. 69.

²¹⁹ Sankar Sen and C.B. Bhattacharya, p. 238.

²²⁰ Xueming Luo and C.B. Bhattacharya, "Corporate Social Responsibility, Customer Satisfaction, and Market Value," *Journal of Marketing*, vol. 70 (October 2006): p. 2. 1-18

²²¹ Xueming Luo and C.B. Bhattacharya, p. 16.

The purpose of this chapter is to add to our understanding of the CSR-customer relationship by investigating customer perception of different CSR initiatives and the impacts of perceived CSR on customer attitude in a high-involvement service category—banking sector of Bangladesh. This sector is generally characterized by a high degree of brand homogeneity and little switching between brands.²²² We begin by briefly reviewing the perceived CSR initiatives of the private commercial banks by customers. We then examine the impacts of CSR on customer attitude.

5.2 Perceived CSR initiatives of the Banks by Customers in Bangladesh

Corporate social responsibility research in the developing country mostly analyses the business perspective of CSR²²³, but seldom examined the customer perspective of CSR, particularly on how customers react to CSR. Additionally, most study in CSR tends to generalize all developing countries.²²⁴

From 1990 Bangladesh commenced a move towards a free market economy. A floating exchange rate mechanism was introduced from 2003. Although the country is moving towards a free market economy neither government nor private initiatives have been sufficient to promote an acceptable level of corporate social responsibility.²²⁵

The discussions on CSR practices in Bangladesh in its modern global terms, are relatively new, but not so for the concept itself. Because, being a part of the global market, it is difficult to ignore CSR standard specifically in the banking sector. In general, it is true that in Bangladesh, the status of human resource

²²² Alan Pomeroy and Sara Dolnicar, “Customers’ Sensitivity to Different Measures of Corporate Social Responsibility in the Australian Banking Sector” (2006). <http://ro.uow.edu.au/commpapers/242>, p. 1.

²²³ A. M. Quazi, and D. O’Brien, “An Empirical Test of A Cross-National Model of Corporate Social Responsibility”, *Journal of Business Ethics*, vol. 25, (2000): pp. 33–51; M. Blowfield, “Ethical Supply Chains In the Cocoa, Coffee and Tea Industries”, *Greener Management International*, vol. 43, (2003): pp. 15–24; Md. Nizamul Karim, “Social Responsibility of Private Sector Business in Bangladesh: A Study of Selected Enterprises,” PhD Thesis, Institute of Bangladesh Studies (IBS), University of Rajshahi, 2006; Md. Kamaluddin Jasim, “Corporate Social Responsibility of Islamic Banking: A Study of Two Banks in Bangladesh,” PhD Thesis, Institute of Bangladesh Studies (IBS), University of Rajshahi, 2010.

²²⁴ Denni I. Arli and Hari K. Lasmono, “Consumers’ Perception of Corporate Social Responsibility in Developing Country,” *International Journal of Consumer Studies*, vol. 34 (2010): pp. 46–51.

²²⁵ *Corporate Social Responsibilities (CSR) Practices and Challenges in Bangladesh, Roundtable by Bangladesh Enterprise Institute (BEI), Dhaka, 2006*

practices, environmental management, and transparency in corporate governance are not satisfactory, largely due to poor enforcement of existing laws and inadequate pressure from civil society and interest groups like Customer Forums.²²⁶

Addressing the first challenge, Bangladesh's weak law enforcement system, as in many developing countries, is structurally and legislatively weak. The government is always alleged negatively by its people because of widespread corruption. The government's poor image raises another concern. Many large Bangladeshi companies have Bangladeshi politicians on their board of directors in order to defend the business. Customers tend to disbelieve that companies will put legal, ethical and philanthropic aspects before economic obligations.

Bangladesh has too few trained managers, especially in the area of CSR. Many local large businesses in Bangladesh only promote those with political or family connections. Finally, concerning the last challenge, a high percentage of low-income families, the majority of Bangladeshi people have a low income. In 2013, Bangladesh's gross national income per capital is only US \$900.00/year.²²⁷ In that case, spending extra money to support socially responsible companies would become a difficult option for many customers in Bangladesh.

But there are some good news regarding CSR of banking sector in Bangladesh. Bangladesh Bank through issuance of a circular on 23rd August in 2013 requested commercial banks to appoint two directors from the depositors by September 30. Bangladesh Bank has undertaken the initiative as per the Bank Company Act 1991 to ensure accountability and transparency of the banking activities through appointing two representatives from the depositors to the Board of Directors. The posts of the depositor directors will be in addition to 13 bank directors none of whom should be from the "family members" of the existing directors.

²²⁶ Fara Azmat and Ken Coghill, *Good governance and market-based reforms: a study of Bangladesh*.

²²⁷ Ministry of Finance, *Bangladesh Economic Review* (Dhaka, 2013).

Bangladesh Bank has been guiding banks and financial institutions into mainstreaming Corporate Social Responsibility in their institutional goals and objectives in line with inclusive growth objectives of the national perspective and Five Year Plan.²²⁸ This was followed up by engaging the entire financial sector in a sustained financial inclusion campaign to reach out to hitherto unserved and underserved population segments and economic sectors.

The inclusion campaign is according priority attention to adequacy of credit flows to agriculture, SMEs, renewable energy generation and other environment friendly projects. While some extent of refinance support lines are available to lenders for occasional liquidity needs, participation of banks in the financial inclusion drives have by and large been spontaneous. Many of them have launched their own financing programs for farm and non-farm SMEs in specific activity clusters throughout the country like Agar and maize farming, light engineering workshops, handloom based textiles villages and so forth.²²⁹ State owned banks have by now opened about ten million new bank accounts in names of small landholder/landless farmers/other rural and urban people of small means with nominal Taka ten initial deposits;²³⁰ enabling them to receive government agricultural input subsidies/social safety net payments in these accounts, besides making other transactions.

Bangladesh Bank has advised to the scheduled banks to introduce School Banking activities to encourage saving behavior of students and to facilitate their financial inclusion as well as for introducing modern banking service and technology to the student.²³¹

The rapid growth of mobile phone users and countrywide coverage of mobile operator's network has made their delivery channel an important tool-of-

²²⁸ Bangladesh Bank, *Recent Reforms Initiatives* (Dhaka: Department of Printing and Publications BB, 2012), p.31.

²²⁹ Bangladesh Bank, p.18.

²³⁰ Bangladesh Bank, p.19.

²³¹ Bangladesh Bank, *Recent Reforms Initiatives* (Dhaka: Department of Printing and Publications BB, 2012), p.20.

the-trade for extending banking services to the unbanked and banked population, especially to expedite faster delivery of remittances across the country.²³² Banks are partnering creatively with regulated Micro Finance Institutions (MFIs) and mobile telephone/smart card based IT platforms in devising cost effective modes of financial service delivery to the new customer bases being built up in poorer rural and urban populations.

Bangladesh Bank's guidance circular on Green Banking has initiated practices of environmental risk assessment of new and ongoing projects before making financing decisions. Besides, the CSR mainstreaming guidelines are engaging banks into adoption of energy efficient and harmful emission minimizing internal processes and practices.²³³ Customer interest protection in financial services has been institutionalized by Bangladesh Bank. Hotlines are open all hours at Bangladesh Bank to receive and promptly address customer complaints; a central database has been developed to monitor resolution of customer complaints in Bangladesh Bank and in the banks/financial institutions.²³⁴

In response to the central bank's action, as of December 2011, all 47 banks have adopted CSR as mainstream extending direct expenditure of total BDT 2.18 billion (USD 27.25 million) which is fourfold larger than in 2009 (BDT 0.55 billion).²³⁵ Besides direct budgetary expenditure towards attaining various CSR objectives, banks have important CSR role in channeling adequate credit flows to productive pursuits of rural and urban population segments of small means typically under-served by the formal financial markets. 3 SCBs, 4 SDBs, 24 PCBs and 7 FCBs reported substantial engagement in 2010 in credit programs promoting financial inclusion of socially disadvantaged rural and urban population segments.²³⁶

²³² Bangladesh Bank, p.20.

²³³ Bangladesh Bank, p.33.

²³⁴ Bangladesh Bank, p.31.

²³⁵ Bangladesh Bank, p.31.

²³⁶ Department of Off-site Supervision, Bangladesh Bank, *Review of Corporate Social Responsibility Initiatives in Banks: 2010* (Dhaka: Bangladesh Bank, 2011), P. 3.

Besides agricultural credit programs pursued by all banks (with FCBs lending mostly through locally active MFIs), the financial inclusion programs of banks comprised:

- ◆ More than 10 million accounts of farmers have been opened in State-owned Commercial Banks with an initial deposit of BDT 10.²³⁷
- ◆ Total number of accounts for Beneficiaries under Social Security Program are 25,80,668 and freedom fighters' accounts are 92,693 as of March 29, 2012.²³⁸
- ◆ Bangladesh Bank, with the help of government and different development partners, is implementing 4 refinance facilities to banks and NBFIs against their disbursed SME credit. Under these refinance facilities, 22 banks and 24 NBFIs have signed administrative agreement with BB.²³⁹
- ◆ As of December 31, 2012 about 37 banks have responded to school banking services and 29,080 numbers of accounts have been opened.²⁴⁰

Table 5.2.1: Descriptive Statistics of customer Perceived CSR

	N	Min.	Max.	Mean	Std. Dev.	Skewness	Kurtosis
Economic Responsibility	206	2.50	6.50	4.5859	.950	-.173	-.956
Legal Responsibility	206	2.50	6.25	4.7371	.880	-.197	-.940
Ethical Responsibility	206	2.54	6.00	4.3055	.855	-.070	-.907
Philanthropic Responsibility	206	2.33	6.50	4.6861	1.017	-.343	-.769
CSR	206	2.69	6.23	4.5786	.818	-.073	-.696
Valid N (list wise)	206						

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

²³⁷ Bangladesh Bank, *Recent Reforms Initiatives* (Dhaka: Department of Printing and Publications BB, 2012), p.18.

²³⁸ Bangladesh Bank, p.18.

²³⁹ Bangladesh Bank, p.39.

²⁴⁰ Bangladesh Bank, p.19.

A customer survey was conducted to measure the perceived CSR initiatives by private commercial banks in Bangladesh through the same scale used in chapter 3 to evaluate the CSR. With the initial descriptive analysis, the result showed normality and variance required to conduct statistical analysis. Frequencies of the sample were tested with normality and variance being ascertained. Skewness and kurtosis were normal with all types of CSR.

What is especially vital to note about the CSR model used in this study is that it is really a stakeholder model. That is, each of the four components of responsibility addresses different stakeholders in terms of the varying priorities in which the stakeholders are affected. Thus, economic responsibilities most dramatically impact owners and employees. Legal responsibilities are certainly crucial with respect to owners, but in today's society the danger of litigation against businesses emanates chiefly from employee and customer. Ethical responsibilities influence all stakeholder groups, but an assessment of the ethical issues business faces today suggests that they involve customers and employees most frequently. Finally, philanthropic responsibilities mostly affect the community, but it could be argued that employees are next affected because some research has suggested that a company's philanthropic performance significantly affects its employees' morale.²⁴¹

5.2.1 Economic Responsibilities Perceived by Customers

For Table 5.2.2 all responses that were between 1 and 3 were shrunk into the "disagree" category. All responses that were between 5 and 7 were collapsed into the "agree" category.

In Table 5.2.2, the highest ratio of agree/disagree was for question 1, for which the agree/disagree ratio was 3.16 to one. The table showed, 68.93 percent of the employees of private commercial banks in Bangladesh claim that their bank has a clear, written, and announced strategic vision. Next, the highest ratios of agree/disagree in Table 5.2.2 were also in the owner dimension. Question 8, "Pleasing owner/stockholder by ensuring profit is an important objective of this bank", had a ratio of 3.07 times more respondents agreeing than disagreeing.

²⁴¹ Archie B. Carroll and Ann K. Buchholtz, *Business & Society: Ethics and Stakeholder Management* (Mason: South-Western Cengage Learning, 2009), p. 38.

Asked if decisions in this bank are primarily viewed in terms of contributions to profit, 56.80 percent of the customers responded in the positive, while the lowest ratio of those that agreed was for question 3. So, it can be said that in case of economic obligations, private commercial banks in Bangladesh are more aware maximizing profit through improving product and services with operating efficiency.

Table 5.2.2: Economic Responsibility Scale (Perceived by Customer)– Frequency of Responses, Shrunken Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q1	This bank has a clear, written, and announced strategic vision.	45	21.84	142	68.93	3.16
Q2	Pleasing owner/stockholder by ensuring profit is an important objective of this bank.	42	20.39	129	62.62	3.07
Q3	Decisions in this bank are primarily viewed in terms of contributions to profit.	70	33.98	117	56.80	1.67
Q4	Most people in this bank show through their work that they care a lot about making a profit.	59	28.64	118	57.28	2.00
Q5	This bank has been successful at maximizing the profits.	58	28.16	128	62.14	2.21
Q6	The major responsibility for managers in the bank is to consider efficiency first.	54	26.21	131	63.59	2.43
Q7	This bank strives to lower the operating cost.	58	28.16	127	61.25	2.19
Q8	This bank has a procedure in place to respond to every customer complaint.	55	24.27	129	62.62	2.35
Q9	This bank continually improves the quality of the products and services.	46	22.33	140	67.96	3.04
Q10	This bank use customer satisfaction as an indicator of the bank performance	54	26.21	128	62.14	2.37

Source: Field Survey Data (Appendix-C)

Table 5.2.3 shows customers' opinions about their bank regarding economic responsibilities. All the statements had a mean score from 4.3 to 4.8 that indicate the customers of the private commercial banks in Bangladesh positively approve the economic stance of their banks. But the evaluations were lesser than what employees perceived. In the majority cases of economic dimensions Dutch-Bangla Bank Limited stands high. In the field of economic responsibilities Mercantile Bank Limited and Islami Bank Bangladesh Limited rest at the bottom.

Table 5.2.3: Customers’ Opinions about Their Bank Regarding Economic Responsibilities.

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q1	5.88	3.29	4.42	4.74	5.74	4.00	5.33	4.32	4.72
Q2	5.73	3.29	4.53	4.93	5.00	3.96	5.26	4.00	4.58
Q3	5.42	3.14	4.05	4.67	5.15	3.42	5.33	3.75	4.38
Q4	5.54	3.32	4.11	4.67	5.15	3.58	5.19	3.82	4.43
Q5	5.73	3.21	3.95	4.56	5.33	3.71	5.52	4.11	4.53
Q6	6.23	3.25	4.16	5.15	5.30	3.58	5.11	4.14	4.63
Q7	6.00	3.32	4.05	5.00	5.22	3.29	5.30	4.00	4.54
Q8	5.92	3.29	4.26	4.70	5.56	3.63	5.37	4.18	4.63
Q9	6.23	3.57	4.00	5.15	5.56	3.79	5.56	4.18	4.78
Q10	5.92	3.68	3.95	4.67	5.48	3.54	5.41	4.14	4.63

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

5.2.2 Legal Responsibilities Perceived by Customers

In Table 5.2.4, consistent with the employees perception, the highest ratio of agree/disagree was for question 15, for which the agree/disagree ratio was 4.50 to one. The table showed, 74.27 percent of the customers of private commercial banks in Bangladesh affirm that their bank tries to comply with the laws regarding taxation and corporation. Question 13, “Contractual obligations have been always honored by this bank”, also had a high agree/disagree ratio with 4.17 times more employees agreeing than disagreeing.

Asked if this bank has programs that ensure equal employment opportunity (EEO), about 60 percent of the customers responded in the affirmative, despite the fact that the lowest ratio of those that agreed was for this question. So, it can be said that in case of legal stances, private commercial banks in Bangladesh are more aware of complying legal requirements imposed by government agencies than other obligations.

Table 5.2.4: Legal Responsibility Scale (Perceived By Customer)–Frequency of Responses, Shrunkn Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q11	The first consideration of this bank is whether a decision violates any law.	49	23.79	141	68.45	2.88
Q12	Managers of this bank are aware about relevant environmental laws.	37	17.96	149	72.33	4.03
Q13	All of this bank's products and services meet legal standards.	41	19.90	149	72.33	3.63
Q14	Contractual obligations have been always honored by this bank.	36	17.48	150	72.82	4.17
Q15	The management of this bank tries to comply with the laws regarding taxation and corporation.	34	16.50	153	74.27	4.50
Q16	This bank seeks to comply with all laws regulating human resource practices.	49	23.79	139	67.48	2.84
Q17	This bank has programs that ensure equal employment opportunity (EEO).	53	25.73	125	60.68	2.36
Q18	There are internal policies prevent discrimination in employees' of this bank.	55	26.70	138	66.99	2.51

Source: Field Survey Data (Appendix-C)

Table 5.2.5 shows customers' outlook of their bank regarding legal responsibilities.

Table 5.2.5: Customers' Outlook of Their Bank Regarding Legal Responsibilities

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q11	6.00	4.36	3.63	4.93	5.63	3.67	5.11	4.04	4.71
Q12	5.81	4.54	4.05	4.70	5.59	3.67	5.44	4.25	4.79
Q13	6.00	4.68	3.79	4.63	5.56	3.63	5.48	4.46	4.83
Q14	6.08	4.57	3.79	5.00	5.48	3.63	5.30	4.43	4.83
Q15	6.04	4.64	4.32	4.93	5.52	3.46	5.59	4.36	4.89
Q16	5.73	4.64	3.58	4.67	5.48	3.38	5.41	4.04	4.67
Q17	5.31	4.57	4.11	4.22	5.41	3.21	5.04	3.82	4.49
Q18	5.92	4.61	4.11	4.33	5.70	3.17	5.37	4.00	4.68

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

All the statements had a mean score from 4.49 to 4.89 that indicate the customers of the private commercial banks in Bangladesh reasonably endorse the legal stance of their organizations, that was a slight higher than economic responsibilities. In most cases of the legal obligations Dutch-Bangla Bank Limited and National Bank Limited stand high. In complying with legal obligations, Mercantile Bank Limited and United Commercial Bank had the lowest exposure.

5.2.3 Ethical Responsibilities Perceived by Customers

Table 5.2.6: Ethical Responsibility Scale (Perceived By Customer)– Frequency of Responses, Shrunkn Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q19	This bank lending SME's, farmers, women, and students adequately.	60	29.13	113	54.85	1.88
Q20	This bank lending for renewable energy generation (household solar and bio-mass plants), effluent treatment, and manufacturing/processing equipments that minimize harmful emissions.	53	25.73	123	59.71	2.32
Q21	Initiatives are in place to reduce the energy and materials wasted in this bank.	59	28.64	125	60.68	2.12
Q22	This bank has an effective mobile banking services in remote locations	140	67.96	64	31.07	0.46
Q23	This bank has adequate number of branches in dispersed rural locations	160	77.67	42	20.39	0.26
Q24	This bank has a comprehensive code of conduct.	59	28.64	131	63.59	2.22
Q25	What is best for each individual is a primary concern in this organization.	45	21.84	140	67.96	3.11
Q26	Employees of this bank are expected to comply with the professional standards over and above other considerations.	48	23.30	136	66.02	2.83
Q27	This bank does as much as it can within its daily operations to make sure that are not hurting the society and environment.	48	23.30	148	71.84	3.08
Q28	This bank recognized as a trustworthy company to all stakeholders.	37	17.96	151	73.30	4.08
Q29	A confidential procedure is in place for employees and customers to report any misconduct at workplace (stealing or sexual harassment).	48	23.30	131	63.59	2.73
Q30	Employees of this bank are required to provide complete and accurate information to all customers.	54	26.21	131	63.59	2.43
Q31	This bank initiates publicity for company information to society.	55	26.70	132	64.08	2.40

Source: Field Survey Data (Appendix-C)

As can be seen in Table 5.2.6, the highest ratios of agree to disagree were questions 25, 27, and 28, with all having ratios over 3 times more customers agreeing than disagreeing and; the questions all had to do with forms of appreciation of individual dignity, environment and trustworthiness of organization. The highest ratio of agree/disagree was for question 28, for which the agree/disagree ratio was 4.08 to one. Study showed 73.3 percent of the customers of private commercial banks in Bangladesh said that, his or her bank recognized as a trustworthy company to all stakeholders.

Table 5.2.7: Customers' Views about Their Banks Regarding Ethical Responsibilities

Items	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q19	5.08	4.71	4.05	3.93	4.63	3.21	4.74	4.11	4.33
Q20	5.58	5.04	4.11	4.56	4.56	3.38	4.41	3.64	4.43
Q21	5.88	4.89	3.53	4.59	4.41	3.00	5.33	3.82	4.48
Q22	5.96	5.32	2.00	1.52	1.74	1.92	2.11	3.57	3.07
Q23	1.96	5.36	2.00	1.74	1.67	1.63	1.96	4.07	2.61
Q24	5.73	5.18	3.00	4.44	4.56	2.92	5.07	4.29	4.47
Q25	5.81	5.14	3.53	4.48	4.81	3.17	5.41	4.29	4.64
Q26	6.12	5.32	4.11	4.56	4.63	3.38	4.93	4.04	4.67
Q27	6.19	5.07	3.79	5.11	4.78	3.04	5.44	4.32	4.77
Q28	6.08	5.36	4.37	5.19	4.56	3.29	5.33	4.04	4.81
Q29	5.50	5.18	3.79	4.15	4.48	3.33	5.15	4.39	4.54
Q30	5.69	5.25	3.84	4.59	4.52	3.33	5.41	3.79	4.59
Q31	5.85	5.04	3.58	4.52	4.93	3.00	5.52	3.75	4.57

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Of all the questions regarding ethical responsibilities, the lowest ratios were for question 23 and 22, for that the agree/disagree ratios were 0.26 and 0.46 respectively, thus had many more customers disagreeing than agreeing. Only 20.39 percent of the customers held that, their bank has sufficient number of branches in

dispersed rural locations. And, only 31.07 percent of the customers appreciate the performance of the banks in forms of effective mobile banking services in rural and remote locations.

Table 5.2.7 shows customers' views about their banks regarding ethical responsibilities. All the statements had a mean score from 2.61 to 4.81, which signify the employees of the private commercial banks in Bangladesh feebly that approve the ethical stance of their organizations. In most cases of the ethical dimensions, like, mobile banking services, environmental friendly operations, and trustworthiness Dutch-Bangla Bank Limited stood high. EXIM Bank Limited and Islami Bank Bangladesh Limited also considered as better performers by their employees from ethical point of view.

5.2.4 Philanthropic Responsibilities Perceived by Customers

The difference between ethical responsibilities and philanthropic responsibilities is that the latter typically are not expected in a moral or an ethical sense.

Table 5.2.8: Philanthropic Responsibility Scale (Perceived By Customer)– Frequency of Responses, Shrunk Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q32	This bank support employees who acquire additional education and training.	53	25.73	136	66.02	2.57
Q33	This bank encourages employees to join civic organization that support community.	54	26.21	138	66.99	2.56
Q34	Flexible company policies that enable employees to better coordinate organizational and personal life.	54	26.21	127	61.65	2.35
Q35	This bank gives adequate contribution to charities.	41	19.90	145	70.39	3.56
Q36	This bank encourages partnerships with local business and educational institutes.	49	23.79	137	66.50	2.80
Q37	This bank supports local sports and cultural activities.	37	17.96	144	69.90	3.89

Source: Field Survey Data (Appendix-C)

Communities desire business to contribute its money, facilities, and employee time to humanitarian programs or purposes, but they do not regard firms

as unethical if they do not provide these services at the desired levels.²⁴² Therefore, these responsibilities are more discretionary, or voluntary, on business's part, although the societal expectation that they be provided is always present. In Table 5.2.8, the highest ratio of agree/disagree was for question 37, for which the agree/disagree ratio was 3.89 to one. Next, the highest ratio of agree/disagree was contributions to charities, had a ratio of 3.56 times more respondents agreeing than disagreeing.

Asked if flexible company policies that enable employees to better coordinate organizational and personal life, 61.65 percent of the customers responded in the positive, while the lowest ratio of those that agreed was for question 2.35. So, it can be said that, consistent with the perception of employees, in case of discretionary stances, private commercial banks in Bangladesh are more proactive to external CSR than internal CSR.

Table 5.2.9: Customers' Opinions about Their Banks Regarding Philanthropic Responsibilities

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q32	6.04	5.25	3.84	4.96	4.67	3.08	5.33	3.64	4.65
Q33	5.92	5.14	4.05	4.59	4.89	2.83	5.44	3.68	4.61
Q34	5.92	5.14	3.58	4.22	4.74	2.88	5.41	4.07	4.55
Q35	6.23	5.46	4.00	4.74	5.00	3.00	5.52	4.00	4.79
Q36	6.12	5.29	3.68	5.00	5.15	3.08	5.48	3.54	4.72
Q37	6.27	5.21	3.74	5.00	4.74	3.13	5.63	4.29	4.81

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 5.2.9 explains customers' opinions about their banks regarding philanthropic responsibilities. According to customers' opinion, philanthropic responsibilities ranked second among the dimensions of CSR. All the statements had a mean score from 4.55 to 4.81, which suggested the customers of the private commercial banks in Bangladesh weakly backed the philanthropic posture of their

²⁴² Archie B. Carroll and Ann K. Buchholtz, *Business & Society: Ethics and Stakeholder Management* (Mason: South-Western Cengage Learning, 2009), p. 38.

organizations. In most cases of the philanthropic magnitudes, like, contribution to charities, partnership with local business and educational institutes, and supporting local sports and cultural activities Dutch-Bangla Bank Limited stood high.

Table 5.2.10: Customer Perceived CSR Posture of the Private Commercial Banks in Bangladesh

			Economic	Legal	Ethical	Philanthropic	CSR
Name of The Bank	DBBL	Mean	5.86	5.86	5.49	6.08	5.82
		S.D.	.33	.22	.30	.27	.25
	IBBL	Mean	3.34	4.58	5.14	5.25	4.58
		S.D.	.51	.66	.32	.37	.38
	EBL	Mean	4.15	3.94	3.51	3.82	3.85
		S.D.	.23	.21	.15	.24	.12
	PBL	Mean	4.82	4.68	4.11	4.75	4.59
		S.D.	.52	.39	.50	.42	.42
	NBL	Mean	5.35	5.55	4.17	4.86	4.98
		S.D.	.21	.41	.37	.46	.26
	MBL	Mean	3.65	3.47	2.97	3.00	3.27
		S.D.	.57	.47	.52	.61	.40
	EXIM	Mean	5.34	5.34	4.68	5.47	5.21
		S.D.	.39	.50	.49	.30	.38
	UCBL	Mean	4.06	4.17	4.01	3.87	4.03
		S.D.	.39	.41	.33	.46	.32
	Overall	Mean	4.59	4.74	4.31	4.69	4.58
		S.D.	.95	.88	.86	1.02	.82

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 5.2.10 demonstrates CSR stance of eight private commercial banks according to customers' responses. As revealed in Table 5.2.10, the assorted corporate social responsibilities were computed by calculating the respective mean of the scores assigned by the respondents to each dimension of responsibilities. In DBBL (Dutch-Bangla Bank Limited), and EXIM (EXIM Bank Limited), and IBBL (Islami Bank Bangladesh LTD) philanthropic responsibilities were rated highly. In EBL (Eastern Bank Limited), MBL (Mercantile Bank Limited), and PBL (Prime Bank Limited) economic responsibilities were perceived highly by

their customers. In NBL (National Bank Limited) and UCBL (United Commercial Bank Ltd) legal responsibilities were rated highly by their customers in comparison to other dimensions of CSR.

In case of overall CSR Dutch-Bangla Bank Limited had stood at the highest mark and, Mercantile Bank Limited was rated lowest for the same. According to the customers' perception all banks have been outperformed by Dutch-Bangla Bank Limited in every aspect of social responsibilities. According to the customers' opinion, like employees', private commercial banks in Bangladesh are comparatively more aware of complying legal responsibilities than other aspects of CSR.

5.3 Effects of Perceived CSR on Customer Satisfaction

Customer satisfaction has been defined in many diverse terms but essentially as the customer's verdict that a product or service meets or falls short of expectations. This view holds that a customer compares what is received with a pre-consumption expectation. Conventionally, customer satisfaction was viewed as operation specific, an instant post-purchase evaluative judgment.²⁴³ Considering the more comprehensive point of view, customer satisfaction can be defined as the overall evaluation based on the entire purchase and consumption experience with a product over time.²⁴⁴

Following the same reasoning as that used for employee job satisfaction, it may be argued that CSR influence customer satisfaction for diverse reasons. First, CSR practicing banks treat customer with highest admiration.²⁴⁵ They are expected to continually improve the quality of the products, to respond to every customer complaint promptly, use customer satisfaction as an indicator of the bank performance. Second, stakeholder theory implies that a company's actions appeal to the multidimensionality of the customer as not only an economic entity but also

²⁴³ Richard Oliver, "Cognitive, Affective, and Attribute Bases of the Satisfaction Response," *Journal of Consumer Research*, vol. 20 (December, 1993): pp. 418-430.

²⁴⁴ Eugene W. Anderson, Claes Fornell, and Donald R. Lehmann, "Customer Satisfaction, Market Share, and Profitability: Findings from Sweden," *Journal of Marketing*, vol. 58, (1994): p. 54.

²⁴⁵ Isabelle Maignan, O. C. Ferrell, and G. Tomas M. Hult, "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (Fall 1999): p. 459.

a member of a society.²⁴⁶ CSR practicing banks serve society significantly. They are expected to give adequate contribution to charities, to build partnerships with local business and educational institutes, and to supports local sports and cultural activities. Viewed in this manner, such universal customers are likely to be more satisfied by products that socially responsible firms offer. Third, literature stream that advocates relating CSR to customer satisfaction examines the predictors of customer satisfaction. It is evident that, perceived value and improved customer knowledge are vital antecedents that have been empirically shown to promote customer satisfaction.²⁴⁷ Viewed through this lens, such customers are likely to be more satisfied by the products that socially responsible firms offer. Consequently we believe that CSR initiatives may possibly promote customer satisfaction.

H 11: The greater the perceived CSR, the greater the customer satisfaction.

5.3.1 Customer Satisfaction of the Private Commercial Banks in Bangladesh

To illustrate the meaning of items and patterns, the data was analyzed for trends.

Table 5.3.1: Overall Customer Satisfaction Scale–Frequency of Responses Shrunken Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q62	If I had to choose all over again I would not feel differently about choosing this bank	36	17.48	156	75.73	4.33
Q63	I think I did the right thing when I decided to use services of this bank	36	17.48	139	67.48	3.86
Q64	I believe that purchasing services from this bank is usually a satisfying experience	37	17.96	140	67.96	3.78
Q65	Overall, I am satisfied with this bank.	38	18.45	146	70.87	3.84

Source: Field Survey Data (Appendix-C)

As shown in Appendix C, the data was first compiled into tables which represented the frequency of responses under a scale ranking for each item. Subsequently, the data was then collapsed, as shown in Tables 5.3.1, all responses that were a 1, 2, and 3 were collapsed into the “disagree” category. All responses that were a 5, 6, and 7 were collapsed into the “agree” category.

²⁴⁶ Xueming Luo and C.B. Bhattacharya, “Corporate Social Responsibility, Customer Satisfaction, and Market Value,” *Journal of Marketing*, vol. 70 (October 2006): p. 3.

²⁴⁷ Xueming Luo and C.B. Bhattacharya, “Corporate Social Responsibility, Customer Satisfaction, and Market Value,” *Journal of Marketing*, vol. 70 (October 2006): p. 4.

Overall, the survey responses were moderately positive with most customers agreeing to questions regarding their overall customer satisfaction. As can be seen in Table 5.3.1, the highest ratio was for question 62, “If I had to choose all over again I would not feel differently about choosing this bank”, which had a ratio of 4.33 times more respondents agreeing than disagreeing. Other three responses had a ratio of over three times to one. More than 65 percent of the customers of private commercial banks in Bangladesh say that they are satisfied with their banks.

Table 5.3.2: Bank Wise Distribution of Customers’ Opinions Regarding Overall Customer Satisfaction.

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q62	6.04	4.86	4.42	5.00	5.30	3.21	5.33	4.36	4.84
Q63	5.73	4.89	4.00	4.63	5.22	3.21	5.30	4.39	4.71
Q64	6.04	4.89	4.00	4.44	5.63	3.42	5.52	4.18	4.81
Q65	6.19	4.96	3.89	5.15	5.37	3.08	5.37	4.04	4.81
CS	6.00	4.90	4.08	4.81	5.38	3.23	5.38	4.24	4.79

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 5.3.2 presents bank wise distribution of customers’ opinions regarding overall customer satisfaction. All the statements had a mean score over 4.7 that indicate the customers of the private commercial banks in Bangladesh somewhat satisfied with their bank. From another perspective, in case of overall customer satisfaction DBBL (Dutch-Bangla Bank Limited) had stood at the highest mark and MBL (Mercantile Bank Limited) was rated lowest for the same.

5.3.2 Control Variables

A number of researchers have investigated the relationship between perceived service quality and customer satisfaction. Empirical evidence for the link is available from a number of studies.²⁴⁸ In the banking sector in Greece scholars

²⁴⁸J. J. Cronin and S. A. Taylor, “Measuring Service Quality: A Re-Examination and Extension”, *Journal of Marketing*, no. 56 (July, 1992): pp. 55-68; R. A. Spreng and R. D. Mackoy, “An Empirical

found a positive relationship between service quality and customer satisfaction.²⁴⁹ Kazi Omar Siddiqi²⁵⁰ found the positive relationship among service quality (tangibles, reliability, responsiveness, assurance, and empathy) customer satisfaction and customer loyalty in the banking sector in Bangladesh. So, service quality attributes (tangibles, reliability, responsiveness, assurance, and empathy) have been used as control variables to evaluate the extraneous effects on the link between CSR and customer satisfaction.

Several studies have indicated that customers are more likely to exhibit satisfaction if they believe that their firms provide better customer centric initiatives. It is evident that, the drivers of customer satisfaction for retail banking may differ from the drivers identified for other services. However, the impact of these customer-centric initiatives on satisfaction varies.²⁵¹ Manrai and Manrai²⁵² identified four factors that determined overall customer satisfaction among retail banking customers. In order of importance, these were (1) personnel-related considerations (attitudes and behavior of tellers and other staff, procedures for handling complaints, appearance of staff), (2) financial considerations (interest earnings, interest payments), (3) branch environment-related considerations (atmospherics), and (4) convenience-related considerations (ATMs, opening hours). In another study Levesque and McDougall conclude that price and convenience of the banks are the two important determinants of customer satisfaction.²⁵³ Consequently, price and convenience are also used as control variables in this study.

Examination of A Model of Perceived Service Quality and Satisfaction”, *Journal of Retailing*, vol. 72 no. 2 (1996): pp. 201–14.

²⁴⁹ C. Veloutsou, s Daskouand, and A. Daskou, “Are the Determinants of Bank Loyalty Brand Specific?” *Journal of Financial Services Marketing*, vol. 9 no. 2 (2004): pp. 113–125.

²⁵⁰ Kazi Omar Siddiqi, “Interrelations between Service Quality Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh,” *International Journal of Business and Management*, vol. 6, no. 3 (2011): p. 24.

²⁵¹ Lynette M. McDonald and Sharyn R. Rundle-Thiele, “Corporate Social Responsibility and Bank Customer Satisfaction: A Research Agenda,” *International Journal of Bank Marketing*, vol. 26, no. 3 (2008): p. 176.

²⁵² L. A. Manrai and A. K. Manrai, “A Field Study of Customers’ Switching Behaviour for Bank Services” *Journal of Retailing and Consumer Services*, Vol. 14 (2007): pp. 208–215..

²⁵³ T. Levesque and G. McDougall, “Determinants of Customer Satisfaction in Retail Banking,” *International Journal of Bank Marketing*, vol. 14 no. 7 (1996): pp. 12–20.

Table 5.3.3: Perceived Service Quality of the Private Commercial Banks in Bangladesh

			Assurance	Empathy	Reliability	Tangible	Responsiveness	SQ
Name of The Bank	DBBL	Mean	6.16	5.53	5.96	6.31	6.06	6.00
		S.D.	.25	.44	.39	.36	.27	.22
	IBBL	Mean	5.03	4.51	4.66	4.45	4.60	4.65
		S.D.	.56	.52	.48	.78	.61	.45
	EBL	Mean	3.79	4.04	4.30	5.09	4.95	4.43
		S.D.	.29	.48	.48	.89	.54	.33
	PBL	Mean	4.95	3.86	4.49	4.73	4.67	4.54
		S.D.	.37	.54	.53	.63	.66	.44
	NBL	Mean	5.53	4.80	5.29	5.36	5.32	5.26
		S.D.	.46	.51	.46	.23	.35	.28
	MBL	Mean	3.23	3.25	3.42	3.67	3.63	3.44
		S.D.	.66	.37	.65	.82	.82	.58
	EXIM	Mean	5.41	5.41	5.43	5.67	5.56	5.49
		S.D.	.30	.61	.44	.38	.44	.34
	UCBL	Mean	4.06	4.58	4.55	4.56	4.45	4.44
		S.D.	.42	.59	.53	.62	.52	.38
	Overall	Mean	4.82	4.53	4.79	4.98	4.91	4.81
		S.D.	1.00	.88	.87	.97	.88	.83

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 5.3.3 demonstrates perceived service quality of eight private commercial banks according to customers' responses. As revealed in Table 5.3.3, the perceived service qualities were computed by calculating the respective mean of the scores assigned by the respondents to each dimension of services. In DBBL (Dutch-Bangla Bank Limited), EBL (Eastern Bank Limited), MBL (Mercantile Bank Limited), and EXIM (EXIM Bank Limited) tangible dimensions were rated highly. In, IBBL (Islami Bank Bangladesh LTD), PBL (Prime Bank Limited), and NBL (National Bank Limited) assurance dimensions were rated exceedingly. In UCBL (United Commercial Bank Ltd) empathy factors were rated highly by their customers in comparison to other dimensions of service quality.

As revealed in Table 5.3.3, the overall perceived service qualities were computed by calculating the mean of the scores assigned by the customers to different service dimensions. In case of overall service quality DBBL (Dutch-Bangla Bank Limited) and EXIM (EXIM Bank Limited) were ranked well and remained as the top two. And, EBL (Eastern Bank Limited) and MBL (Mercantile Bank Limited) were marked as meager player as regards CSR amongst the surveyed banks in Bangladesh.

Table 5.3.4: Price and Access of the Private Commercial Banks in Bangladesh

			Price	Access
Name of The Bank	DBBL	Mean	5.98	6.02
		S.D.	.26	.21
	IBBL	Mean	4.79	4.73
		S.D.	.66	.59
	EBL	Mean	4.87	4.76
		S.D.	.40	.25
	PBL	Mean	4.83	4.93
		S.D.	.48	.30
	NBL	Mean	5.50	5.49
		S.D.	.52	.48
	MBL	Mean	3.44	3.35
		S.D.	.77	.58
	EXIM	Mean	5.39	5.44
		S.D.	.76	.45
	UCBL	Mean	4.61	4.56
		S.D.	.52	.27
	Overall	Mean	4.94	4.93
		S.D.	.90	.85

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 5.3.4 exhibits perceived values and convenience of services of eight private commercial banks in terms of price and access respectively according to customers' responses. As exposed in Table 5.3.4, the perceived price and access to services were computed by calculating the respective mean of the scores assigned by the respondents to each factor. In both cases Dutch-Bangla Bank Limited, National Bank Limited, and EXIM Bank Limited were ranked healthy and remained as the top three.

5.3.3 Predicting Customer Satisfaction

The control variables; service quality factors, price, and access were tested through correlation analysis to verify if they had any significant effect on the dependent variable (Customer Satisfaction).

Table 5.3.5: Correlations between Customer Satisfaction and Control Variables.

		1	2	3	4	5	6	7	8	9
1	Assurance	1								
2	Empathy	.691**	1							
		.000								
3	Reliability	.809**	.795**	1						
		.000	.000							
4	Tangible	.713**	.677**	.771**	1					
		.000	.000	.000						
5	Responsiveness	.742**	.687**	.775**	.854**	1				
		.000	.000	.000	.000					
6	SQ	.888**	.856**	.925**	.899**	.906**	1			
		.000	.000	.000	.000	.000				
7	Price	.768**	.656**	.776**	.753**	.779**	.835**	1		
		.000	.000	.000	.000	.000	.000			
8	Access	.830**	.711**	.815**	.778**	.801**	.880**	.847**	1	
		.000	.000	.000	.000	.000	.000	.000		
9	Customer Satisfaction	.854**	.719**	.785**	.700**	.746**	.852**	.773**	.827**	1
		.000	.000	.000	.000	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Based on Table 5.3.5, it can be concluded that: (i) consistent with the previous study,²⁵⁴ all the five service quality dimensions—tangibles, reliability, responsiveness, assurance, and empathy—were positively correlated with customers' satisfaction (at the significant level of .001); (ii) the strong correlation existed between service quality as a whole and customer satisfaction (.852); (iii) the highest correlation existed between assurance and customer satisfaction (.854); (iv) the significant correlation existed between price and access with customer satisfaction; and (v) the lowest but significant correlation was between tangible

²⁵⁴ Kazi Omar Siddiqi, "Interrelations between Service Quality Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh," *International Journal of Business and Management*, vol. 6, no. 3 (2011): pp. 24–25.

and customer satisfaction with correlation coefficient .70. Those control variables (service quality, price, and access), significant correlations with dependent variable (Customer Satisfaction) at the 0.01 level, were incorporated as control variables in the final model.

Table 5.3.6: Correlations among Perceived CSR, Concern for Social Issues, and Customer Satisfaction.

		1	2	3	4	5	6	7
1	Economic Responsibility	1						
2	Legal Responsibility	.772** .000	1					
3	Ethical Responsibility	.430** .000	.738** .000	1				
4	Philanthropic Responsibility	.589** .000	.813** .000	.896** .000	1			
5	Overall CSR	.794** .000	.939** .000	.864** .000	.935** .000	1		
6	Customer Satisfaction	.681** .000	.825** .000	.801** .000	.866** .000	.899** .000	1	
7	Concern for Social Issues	.583** .000	.721** .000	.695** .000	.732** .000	.773** .000	.765** .000	1

** Correlation is significant at the 0.01 level (2-tailed).

The inter-correlation matrix of measures of customer satisfaction, perceived CSR, and concern for social issues of customers are reported in Table 5.3.6. The table demonstrated that: (i) all relationships being significant with a $p < 0.01$; (ii) significant relationships existed between the independent variables (Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility, and overall CSR) and dependent variable (Customer Satisfaction); (iii) the strong correlation existed between overall CSR and customer satisfaction (.899); (iv) the highest correlation existed between philanthropic responsibilities and customer satisfaction individually (.866); and (v) the lowest but moderate correlation was between economic responsibilities and customer satisfaction with correlation coefficient .681. This table also reported a significant relationship between customer satisfaction and concern for social issues of the customers.

Table 5.3.7 (a): Relationship between CSR and Customer Satisfaction (Model Summary and ANOVA)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.869 ^a	.754	.751	.46665	.754	206.767	3	202	.000
2	.909 ^b	.826	.822	.39376	.072	82.705	1	201	.000
3	.911 ^c	.831	.827	.38926	.005	5.673	1	200	.018
4	.912 ^d	.831	.826	.38995	.000	.293	1	199	.589
^a Predictors: (Constant), Service Quality, Price, Access									
^b Predictors: (Constant), Service Quality, Price, Access, CSR									
^c Predictors: (Constant), Service Quality, Price, Access, CSR, Concern for Social Issue (CSI)									
^d Predictors: (Constant), Service Quality, Price, Access, CSR, Concern for Social Issue (CSI), CSRXCSI									
ANOVA ^e									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	135.078	3	45.026	206.767	.000 ^a			
	Residual	43.988	202	.218					
	Total	179.066	205						
2	Regression	147.901	4	36.975	238.477	.000 ^b			
	Residual	31.165	201	.155					
	Total	179.066	205						
3	Regression	148.761	5	29.752	196.351	.000 ^c			
	Residual	30.305	200	.152					
	Total	179.066	205						
4	Regression	148.805	6	24.801	163.097	.000 ^d			
	Residual	30.260	199	.152					
	Total	179.066	205						
^a Predictors: (Constant), Service Quality, Price, Access									
^b Predictors: (Constant), Service Quality, Price, Access, CSR									
^c Predictors: (Constant), Service Quality, Price, Access, CSR, Concern for Social Issue (CSI)									
^d Predictors: (Constant), Service Quality, Price, Access, CSR, Concern for Social Issue (CSI), CSRXCSI									
^e Dependent Variable: Customer Satisfaction									

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

As can be seen in Table 5.3.7(a) and Table 5.3.7(b), the control variables (service quality, price, and access) were entered first into Model 1 to test for the impacts on customer satisfaction. Then in Model 2, Perceived CSR was added and control variables are tested for significance within the overall relationship of CSR and customer satisfaction. In Model 3, Concern for Social Issue was added. Finally in Model 4, the interaction variable (CSR × Concern for Social Issue) was added to test for any interaction of Concern for Social Issue on the customer satisfaction.

Table 5.3.7 (b): Relationship between CSR and Customer Satisfaction (Results of the Regressions)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.095	.199		-.478	.633
	Service Quality	.578	.089	.510	6.488	.000
	Price	.100	.073	.096	1.372	.171
	Access	.328	.090	.297	3.643	.000
2	(Constant)	-.199	.169		-1.179	.240
	Service Quality	.085	.093	.075	.923	.357
	Price	.076	.062	.073	1.231	.220
	Access	.173	.078	.156	2.221	.027
	CSR	.732	.081	.641	9.094	.000
3	(Constant)	-.406	.188		-2.160	.032
	Service Quality	.073	.092	.064	.795	.428
	Price	.056	.061	.054	.917	.360
	Access	.143	.078	.129	1.834	.068
	CSR	.684	.082	.598	8.326	.000
	Concern for Social Issue (CSI)	.142	.060	.116	2.382	.018
4	(Constant)	.043	.850		.050	.960
	Service Quality	.065	.093	.058	.701	.484
	Price	.059	.062	.057	.962	.337
	Access	.146	.078	.132	1.868	.063
	CSR	.566	.234	.495	2.418	.017
	Concern for Social Issue (CSI)	.061	.162	.050	.376	.707
	CSR×CSI	.022	.040	.163	.541	.589

^a Dependent Variable: Customer Satisfaction

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

The regression analyses supported hypothesis 11. The F value of 163.10 (df=199) showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. Therefore, the null hypothesis can be rejected at 1% significant level. The adjusted R squared for the overall model was 0.831. This means that the independent variables (Service Quality, Price, Access, CSR, Concern for Social Issue (CSI), CSR×CSI) explained 83.1% variance in the dependent variable (Customer Satisfaction).

The model 2 to be tested was the prediction of customer satisfaction, shown in Table 5.3.7 (b). Approximately 82.6 per cent of the variation in customer satisfaction could be explained by Service Quality, Price, Access, and CSR. This implies that it is explaining the variance in the dependent variable significantly. Beta is 0.641, while $t = 9.094$ ($p = .000$). We can see that R square change value in model 2 is equal to 0 .072. This means that inclusion of CSR after Service quality, Price, and Access help in explaining the additional 7.2% variance in the customer satisfaction of the banks. Hence hypothesis 11 was supported.

In model 1, Price, although significantly correlated with satisfaction (0.773 from Table 5.3.5), was not found to be significantly associated with overall satisfaction after allowing for the effects of all other predictors. Service Quality and Access were significantly associated with customer satisfaction even after allowing for the effects due to the other variable in the model.

To test for the moderation effect of customers' concerns for social issues, a third multiple regression was run with customer satisfaction as the dependent variable using Service Quality, Price, Access, CSR, and Concern for Social Issue (CSI) as control variables. To test for the effect of the interaction term, the interaction variable ($CSR \times$ Concern for Social Issue) was added to the model. The coefficient for the interaction term was not significant at $p < 0.05$. This means that perceived importance of CSR by customers in Bangladesh does not moderate the relationship between CSR and customer satisfaction.

5.4 Effects of Perceived CSR on Customer Loyalty

Companies seeking to expand their profit must spend considerable resources searching for new customer. It is not enough, however, to attract new customer; the company must keep them and increase their business. Acquiring new customer can cost five times more than satisfying and retaining current customer.²⁵⁵ Studies often account that, on average, it costs an organization more to attract a new

²⁵⁵ Philip Kotler and Kevin Lane Keller, *Marketing Management* (New Delhi: PHI Learning Private Ltd., 2009), p. 138.

customer as it does to execute a retention approach.²⁵⁶ It requires a great deal of effort to induce satisfied and loyal customer to switch away from their current organization.

Customer loyalty can be defined as the strength of the relationship between an individual's relative attitude and repeat patronage toward a brand or company.²⁵⁷ Customer loyalty is a feeling of commitment on the part of the customer to a product, brand, marketer, or services above and beyond that for the competitors in the market place, which results in repeat purchase. Bank, as a service providing firm, customer loyalty is critical to the conduct of business in today's competitive bank markets. A loyal customer to a bank is therefore, one who will continue with the same service provider, is expected to take out innovative products with the bank and is likely to recommend the bank services to others.²⁵⁸

Now the question is. Why should a firm's CSR initiatives lead to greater customer loyalty? While considerable amount of research has been done examining CSR's impact on customer attitudes and behaviors, several answers remain unanswered. In past, researchers have studied the impact of CSR on customer loyalty in a direct relationship. Maignan, Ferrell, and Hult²⁵⁹ studied the direct relationship between corporate citizenship and customer loyalty in USA, and found that, there was significant direct relation between the two variables. But, in that case, other than direct customers, marketing executives and MBA students were participated as respondents. So, the customer loyalty scores have been inclined by employees' perception.

²⁵⁶ Liz Lee-Kelley, David Gilbert, and Robin Mannicom, "How e-CRM Can Enhance Customer Loyalty," *Marketing Intelligence and Planning*, vol. 21 no. 4 (2003): p. 240.

²⁵⁷ Alan S. Dick and Kunal Basu, "Customer Loyalty: Toward an Integrated Conceptual Framework," *Journal of the Academy of Marketing Science*, vol. 22, no. 2 (1994): p. 99.

²⁵⁸ A. Fisher, "Winning the battle for customers", *Journal of Financial Services Marketing*, Vol. 6 no. 2, (2001): pp.77-83.

²⁵⁹ Isabelle Maignan, O. C. Ferrell, and G. Tomas M. Hult, "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (Fall 1999): p. 459. 455-469

There is strong record of CSR constructs a positive context that certainly boosts customers' attitude toward the firm.²⁶⁰ It is evident that CSR initiatives create benefits for a company appears to be by increasing customers' identification with the corporation²⁶¹ and identified customers are more likely to be loyal with a firm's products. In a review of literature by Ball, Coelho, and Machás argued for a possible relationship between company image and customer loyalty. That is, customers may be loyal to a firm because it is viewed as having a positive image among other customers and this alone may provoke some amount of unwillingness to switch.²⁶² And, it is well established that social responsible firms enjoy superior image than irresponsible firm. Therefore, CSR initiatives may possibly promote customer loyalty.

H 12: The greater the perceived CSR, the greater the customer loyalty.

5.4.1 Customer Loyalty of the Private Commercial Banks in Bangladesh

Table 5.4.1: Customer Loyalty Scale–Frequency of Responses Shrunk Into Two Categories

Item	Question	Disagree		Agree		Ratio
		Fr.	%	Fr.	%	
Q66	I say positive things about this bank to other people.	31	15.05	146	70.87	4.71
Q67	I recommend this bank to anyone who seeks my advice.	39	18.93	147	71.36	3.77
Q68	I am happy to encourage my friends and family to do business with this bank	34	16.50	152	73.79	4.47
Q69	When I need to make a banking transaction, this bank is my first choice.	37	17.96	135	65.53	3.65
Q70	In the next few years, I will still be doing most banking with my current bank	26	12.62	155	75.24	5.96

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

To illustrate the meaning of items and patterns, the data was analyzed for trends. As shown in Appendix C, the data was first compiled into tables which represented the frequency of responses under a scale ranking for each item.

²⁶⁰ Sankar Sen and C.B. Bhattacharya, pp. 225–244.

²⁶¹ Donald R. Lichtenstein, Minette E. Drumwright, and Bridgette M. Braig, "The Effect of Corporate Social Responsibility on Customer Donations to Corporate-Supported Nonprofits," *Journal of Marketing*, vol. 68 (October, 2004): p. 17.

²⁶² Dwayne Ball, Pedro Simões Coelho, and Alexandra Machás, "The Role of Communication and Trust In Explaining Customer Loyalty: An Extension to the ECSI Model", *European Journal of Marketing*, vol. 38 no. 9 (2004): p. 1277.

Afterward, the data was then collapsed, as shown in [Tables 5.4.1](#), all responses that were a 1, 2, and 3 were collapsed into the “disagree” category. All responses that were a 5, 6, and 7 were collapsed into the “agree” category.

Overall, the survey responses were positive with most customers agreeing to questions regarding their customer loyalty. As can be seen in [Table 5.4.1](#), the highest ratio was for question 70, “In the next few years, I will still be doing most banking with my current bank”, which had a ratio of 5.96 times more respondents agreeing than disagreeing. Other responses had a ratio of over three times to one. More than 70 percent of the customers of private commercial banks in Bangladesh say that they are to like recommend their banks voluntarily.

[Table 5.4.2](#) presents bank wise distribution of customers’ opinions regarding customer loyalty. All the statements had a mean score over 4.74 that indicate the customers of the private commercial banks in Bangladesh to some extent loyal to their bank. From another point of view, in case of customer loyalty DBBL (Dutch-Bangla Bank Limited) had stood at the highest mark and MBL (Mercantile Bank Limited) was rated lowest for the same.

Table 5.4.2: Bank Wise Distribution of Customers’ Opinions Regarding Customer Loyalty.

Item	Name of The Bank								
	DBBL	IBBL	EBL	PBL	NBL	MBL	EXIM	UCBL	Overall
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Q66	5.92	4.75	4.32	5.11	5.33	3.13	5.44	4.29	4.82
Q67	5.96	4.93	4.21	4.81	5.41	3.21	5.37	4.04	4.78
Q68	6.19	4.96	4.21	5.00	5.44	3.25	5.48	4.14	4.87
Q69	5.81	4.93	4.11	4.63	5.59	3.08	5.22	4.25	4.74
Q70	6.15	4.86	4.42	5.00	5.44	3.21	5.44	4.50	4.91
CL	6.01	4.89	4.25	4.91	5.44	3.18	5.39	4.24	4.83

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

5.4.2 Control Variables

Customer loyalty is one of the most recurrently addressed topics in the service literature. The subject has gained attention of service companies because of its significance to the bottom-line of any business. Issues involving customer loyalty

in service organizations have drawn the interest of various scholars concerned with finding the antecedents of customer loyalty and their implications in service industries. A number of researchers have investigated the relationship between customer satisfaction and customer loyalty in banking sector. Most of the studies on this matter have concluded that customer satisfaction is one of the major antecedents of customer loyalty.²⁶³

Other studies have found that service quality is a strong determinant of customer loyalty.²⁶⁴ In the banking industry in Malaysia scholars found a positive relationship between service quality and customer loyalty.²⁶⁵ Kazi Omar Siddiqi²⁶⁶ found the positive relationship between service quality (tangibles, reliability, responsiveness, assurance, and empathy) and customer loyalty in the banking sector in Bangladesh. So, customer satisfaction and service quality attributes (tangibles, reliability, responsiveness, assurance, and empathy) have been used as control variables to evaluate the extraneous effects on the link between CSR and customer loyalty.

5.4.3 Predicting Customer Loyalty

The control variables; customer satisfaction and service quality factors were tested through correlation analysis to verify if they had any significant effect on the dependent variable (Customer Loyalty). Based on Table 5.4.3, it can be concluded that: (i) consistent with the previous studies in banking sector,²⁶⁷ all the five service quality dimensions—tangibles, reliability, responsiveness, assurance, and empathy—were positively correlated with customers' satisfaction (at the significant level of .001); (ii) the strong correlation existed between service quality as a whole

²⁶³ R. Lam and S. Burton, "SME Banking Loyalty (And Disloyalty): A Qualitative Study in Hong Kong," *International Journal of Bank Marketing*, vol. 24, no. 1 (2006): pp. 37–52; B. O. Ehigie, "Correlates of Customer Loyalty to Their Bank: A Case Study in Nigeria," *International Journal of Bank Marketing*, vol. 24, no. 7 (2006) pp. 494–508.

²⁶⁴ V.A. Zeithaml, L.L. Berry, and A. Parasuraman, "The Behavioural Consequences of Service Quality," *Journal of Marketing*, vol. 60 (1996): pp. 31–46.

²⁶⁵ Lo Liang Kheng, Osman Mahamad, T. Ramayah, and Rahim Mosahab, "The Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia," *International Journal of Marketing Studies*, vol. 2, no. 2 (November 2010): pp. 57–66.

²⁶⁶ Kazi Omar Siddiqi, p. 24.

²⁶⁷ Kazi Omar Siddiqi, pp. 24–25; Lo Liang Kheng, Osman Mahamad, T. Ramayah, and Rahim Mosahab, pp. 57–66.

and customer loyalty (.861); (iii) the strong correlation existed between customer satisfaction and customer loyalty (.903). Those control variables (customer satisfaction and service quality), had significant correlations with dependent variable (Customer Loyalty) at the 0.01 level, were incorporated as control variables in the final model.

Table 5.4.3: Correlations between Customer Loyalty and Control Variables.

		1	2	3	4	5	6	7	8
1	Assurance	1							
2	Empathy	.691**	1						
		.000							
3	Reliability	.809**	.795**	1					
		.000	.000						
4	Tangible	.713**	.677**	.771**	1				
		.000	.000	.000					
5	Responsiveness	.742**	.687**	.775**	.854**	1			
		.000	.000	.000	.000				
6	SQ	.888**	.856**	.925**	.899**	.906**	1		
		.000	.000	.000	.000	.000			
7	Customer Satisfaction	.854**	.719**	.785**	.700**	.746**	.852**	1	
		.000	.000	.000	.000	.000	.000		
8	Customer Loyalty	.874**	.691**	.816**	.716**	.748**	.861**	.903**	1
		.000	.000	.000	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The inter-correlation matrix of measures of customer loyalty, perceived CSR, and concern for social issues of customers are reported in Table 5.4.4. The table demonstrated that: (i) all relationships being significant with a $p < 0.01$; (ii) significant relationships existed between the independent variables (Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility, and overall CSR) and dependent variable (Customer Loyalty); (iii) the strong correlation existed between overall CSR and customer loyalty (.918); (iv) the highest correlation existed between philanthropic responsibilities and customer loyalty individually (.881); and (v) the lowest but moderate correlation was between economic responsibilities and customer loyalty with correlation coefficient .707. This table also reported a significant relationship between customer loyalty and concern for social issues of the customers.

Table 5.4.4: Correlations among Perceived CSR, Concern for Social Issues, and Customer Loyalty.

		1	2	3	4	5	6	7
1	Economic Responsibility	1						
2	Legal Responsibility	.772**	1					
		.000						
3	Ethical Responsibility	.430**	.738**	1				
		.000	.000					
4	Philanthropic Responsibility	.589**	.813**	.896**	1			
		.000	.000	.000				
5	Overall CSR	.794**	.939**	.864**	.935**	1		
		.000	.000	.000	.000			
6	Customer Loyalty	.707**	.856**	.797**	.881**	.918**	1	
		.000	.000	.000	.000	.000		
7	Concern for Social Issues	.583**	.721**	.695**	.732**	.773**	.782**	1
		.000	.000	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

A four-step hierarchical multiple regression was conducted to test hypothesis in this section. Across the hierarchical regression analyses, respondents' satisfaction and perceived service quality were included as control variables in the first step of all the regression analyses. To examine the individual direct effects and interaction effects of predictor variables as stated in hypothesis 12, customer loyalty was regressed on CSR in the second step, followed by the concern for social issues of the customers in the third step. Finally, interaction terms between CSR and concern for social issues were entered in the final step.

Table 5.4.5(a) and Table 5.4.5(b), summarizes the model summary, ANOVA, regression coefficients, standard error of the coefficients, standardized beta coefficients (β), t -values, and p -values of the variables in each step.

The regression analyses supported hypothesis 12. In Table 5.4.5(a) F value of 295.89 (df=200) showed significance at $p < 0.01$ level. This means that the overall model was significant and can be interpreted. Therefore, the null hypothesis can be rejected at 1% significant level. The adjusted R squared for the overall model was 0.878. This means that the independent variables (Customer Satisfaction and

Service Quality, CSR, Concern for Social Issue, CSR×CSI) explained 87.8% variance in the dependent variable (Customer Loyalty).

Table 5.4.5 (a): Relationship between CSR and Customer Loyalty (Model Summary and ANOVA)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.920 ^a	.846	.845	.36649	.846	558.84	2	203	.000
2	.936 ^b	.876	.874	.32991	.030	48.52	1	202	.000
3	.938 ^c	.880	.878	.32499	.004	7.16	1	201	.008
4	.939 ^d	.881	.878	.32500	.001	.99	1	200	.320
^a Predictors: (Constant), Service Quality, Customer Satisfaction ^b Predictors: (Constant), Service Quality, Customer Satisfaction, CSR ^c Predictors: (Constant), Service Quality, Customer Satisfaction, CSR, Concern for Social Issue (CSI) ^d Predictors: (Constant), Service Quality, Customer Satisfaction, CSR, Concern for Social Issue (CSI), CSRXCSI									
ANOVA ^e									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	150.123	2	75.061	558.84	.000 ^a			
	Residual	27.266	203	.134					
	Total	177.389	205						
2	Regression	155.403	3	51.801	475.94	.000 ^b			
	Residual	21.985	202	.109					
	Total	177.389	205						
3	Regression	156.159	4	39.040	369.63	.000 ^c			
	Residual	21.229	201	.106					
	Total	177.389	205						
4	Regression	156.264	5	31.253	295.89	.000 ^d			
	Residual	21.125	200	.106					
	Total	177.389	205						
^a Predictors: (Constant), Service Quality, Customer Satisfaction ^b Predictors: (Constant), Service Quality, Customer Satisfaction, CSR ^c Predictors: (Constant), Service Quality, Customer Satisfaction, CSR, Concern for Social Issue (CSI) ^d Predictors: (Constant), Service Quality, Customer Satisfaction, CSR, Concern for Social Issue (CSI), CSRXCSI ^e Dependent Variable: Customer Loyalty									

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

Table 5.4.5 (b) shows that among control variables, customer satisfaction ($\beta = .617$, $t = 11.75$, $p < .01$) and service quality ($\beta = .336$, $t = 6.40$, $p < .01$) both were significant in predicting customer loyalty. Results of model 2 show that CSR were significant as a predictor of customer loyalty ($\beta = .488$, $t = 6.97$, $p < .01$), accounting for significant incremental change of 3% of the unique variance in customer loyalty beyond the control variables. Thus, Hypothesis 13 was supported.

Table 5.4.5 (b): Relationship between CSR and Customer Loyalty (Results of the Regressions)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.062	.152		.411	.681
	Customer Satisfaction	.614	.052	.617	11.751	.000
	Service Quality	.379	.059	.336	6.395	.000
2	(Constant)	-.060	.138		-.436	.663
	Customer Satisfaction	.382	.058	.384	6.635	.000
	Service Quality	.106	.066	.094	1.604	.110
	CSR	.555	.080	.488	6.965	.000
3	(Constant)	-.278	.158		-1.758	.080
	Customer Satisfaction	.349	.058	.351	6.005	.000
	Service Quality	.072	.066	.064	1.085	.279
	CSR	.525	.079	.462	6.621	.000
	Concern for Social Issue (CSI)	.132	.049	.108	2.675	.008
4	(Constant)	-.960	.703		-1.366	.173
	Customer Satisfaction	.350	.058	.351	6.016	.000
	Service Quality	.078	.067	.069	1.165	.245
	CSR	.703	.195	.618	3.603	.000
	Concern for Social Issue (CSI)	.253	.131	.208	1.927	.055
	CSR×CSI	-.033	.033	-.248	-.997	.320

^aDependent Variable: Customer Loyalty

Source: Statistical Analysis of the Field Survey Data (Appendix-C)

To test for the effect of the interaction term, the interaction variable (CSR × Concern for Social Issue) was added to the model. However, the results of hierarchical regression in model 4 revealed that the interaction terms between CSR and concern for social issue were not significant ($\beta = -.248$, $t = -.997$, $p = .320$). This means that concern for social issues of customers in Bangladesh does not moderate the relationship between CSR and customer loyalty.

5.5 Conclusion

This chapter has paid concentration to an empirical analysis of the CSR posture of private commercial banks in Bangladesh from customer perspective. According to the customers' perception, in line with the employees' opinion, private commercial

banks in Bangladesh are most aware of complying legal responsibilities than other aspects of CSR. Ethical responsibilities like—lending SME's, farmers, women, and students; establishing adequate number of branches in dispersed rural locations; ensuring reliable mobile banking service; and providing complete and accurate information to all customers and investors have been being paid lowest attention by private commercial banks in Bangladesh. According to customer perception, management of the private commercial banks in Bangladesh sturdily complies with the laws regarding taxation and corporation. They always try to meet the contractual obligation with every stakeholder. Alongside, philanthropic responsibilities ranked second among the dimensions of CSR. In most cases of the philanthropic magnitudes, like, contribution to charities and partnership with local educational institutes Dutch-Bangla Bank Limited stood high. Consistent with employees' perspective, in case of overall CSR DBBL (Dutch-Bangla Bank Limited), EXIM (EXIM Bank Limited), and NBL (National Bank Limited) were remained as the top three.

This chapter presents a perceptive that customers of the private commercial banks in Bangladesh are reasonably satisfied with the products and fairly loyal to the brand and company. Next, empirical study in the sample private commercial banks indicated link between CSR initiatives and customer attitudes (customer satisfaction and customer loyalty). In agreement with the previous research, the results suggested a positive relation between proactive CSR and customer satisfaction²⁶⁸.

Customers, who perceived their banks as social responsible entity, are likely to be satisfied with their services because they perceive the organization appealing to the multidimensionality of the customer as not only an economic being but also a member of a family, community, and country.²⁶⁹

²⁶⁸ Xueming Luo and C.B. Bhattacharya, p. 14; Eugene W. Anderson, Claes Fornell, and Sanal K. Mazvancheryl, pp. 172–185.

²⁶⁹ Jay M. Handelman and Stephen J. Arnold, "The Role of Marketing Actions with a Social Dimension: Appeals to the Institutional Environment," *Journal of Marketing*, vol. 63 (July, 1999): pp. 33–48.

A research supported suggestions that a company's efforts in manifold CSR dimensions (economic, legal, ethical, philanthropic) had a direct effect on the attractiveness of the company's products, in addition to a positive effect on company evaluations by customers.²⁷⁰ Correlation analysis also found a significant effect of dimensions of CSR on customer satisfaction. As exposed in this chapter, correlation analysis has shown that satisfied customer typically care for philanthropic responsibilities of their banks. Because, consistent with prior findings²⁷¹, philanthropic responsibilities like—support local sports and cultural activities, give adequate contribution to charities, and encourage partnerships with local business and educational institutes provoke customers to be more identified with their banks. Not unexpectedly, identified customers are more likely to be satisfied with a firm's offerings.

Testing for control variables found that Service Quality and Access had significant effects on customer satisfaction. However, even if the effect of price was positive, it was insignificant. Regression analysis showed that the concern for social issue by the customers of banks did not significantly moderate the relationship between the perceived CSR and customer satisfaction. The lack of significant results could be due to a lack of statistical power of relevant data.²⁷²

This study further indicates that proactive CSR is conducive of customer loyalty. Results of regression analyses show compelling support that the influence of CSR is quite strong on customer loyalty. Like employees, customers are likely to support organizations initiating CSR because they are benefit directly from the company's responsible postures. In view of that, CSR is a valuable tool to create ties with customers and to achieve their support. By buying from organizations, concerned to social issues, customers show that they realize the efforts assumed by companies to be bothered about the interests of stakeholders.

²⁷⁰ Sankar Sen and C.B. Bhattacharya, pp. 225–243.

²⁷¹ Donald R. Lichtenstein, Minette E. Drumwright, and Bridgette M. Braig, pp. 16–32.

²⁷² Ante Glavas, p. 97.

Additionally, philanthropic and legal responsibilities were found to be the most important concern of loyal customers of the private commercial banks in Bangladesh. Testing for control variables found that customer satisfaction had significant effects on customer loyalty. Regression analysis showed that the concern for social issue by the customers of banks did not significantly moderate the relationship between the perceived CSR and customer loyalty. The lack of significant results could be due to a lack of statistical power of relevant data.²⁷³

²⁷³ Ante Glavas, p. 97.

Chapter 6

Relationship between Perceived CSR and Corporate Financial Performance

6.1 Prelude

In this chapter, the relationship between perceived corporate social responsibilities (CSR) and corporate financial performance (CFP) has been examined through a quantitative analysis. Although the relationships have been conducted on this subject in chapter 2 of this study, this chapter has some distinctive aspects. First, instead of using direct CSR expenditure of bank as measure of corporate social responsibilities, perceived CSR (economic, legal, ethical, and philanthropic) by employees and customers were adopted. This enables a more widespread measurement of CSR. Second, so as to alleviate the bias caused by sphere of influence, each respondent has been asked to assign a weight to each dimension of CSR and evaluate the divergence between activity and perception.

6.2 Perceived CSR and Corporate Financial Performance

Although the relationship between CSR and financial performance has been the subject of vigorous debate, two opposing hypotheses have been proposed. A negative relationship has been assumed between CSR and financial performance because social responsibility has resulted in high costs in the firm that have positioned the firm at a competitive inconvenience. On the other hand, many previous studies have found a positive relationship between CSR and financial performance.²⁷⁴

As stated earlier, in the 80 studies examining whether corporate social performance contributes to corporate financial performance; 53 percent of them point to a positive relationship, no relationship is identified in 24 percent of the studies, 4 percent reveal a negative relationship, and the remaining 19 percent of

²⁷⁴ R.M. Roman, S. Hayibor and B. R. Agle, "The Relationship between Social and Financial Performance," *Business and Society*, vol.38, no.1 (1999): pp. 109–125.

the studies yield mixed results.²⁷⁵ In their assessment of the extent to which CSR conflicts or complements financial performance, previous researchers have almost utterly assumed that the value in CSR is in the form of incremental gains for the firm. Even if the firm only maintains the financial status quo, the investment in CSR can be considered a wise investment, since it would mean it is essentially gaining insurance coverage at no cost. CSR can provide incremental gain during good times and subsequent mitigation of negative publicity.²⁷⁶ Another interesting finding shows that prior financial performance indices have a stronger correlation with CSR than concurrent financial performance indices.²⁷⁷

Now, the question arises, why CSR leads to better corporate performance? Firstly, stakeholder-agency theory argues that the negotiation and contracting processes entailed by mutual stakeholder–management relationships serve as enforcement tools that avert managers from distracting concentration from broad corporate financial goals.²⁷⁸ Additionally, high corporate performance results not only from the divide satisfaction of bilateral relationships²⁷⁹, but also from the synchronized harmonization and prioritization of polygonal stakeholder benefits.²⁸⁰ Secondly, as a prospective source of competitive advantage, CSR may be coupled with higher degree of financial performance.²⁸¹ For instance, it may be used as argument in in-house promotions intended at inspiring employees' and external advertising anticipated improving customers' image of the company. Therefore, we predict that:

H 13: The greater the perceived CSR, the greater the financial performances.

²⁷⁵ Joshua D. Margolis and James P. Walsh, *People and Profits: The Search for a Link between a Company's Social and Financial Performance* (Mahwah, NJ: Lawrence Erlbaum Associates, 2001).

²⁷⁶ John Peloza, "Using Corporate Social Responsibility as Insurance for Financial Performance," *California Management Review*, vol. 48, no.2 (Winter 2006): p. 68.

²⁷⁷ J. B. McGuire, A. Sundgren, and T. Schneeweis, "Corporate Social Responsibility and Firm Financial Performance," *Academy of Management Journal*, vol.31, no.4 (1988): pp. 854–872.

²⁷⁸ Marc Orlitzky, Frank L. Schmidt, and Sara L. Rynes, "Corporate Social and Financial Performance: A Meta-Analysis," *Organization Studies*, vol. 24, no. 3 (2003): p. 405.

²⁷⁹ Charles W. L. Hill and Thomas M. Jones, "Stakeholder-Agency Theory", *Journal of Management Studies*, vol. 29 (1992): pp. 131–154.

²⁸⁰ Marc Orlitzky, Frank L. Schmidt, and Sara L. Rynes, p. 405.

²⁸¹ Isabelle Maignan, O. C. Ferrell, and G. Tomas M. Hult, "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (Fall 1999): p. 459.

In order to quantify perceived CSR, two different measures have been used. The first measure is the average CSR score of participating private commercial banks derived through computing mean of all dimensions (economic, legal, ethical, and philanthropic) of CSR perceived by employees. As a second measure, average CSR score, derived through computing mean of all dimensions (economic, legal, ethical, and philanthropic) of CSR perceived by customer have been used.

In this chapter, corporate financial performance is measured by both accounting variables and market variable. The financial construct used are return on assets (ROA), return on equity (ROE), and Tobin's Q. Because risk and size have been suggested in previous chapter²⁸² to be factors that affect both a firm's performance and CSR, each of these characteristics is used as a control variable. Size is an important control variable, since larger firms seem to adopt the CSR principles more often.²⁸³ Furthermore, the leverage of the bank is an important control variable. In this case Total assets and Non Performing Loan (NPL) have been adopted as control variable to evaluate the size and leverage of the banks respectively.

In case of eight sample private commercial banks in Bangladesh, bank wise average CSR score perceived by employees ranges from 3.85 to 5.87 with the Mean of 4.96 and the Standard Deviation of 0.89. Average CSR score perceived by customers from 3.27 to 5.82 and the Mean and Standard Deviation is 4.54 and 0.81 respectively. It has been observed in the Table 6.1 that employees of the private commercial banks in Bangladesh endorse their organization as social responsive than what customers opine in this regard.

In case of average financial constructs of the banks, minimum and maximum value for Total Asset is from Tk.53544 million to Tk.257838 million. NPL ranges from 1.41% to 4.96% and the Mean and Standard Deviation is 2.82 and 1.06 respectively. ROA ranges from 1.13 to 2.91 and the Mean and Standard

²⁸² In chapter-2

²⁸³ Margarita Tsoutsoura, "Corporate Social Responsibility and Financial Performance," *Center for Responsible Business Working Paper Series* (March 2004): p. 12, <http://escholarship.org/uc/item/111799p2> (accessed on 15 January, 2011)

Deviation is 1.75 and 0.58 respectively. For average ROE, Mean and Standard Deviation is 21.48 and 3.63 respectively with the minimum and maximum value ranges from 16.38 to 25.33. Average Tobin's Q ranges from 1.08 to 1.39 and the Mean and Standard Deviation is 1.18 and 0.10 respectively.

Table 6.1: Descriptive Statistics of Perceived CSR and Corporate Financial Performances.

	Minimum	Maximum	Mean	Std. Deviation
CSR (by Employee)	3.85	5.87	4.96	0.89
CSR (by Customer)	3.27	5.82	4.54	0.81
Total Asset (ml. tk.)	53544.00	257838.00	101952.38	65801.25
NPL	1.41	4.96	2.82	1.06
ROA	1.13	2.91	1.75	0.58
ROE	16.38	25.33	21.48	3.67
Tobin's Q	1.08	1.39	1.18	0.10

Source: Statistical Analysis of the Banks' Data and Field Survey Data (Appendix-A and C)

6.2.1 Correlation Analysis

This segment presents the results of a univariate analysis conducted in order to gain an insight on the nature of the relationship between perceived CSR and corporate financial performances in the banking sector of Bangladesh. The Table 6.2 reports the partial correlation matrix between variables of interest along with their corresponding significance level. Total Assets and Non-Performing Loans (NPL) of the banks have been used as control variables to subtract the extraneous effects of those in the relationships between CSR and corporate financial performances.

In the table 6.2, it can be seen that, the correlation between both Perceived CSR and ROA is not significant; the correlation between both perceived CSR and ROE is significant at 5% level; and the correlation between perceived CSR by employees and Tobin's Q is not significant at 10% level but the correlation between perceived CSR by customers and Tobin's Q is significant at 5% level. So, it can be said that all of the measures of perceived CSR by individual stakeholders (employee and customer) explain accounting based (ROE) and market based (Tobin's Q) financial performances of private commercial banks in Bangladesh in

some extent. Therefore, it can be concluded that, two of the three performance measures of the banks have significantly related to perceived CSR. These results allow us to accept the hypothesis 13, and show that improved CSR is related to better financial performance.

Table 6.2: Partial Correlations between Perceived CSR and Corporate Financial Performances.

Control Variables		CSR (E)	CSR (C)	ROA	ROE	Tob. Q
Total Asset and NPL	CSR (by Employee)	1.00	.837	.666	.875	.544
		.	.038	.149	.022	.264
	CSR (by Customer)	.837	1.00	.367	.833	.829
		.038	.	.474	.040	.041
	ROA	.666	.367	1.00	.429	-.058
	.149	.474	.	.396	.913	
	ROE	.875	.833	.429	1.00	.615
		.022	.040	.396	.	.194
	Tobin's Q	.544	.829	-.058	.615	1.00
		.264	.041	.913	.194	.

Source: Statistical Analysis of the Banks' Data and Field Survey Data (Appendix-A and C)

6.3 Conclusion

There is a widespread dispute concerning the authenticity of being a socially responsible organization. Most people recognize certain paybacks for a business being socially responsible, but most of these paybacks are still tough to quantify.

This chapter attempts to deal with the question whether corporate social responsibility is linked to corporate financial performance. Using empirical methods, the sign of the relationship between corporate social responsibility and corporate financial performance has been tested. The study used extensive corporate financial performance (ROA, ROE, Tobin's Q) data covering a four year period, 2007-2010. The study also used stakeholders' (employees and customers) perception regarding CSR of the banks as corporate social performance indicator. The dataset included eight selected private commercial banks in Bangladesh.

Results point out that the sign of the link is positive, which supports those studies that found positive linkages in the past.²⁸⁴

Different justifications for this result depend on the direction of the causality between CSR and improved financial performances. Firstly, firms which have sturdy financial performance have more resources available to invest in CSR, such as customer concerns, employee development and relations, legal conformities, environmental concerns, or community relations.²⁸⁵ Second argument suggests that profitability also depends on CSR initiatives. Socially responsible companies have an enhanced brand image and a positive reputation among customers; they also have the ability to attract more accomplished employees and strategic partners. They also have less risk of negative social events, which could smash up their reputation and costs millions in information and advertising campaigns.²⁸⁶

These explanations of this relationship depend on its causality. Only using partial correlation, this study did not explore the direction of the causal connections. However, the findings designate that perceived CSR by different stakeholders is positively related to corporate financial performance and this relationship is statistically significant, triangulating, therefore, the notion that CSR can be associated with a series of accounting based and market based financial constructs of private commercial banks in Bangladesh.

²⁸⁴ Margarita Tsoutsoura, "Corporate Social Responsibility and Financial Performance," *Center for Responsible Business Working Paper Series* (March 2004): p. 17, <http://escholarship.org/uc/item/111799p2> (accessed on 15 January, 2011); S. Waddock and S. Graves, "The Corporate Social Performance – Financial Performance Link," *Strategic Management Journal*, vol. 18 (1997): p. 303; Jennifer J. Griffin and John F. Mahon, "The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research," *Business & Society*, Vol. 36, No. 1 (March 1997): p. 26.

²⁸⁵ Margarita Tsoutsoura, p. 18.

²⁸⁶ S. Waddock and S. Graves, p. 305.

Chapter 7

Impacts of Individual Stakeholder Attitude on Corporate Financial Performance

7.1 Prelude

Even though this study focuses on antecedents and implications of corporate social responsibilities, it acknowledges that improved stakeholders' (employee and customer) attitude are also expected to be conducive to better financial performances of a firm. In this chapter, the relationship between individual stakeholders' attitudes (job satisfaction, job involvement, organizational commitment, customer satisfaction, and customer loyalty) and corporate financial performance (CFP) has been examined through empirical analysis. Although the relationships have been conducted on this subject in different studies, this chapter intends to measure the impacts of individual stakeholders' attitudes, resulting from perceived proactive CSR, on company bottom-line.

7.2 Individual Stakeholder Attitude and their Impacts on Corporate Financial Performance

Individual stakeholder attitude include a variety of constructs. Among them employee attitude and customer attitude have been considered in this study. Employee attitude are the feeling and beliefs that largely determine how employees will perceive their environment, commit themselves to intended actions, and ultimately behave.²⁸⁷ For this study, employee attitude include job satisfaction, job involvement, and employee commitment. As customers, each of us has a vast number of attitude toward products, services, and brands. Whenever customers are asked whether they like or dislike a product, they are being asked to express their attitude. For this study, customer attitude include customer satisfaction and customer loyalty.

²⁸⁷ John W. Newstrom and Keith Davis, *Organizational Behavior: Human Behavior at Work* (New York: The McGraw-Hill Companies, Inc., 1999), p. 255.

As stated earlier²⁸⁸ there is a wide range of financial measures. And each of the measures has pros and cons. Although there are still arguments about these measures, this study uses three alternative measures of corporate financial performance as dependent variables. These are Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q.

In order to realize the impacts of employees' and customer attitudes (job satisfaction, job involvement, organizational commitment, customer satisfaction, and customer loyalty) on the financial performances (ROA, ROE, and Tobin's Q) of the banking firm the study used the effect of size (Total Assets) and quality of loan (NPL) as control variables. The inclusion of NPL as a control variable to identify the effect on bank performance is relatively important variable for developing country like Bangladesh.²⁸⁹

7.2.1 Employee Attitude and Corporate Financial Performance

Attitude is convincingly good predictor of behavior. They provide hints of an employee's behavioral intentions or tendencies to act in a certain way. Positive job attitude help predict constrictive behaviors.

Job satisfaction and financial performance. To organization as a whole as well as from an individual employee's perspective, job satisfaction in and of itself is an enviable outcome.²⁹⁰ From the strategic implication perspective, it is important to know how, job satisfaction, one of the consequences of proactive CSR, relate to company performance. Preponderance of research evidence indicates that there is no strong linkage between satisfaction and productivity at individual level²⁹¹ but satisfaction leads to organizational level²⁹² improvement. Past research has uncovered a moderate inverse relationship between satisfaction

²⁸⁸ In chapter-2

²⁸⁹ Shawgat S. Kutubi, "Board of Director's Size, Independence and Performance: An Analysis of Private Commercial Banks in Bangladeshi," *World Journal of Social Sciences*, vol. 1, no. 4 (September 2011): p. 166. pp.159-178

²⁹⁰ Fred Luthans, *Organizational Behavior* (Boston: Irwin/McGraw-Hill., 1998), p. 146.

²⁹¹ Fred Luthans, p. 147.

²⁹² Cheri Ostrff, "The Relationship between Satisfaction, Attitudes, and Performance: An Organizational Level Analysis," *Journal of Applied Psychology*, (December 1992): pp. 963-74.

and employee turnover²⁹³; a strong negative relation between satisfaction and absenteeism²⁹⁴; and a positive association between job satisfaction and organizational citizenship behavior²⁹⁵. These payoffs are contributing to increased organizational productivity with decreased selection and development cost and hence likely stimulate enhanced financial performance. Therefore, it can be predicted that:

H 14a: *The greater the job satisfaction, the greater the financial performances.*

Job involvement and financial performance. However, because some people exhibit less variability in their efforts than others, it may be of interest for organizations to identify which employees, whether managers or supervisees, are more prone to variability in their responses. Job involvement has been shown to lead to increased self-efficacy and work related performance. Job involved employees are likely to believe in work ethic, to exhibit high growth needs, and to enjoy participation in decision making. As a result, they seldom will be tardy or absent, they are willing to work long hours, and they will attempt to be higher contributor to organizational objectives.²⁹⁶ High levels of job involvement have been found to be related to fewer absences and lower resignation rates.²⁹⁷ However, it seems to more consistently predict turnover than absenteeism, accounting for as much as 16% of the variance in the former.²⁹⁸

For highly involved employees, their jobs seem inescapably connected to their diverse identities, interests, and life goals, as well as the satisfaction that they can derive from performing their job duties effectively. More involved persons

²⁹³ Robert P. Tett and John P. Meyer, "Job Satisfaction, Organizational Commitment, Turnover Intention, and Turnover: Path Analyses Based on Meta Analytic Findings," *Personnel Psychology*, Summer 1993, pp. 259–294.

²⁹⁴ K. Dow Scott and G. Stephen Taylor, "An Examination of Conflicting Findings on the Relationship between Job Satisfaction and Absenteeism: A Meta-Analysis," *Academy of Management Journal*, September 1985, pp. 599–612.

²⁹⁵ Denis W. Organ, "Personality and Organizational Citizenship Behavior," *Journal of Management*, (Summer 1994): pp. 465–478.

²⁹⁶ John W. Newstrom and Keith Davis, *Organizational Behavior: Human Behavior at Work* (New York: The McGraw-Hill Companies, Inc., 1999), p. 259.

²⁹⁷ Gary J. Blau, "Job Involvement and Organizational Commitment as Interactive Predictors of Tardiness and Absenteeism," *Journal of Management*, (Winter, 1986): pp. 577–584. p. 579

²⁹⁸ G. Farris, "A Predictive Study of Turnover," *Personnel Psychology*, (Summer, 1971): pp. 311–328.

also feel more competent and successful at work, believe that their personal and organizational goals are compatible, and tend to attribute positive work outcomes to their internal and personally controllable factors.

H 14b: *The greater the job involvement, the greater the financial performances. Organizational commitment and financial performance.*

A meta-analytic study demonstrates that all three forms of organizational commitment (Affective commitment, Continuance commitment, and Normative commitment) correlate negatively with withdrawal cognition, turnover intention, and employee turnover but that they correlate somewhat differently with other work behaviors (i.e., attendance, job performance, and organizational citizenship behavior). Affective commitment has the strongest positive correlation with these desirable work behaviors, followed by normative commitment; continuance commitment is unrelated or negatively related to these behaviors.²⁹⁹ There is also evidence that organizational commitment relates to other advantageous outcomes, such as the perception of a warm accommodating organizational climate.³⁰⁰ These consequences are conducive of increased productivity along with decreased human resource costs and therefore may bolster organizational performance. Consequently:

H 14c (1): *The greater the affective commitment, the greater the financial performances.*

H 14c (2): *The greater the continuance commitment, the greater the financial performances.*

H 14c (3): *The greater the normative commitment, the greater the financial performances.*

Based on the eight sample private commercial banks in Bangladesh, bank wise average Job Satisfaction ranges from 3.98 to 6.62 with the Mean of 5.26 and the Standard Deviation of 1.01. Job Involvement ranges from 4.09 to 6.45 and the Mean and Standard Deviation is 5.22 and 0.96 respectively. For Affective Commitment, Mean and Standard Deviation is 5.21 and 0.87 respectively with the

²⁹⁹ John P. Meyer, David J. Stanley, Lynne Herscovitch, and Laryssa Topolnytsky, "Affective, Continuance, and Normative Commitment to the Organization: A Meta-analysis of Antecedents, Correlates, and Consequences", *Journal of Vocational Behavior*, vol. 61 (2002): p. 39.

³⁰⁰ Fred Luthans, *Organizational Behavior* (Boston: Irwin/McGraw-Hill., 1998), p. 150.

minimum and maximum value ranges from 4.18 to 6.44. Continuance Commitment ranges from 3.97 to 5.78 and the Mean and Standard Deviation is 4.83 and 0.62 respectively. Normative Commitment ranges from 3.98 to 6.06 and the Mean is 5.13 and the Standard Deviation is 0.84. It has been observed in the Table 7.1 that almost all the Mean of employee attitude constructs are similar.

Table 7.1: Descriptive Statistics of Employee Attitude and Corporate Financial Performances

	Min.	Max.	Mean	Std. Deviation
Job Satisfaction	3.98	6.62	5.26	1.01
Job Involvement	4.09	6.45	5.22	0.96
Affective Commitment	4.18	6.44	5.21	0.87
Continuance Commitment	3.97	5.78	4.83	0.62
Normative Commitment	3.98	6.06	5.13	0.84
Total Asset (ml. tk.)	53544.00	257838.00	101952.38	65801.25
NPL	1.41	4.96	2.82	1.06
ROA	1.13	2.91	1.75	0.58
ROE	16.38	25.33	21.48	3.67
Tobin's Q	1.08	1.39	1.18	0.10

Source: Statistical Analysis of the Banks' Data and Field Survey Data (Appendix-A and C)

In case of average financial constructs of the banks, minimum and maximum value for Total Asset is from Tk.53544 million to Tk.257838 million. NPL ranges from 1.41% to 4.96% and the Mean and Standard Deviation is 2.82 and 1.06 respectively. ROA ranges from 1.13 to 2.91 and the Mean and Standard Deviation is 1.75 and 0.58 respectively. For average ROE, Mean and Standard Deviation is 21.48 and 3.63 respectively with the minimum and maximum value ranges from 16.38 to 25.33. Average Tobin's Q ranges from 1.08 to 1.39 and the Mean and Standard Deviation is 1.18 and 0.10 respectively.

7.2.1.1 Correlation Analysis

This section presents the results of a univariate analysis conducted in order to gain an insight on the nature of the relationship between employee attitudes and financial performances. The Table 7.2 reports the partial correlation matrix between variables of interest along with their corresponding significance level. Total Assets and Non-Performing Loans (NPL) of the banks have been used as

control variables to subtract the moderating effects of those in the relationships between employee attitudes and financial performances. A correlation coefficient is a very useful way to summarize the relationship between two variables with a single number that falls between -1 and +1.

Table 7.2: Partial Correlations between Employee Attitude Constructs and Corporate Financial Performances.

Control Variables		JS	JI	AC	CC	NC	Tob. Q	RO A	RO E
Total Asset and NPL	Job Satisfaction	1.00	.987	.993	.818	.994	.494	.680	.859
		.	.000	.000	.023	.000	.159	.068	.014
	Job Involvement	.987	1.00	.988	.788	.983	.521	.736	.848
		.000	.	.000	.031	.000	.145	.048	.016
	Affective Commitment	.993	.988	1.00	.863	.996	.429	.727	.843
		.000	.000	.	.013	.000	.198	.051	.017
	Continuance Commitment	.818	.788	.863	1.00	.864	.128	.568	.648
		.023	.031	.013	.	.013	.405	.120	.082
Normative Commitment	.994	.983	.996	.864	1.00	.485	.663	.869	
	.000	.000	.000	.013	.	.165	.076	.012	
Tobin's Q	.494	.521	.429	.128	.485	1.00	-.058	.615	
	.159	.145	.198	.405	.165	.	.457	.097	
ROA	.680	.736	.727	.568	.663	-.058	1.00	.429	
	.068	.048	.051	.120	.076	.457	.	.198	
ROE	.859	.848	.843	.648	.869	.615	.429	1.00	
	.014	.016	.017	.082	.012	.097	.198	.	

Source: Statistical Analysis of the Banks' Data and Field Survey Data (Appendix-A and C)

In the table 7.2, it can be seen that, the correlation between job satisfaction and Tobin's Q is not significant ($r = 0.494$, $p=0.159$); the correlation between job satisfaction and ROA is significant ($r = 0.680$, $p=0.068$) at 10% level; and the correlation between job satisfaction and ROE is significant ($r = 0.859$, $p=0.014$) at 5% level. So, it can be said that there is a significant relationship between job satisfaction and accounting-based financial performances (ROA and ROE) in the banking sector in Bangladesh. But, job satisfaction does not significantly predict market-based financial performance like Tobin's Q. Therefore, it can be concluded that, two of the three performance measures of the banks have significantly related to employees' job satisfaction. Hence hypothesis 14a was supported.

The table shows that, the correlation between job involvement and Tobin's Q is not significant ($r = 0.521$, $p=0.145$); the correlation between job involvement and ROA is significant ($r = 0.736$, $p=0.048$) at 5% level; and the correlation between job involvement and ROE is significant ($r = 0.848$, $p=0.016$) at 5% level. Thus, it can be concluded that, two of the three performance measures of the banks have significantly related to employees' job involvement. Consequently hypothesis 14b was supported.

It can be observed in the table that the correlation between Affective Commitment and Tobin's Q is .429 and the p-value is 0.198, which is more than 0.10. The correlation between Affective Commitment and ROA is significant ($r = 0.727$, $p=0.051$) at 10% level. And, the correlation between Affective Commitment and ROE is significant ($r = 0.843$, $p=0.017$) at 5% level. Thus, it can be concluded that, two of the three performance measures of the banks have significantly related to employees' Affective Commitment. As a result, hypothesis 14c (1) was sustained.

Referring to the table, it can be observed that all the correlations of Continuance Commitment and Financial Performances are not significant at 5% level. Therefore, the null hypothesis is accepted and it can be concluded that Continuance Commitment is not significantly related to the corporate financial performances in the retail banking sector in Bangladesh. Consequently hypothesis 14c (2) was rejected.

According to the table, the strongest predictor of ROE is Normative Commitment. The result indicates that the correlation (r) of Normative Commitment is 0.869 and the p-value is 0.012, which is less than 0.05. The correlation between Normative Commitment and ROA is significant ($r = 0.663$, $p=0.076$) at 10% level. So, it can be said that there is a significant relationship between Normative Commitment and accounting-based financial performances (ROA and ROE) in the banking sector in Bangladesh. But, Normative Commitment does not significantly predict market-based financial performance like Tobin's Q. Hence hypothesis 14c (3) was in some measure supported.

7.2.2 Customer Attitude and Corporate Financial Performance

Customer attitude metrics include a variety of constructs. In this section, the impacts of different customer metrics (customer satisfaction and customer loyalty) on the financial performance of private commercial banks have been examined. It is important to understand how customer attitude, resulted from proactive CSR, link to corporate financial performances of banks.

Customer satisfaction and financial performance. It is evident that the financial performance of service organizations relies heavily on the generation of high levels of customer satisfaction. In marketing literature most recent research has focused on exploring a connection between satisfaction and financial impact. A group of researchers, describing the transformation at Sears during the period 1994-1995, developed a model to relate changes in employee attitude, customer satisfaction, and revenue growth. Results indicated that a 5-point improvement in employee attitude led to a 1.3 point improvement in customer satisfaction, which in turn led to a 0.5% improvement in revenue growth.³⁰¹ Using data from 12,000 retail banking customers from 59 divisions of a retail bank, a study supported results from Swedish Customer Satisfaction Barometer (SCSB) data by showing that a 1-point improvement in satisfaction (on a 1-7 scale) increased ROA by 0.59%.³⁰²

Beside these empirical evidences, customer satisfaction has been revealed to be positively related with purchase intention and brand loyalty.³⁰³ This positive effect of customer satisfaction is likely to transform into increased sales turnover, and, in line, into improved financial yield. Consequently, it can be predicted that:

H 15a: The greater the customer satisfaction, the greater the financial performances.

Customer loyalty and financial performance. The antecedent of customer loyalty is customer satisfaction, and the consequence of customer loyalty is firm

³⁰¹ Anthony Rucci, Steven Kim, and Richard Quinn, "The Employee–Customer–Profit Chain at Sears," *Harvard Business Review* (January–February, 1998): pp. 83–97.

³⁰² Roger Hallowell, "The Relationships of Customer Satisfaction, Customer Loyalty, and Profitability: An Empirical Study," *International Journal of Service Industry Management*, vol. 7, no. 4 (1996): pp. 27–42.

³⁰³ Mazursky David and Aviva Geva, "Temporal Decay in Satisfaction-Intention Relationship," *Psychology and Marketing*, vol. 6, no. 3 (1989): pp. 211–227.

performance.³⁰⁴ Customer loyalty is one of the most important customer metrics in marketing due to the profit impact of maintaining a loyal customer base.³⁰⁵ In today's world, companies need to be especially concerned with their customer loyalty status because the internet provides a tool for customers to spread the good word of mouth to the rest of the world.³⁰⁶

The literature explains this affirmative loyalty-firm profitability linkage for several reasons. First, loyalty shrinks customer acquisition costs, which in turn, reduces firm expenses.³⁰⁷ Second, customer loyalty indicates customer retention, the most important customer metric for firm profitability, because loyalty measures customers' intention to repurchase a product or service.³⁰⁸ Consequently, it can be predicted that:

H 15b: The greater the customer loyalty, the greater the financial performances.

Table 7.3: Descriptive Statistics of Customer Attitude and Corporate Financial Performances.

	Minimum	Maximum	Mean	Std. Deviation
Customer Satisfaction	3.23	6.00	4.75	0.88
Customer Loyalty	3.18	6.01	4.79	0.88
Total Asset (ml.tk.)	53544.00	257838.00	101952.38	65801.25
NPL	1.41	4.96	2.82	1.06
ROA	1.13	2.91	1.75	0.58
ROE	16.38	25.33	21.48	3.67
Tobin's Q	1.08	1.39	1.18	0.10

Source: Statistical Analysis of the Banks' Data and Field Survey Data (Appendix-A and C)

Based on the eight sample private commercial banks in Bangladesh, bank wise average Customer Satisfaction ranges from 3.23 to 6.00 with the Mean of 4.75

³⁰⁴ Philip Kotler and Kevin Lane Keller, *Marketing Management* (New Delhi: PHI Learning Private Ltd., 2009), p. 126.

³⁰⁵ Richard L. Oliver, "Whence Consumer Loyalty," *Journal of Marketing*, vol. 63 (Special Issue, 1999): pp. 33–44.

³⁰⁶ Young Han Bae "Three Essays on the Customer Satisfaction-Customer Loyalty Association", PhD (Doctor of Philosophy) thesis, University of Iowa, 2012., p. 13. <http://ir.uiowa.edu/etd/3255>.

³⁰⁷ Phillip E. Pfeifer, "The Optimal Ratio of Acquisition and Retention Costs," *Journal of Targeting, Measurement and Analysis for Marketing*, vol. 13, no. 2 (2005): pp. 179–188.

³⁰⁸ Young Han Bae, "Three Essays on the Customer Satisfaction-Customer Loyalty Association," PhD (Doctor of Philosophy) thesis, University of Iowa, 2012, p. 13. <http://ir.uiowa.edu/etd/3255>.

and the Standard Deviation of 0.88. Customer Loyalty ranges from 3.18 to 6.01 and the Mean and Standard Deviation is 4.79 and 0.88 respectively.

Table 7.4: Partial Correlations between Customer Attitude Constructs and Corporate Financial Performances.

Control Variables		CS	CL	Tob. Q	ROA	ROE
Total Asset and NPL	Customer Satisfaction	1.00	.997 .000	.818 .023	.418 .204	.828 .021
	Customer Loyalty	.997 .000	1.00	.813 .025	.455 .183	.801 .028
	Tobin's Q	.818 .023	.813 .025	1.00	-.058 .457	.615 .097
	ROA	.418 .204	.455 .183	-.058 .457	1.00	.429 .198
	ROE	.828 .021	.801 .028	.615 .097	.429 .198	1.00

Source: Statistical Analysis of the Banks' Data and Field Survey Data (Appendix-A and C)

7.2.2.1 Correlation Analysis

Table 7.4 presents the partial correlation matrix between variables of interest along with their corresponding significance level. Total Assets and Non-Performing Loans (NPL) of the private commercial banks have been used as control variables to subtract the moderating effects of those in the relationships between customer attitudes (Customer Satisfaction and Customer Loyalty) and financial performances (Tobin's Q, ROA, and ROE).

It can be observed in the table 7.4 that the correlation between Customer Satisfaction and ROA is 0.418 and the p-value is 0.204, which is more than 0.10. The correlation between Customer Satisfaction and Tobin's Q is significant ($r = 0.818$, $p=0.023$) at 5% level. And, the correlation between Customer Satisfaction and ROE is significant ($r = 0.828$, $p=0.021$) at 5% level. Thus, it can be concluded that, two of the three performance measures of the banks have significantly related to employees' Customer Satisfaction. As a result, hypothesis 15a was sustained.

According to the table 7.4, the one of the significant predictors of ROE is Customer Loyalty. The result indicates that the correlation (r) of Customer Loyalty is 0.801 and the p-value is 0.028, which is less than 0.05. But, the correlation

between Customer Loyalty and ROA is not significant ($r = 0.455$, $p=0.183$) at 5% level. So, it can be said that there is a significant relationship between Customer Loyalty and accounting-based financial performances (ROE) and market-based financial performance like Tobin's Q. Hence hypothesis 15b was to a certain extent supported.

7.3 Conclusion

This chapter evidently exhibits the potential strategic implications of improved stakeholders' attitude in the private commercial banks in Bangladesh resulted from proactive CSR initiatives: are found to be analytically related improved level of corporate financial performance—measured in terms of ROA, ROE, and Tobin's Q.

Job satisfaction, one of the major employee attitude; expected to provoke greater employee productivity³⁰⁹; lower levels of absenteeism³¹⁰, employee turnover³¹¹, and deviant workplace behaviors³¹²; along with organizational citizenship behavior³¹³. Job involvement spawns greater job performance through effort³¹⁴. With regard to the consequences of organizational commitment, it is found that all three forms of commitment correlate negatively with withdrawal cognition, turnover intention, and turnover³¹⁵. Affective and normative organizational commitment was found to be positively related to attendance behavior, organizational citizenship behavior, and individual- or group level performance indices. But continuance commitment was found to be unrelated or

³⁰⁹Cheri Ostrff, "The Relationship between Satisfaction, Attitudes, and Performance: An Organizational Level Analysis," *Journal of Applied Psychology* (December 1992): pp. 963–974.

³¹⁰K. Dow Scott and G. Stephen Taylor, "AN Examination of Conflicting Findings on the Relationship between Job Satisfaction and Absenteeism: A Meta-Analysis," *Academy of Management Journal* (September 1985): pp. 599–612.

³¹¹Robert P. Tett and John P. Meyer, "Job Satisfaction, Organizational Commitment, Turnover Intention, and Turnover: Path Analyses Based on Meta Analytic Findings," *Personnel Psychology* (Summer 1993): pp. 259–294.

³¹²John W. Newstrom and Keith Davis, *Organizational Behavior: Human Behavior at Work* (New York: The McGraw-Hill Companies, Inc., 1999), p. 259.

³¹³Denis W. Organ, "Personality and Organizational Citizenship Behavior," *Journal of Management*, (Summer 1994): pp. 465–478.

³¹⁴S. P. Brown and T. W. Leigh, "A New Look at Psychological Climate and its Relationship to Job Involvement, Effort, and Performance", *Journal of Applied Psychology*, vol. 81 (1996): pp. 358–368.

³¹⁵John P. Meyer, David J. Stanley, Lynne Herscovitch, and Laryssa Topolnytsky, "Affective, Continuance, and Normative Commitment to the Organization: A Meta-analysis of Antecedents, Correlates, and Consequences", *Journal of Vocational Behavior*, vol. 61 (2002): p. 39.

negatively related to these behaviors.³¹⁶ These desirable effects of positive employee attitude, resulted from proactive CSR, may in turn improve the overall strategic position of the private commercial banks in Bangladesh and may at least partially explain the affirmative relation between employee attitude and organizational performance.

In case of customer constructs several positive consequences for companies achieving high levels of customer satisfaction have been posited³¹⁷. Behavioral outcomes are said to include enhanced loyalty, retention and business performance with a link between customer retention and market share being noted by a number of authors³¹⁸. Additionally, customer satisfaction does definitely have consequences such as effects on repurchase intentions and actual buying behavior, each of these ultimately impacting on the profitability of the firm.³¹⁹ Attitudinal customer loyalty is an important construct because it is customers with favorable attitude who are more likely to stay behaviorally loyal in the long term³²⁰. Customer loyalty indicates customer retention, the most important customer metric for firm profitability, because loyalty measures customers' intention to repurchase a product or service. The success of company sales and market share are ensured by customer loyalty, which can be influenced by management action³²¹. In addition, long term relationships with customers often means a greater resulting profitability as their economic positions improve over time. Indeed, it has been argued by some authors that customer retention is particularly relevant to the financial services sector where the building and maintenance of long term relationships is a key component of improved business performance³²². Behavioral loyalty signifies

³¹⁶ John P. Meyer, David J. Stanley, Lynne Herscovitch, and Laryssa Topolnytsky, p. 39.

³¹⁷ J. S. Thomas, W. J. Reinartz, and V. Kumar, "Getting the Most out of All Your Customers", *Harvard Business Review* (July–August, 2004): pp. 116–123.

³¹⁸ R. T. Rust and A. J. Zahorik, "Customer satisfaction, customer retention and market share" *Journal of Retailing*, no. 69 (1993): pp.193–215.

³¹⁹ Christopher Odindo and James Devlin, *Customer Satisfaction, Loyalty and Retention in Financial Services*, (Nottingham: Financial Services Research Forum, 2007), p. 16.

³²⁰ Christopher Odindo and James Devlin, p. 14.

³²¹ T. J. Gerpott, W. Rams, and A. Schindler, "Customer Retention, Loyalty, and Satisfaction in the German Mobile Cellular Telecommunications Market," *Telecommunications Policy*, vol. 25 (2001): pp. 249–269.

³²² Christopher Odindo and James Devlin, p. 14.

actual repeat purchasing behavior, or the likelihood of repeat product purchases from the same supplier.

This increase in repurchase chances, resulted from improved customer metrics, is a particularly important element in the retention of customers which in turn is one of the key strategies managers can use to maximize their customer lifetime value.³²³ These implications are resulted in optimal allocation of resources (cost reduction), pitching the right product to the right customer at the right time (revenue maximization), and acquiring and retaining profitable customers (revenue maximization and cost reduction)³²⁴. These desirable effects of enhanced customer satisfaction and loyalty, resulted from upbeat CSR posture, may in sequence improve the overall competitive position of the private commercial banks in Bangladesh and could at least somewhat explain the assenting relation between customer attitude and organizations' bottom-line.

³²³ J. S. Thomas, W. J. Reinartz, and V. Kumar, "Getting the Most out of All Your Customers", *Harvard Business Review* (July–August, 2004): pp. 116–123.

³²⁴ Christopher Odindo and James Devlin, p. 18.

Chapter 8

Summary, Recommendations, and Conclusions

8.1 Preamble

This chapter concludes the study. It reflects on the contributions of the research in two areas: antecedents and implications of CSR. On this basis, the chapter presents the study's response to the research question, and provides some reflections about this. This discussion also identifies the limitations of the study and the implications for future research. The conclusion of this chapter ends the dissertation. This offers a philosophical reflection about a vision for the future of CSR practice of companies in developing countries like Bangladesh.

For the past three decades, business has been undergoing the most intense scrutiny it has ever received from the public. These concerns have generated an unprecedented number of pleas for corporate social responsibility. The basic issue can be framed in terms of two key questions: Does business have a social responsibility? If so, how much and what kinds? In spite of its importance, however, what best predicts optimal CSR posture and the strategic consequences that CSR initiatives may produce remains elusive because academic research has only very recently begun to study CSR in country like Bangladesh.³²⁵

Therefore, the purpose of this study was to answer the following research questions:

- ◆ How direct CSR expenditure of the banks in Bangladesh is related to the different measures of corporate financial performances?
- ◆ How does organizational culture of Bangladeshi companies shape their corporate social responsibilities?

³²⁵ Ataur Rahman Belal, "A Study of Corporate Social Disclosures in Bangladesh," *Managerial Auditing Journal*, vol. 16, no. 5 (2001): p. 274; Md. Nizamul Karim, "Social Responsibility of Private Sector Business in Bangladesh: A Study of Selected Enterprises," PhD Thesis, Institute of Bangladesh Studies (IBS), University of Rajshahi, 2006; Md. Kamaluddin Jasim, "Corporate Social Responsibility of Islamic Banking: A Study of Two Banks in Bangladesh," PhD Thesis, Institute of Bangladesh Studies (IBS), University of Rajshahi, 2010.

- ◆ How customers' attitude to a company is influenced by company's perceived CSR initiatives?
- ◆ How employees' attitude to a company is influenced by company's perceived CSR initiatives?
- ◆ How these customers and employees with improved attitude influence the company's bottom-line?

Based on these research questions, the specific objectives of this study were to investigate impact of direct CSR expenditures of the banks on different measures of corporate financial performances. By using Cameron and Quinn's organizational culture assessment instrument (OCAI) and Carroll's four-part model of corporate social responsibility, this study also investigated the type of organizational culture likely to enhance companies' motivation to foster CSR initiatives. Based on Freeman, *et al.* stakeholder theory and Carroll's four-part model of corporate social responsibility, this study also investigated the direct associations of perceived CSR with two outcome variables: employee attitude (job satisfaction, job involvement, organizational commitment) and customer attitude (customer satisfaction, customer loyalty). This study also tested the direct indirect relationships of perceived CSR with corporate financial performances through enhanced stakeholders' attitude.

Secondary data regarding direct CSR expenditures and corporate financial performances were collected from 28 private commercial banks listed in the DSE Bangladesh during the period from 2007 to 2010. Bank employees and customers were surveyed in the Bangladesh, and primary data regarding stakeholder attitude from 201 employees and 206 customers of eight selected banks were statistically analyzed to test the hypothesized relationships. To triangulate the findings secondary data regarding corporate financial performances were collected from eight private commercial banks listed in the DSE Bangladesh during the period from 2007 to 2010. All research questions were answered.

8.2 Summary of Findings

Based on the findings presented in chapter 2 this study designed the research to answer the question of whether the results present generally acceptable conclusions on the relationship between CSR expenditures and financial performance for private commercial banks in Bangladesh. The findings confirm the solid relationship between direct CSR expenditures and financial performance for all three measures (ROA, ROE, Tobin's Q) using Pearson Pair-Wise Correlation. As such, these findings provide evidence that the CSR expenditure is one of the most important instruments in explaining the firms' market based financial performance like Tobin's Q. A positive but less statistically significant correlation between the CSR expenditure and ROE than other two measures of performances (ROA and Tobin's Q) is found in the study. The accounting-based financial performance like, ROA and ROE change, in a less statistically significant manner than market-based financial performance like, Tobin's Q in response to CSR increases and decreases is quite evident from results of hierarchical regression analyses in chapter 2.

Table 8.1: Results of Hypothesis Test in Chapter 2

Hypothesis	Result
H1: The greater the direct CSR expenditure, the greater the ROA	Significant
H 2: The greater the direct CSR expenditure, the greater the ROE	Significant
H 3: The greater the direct CSR expenditure, the greater the Tobin's Q	Significant

Chapter 3 investigated cultural predictors of CSR, more specifically, how organizational culture shapes the CSR posture of an organization operating in Bangladesh. The results expose that most private commercial banks in Bangladesh are dominated by a strong hierarchy culture. According to the employees' perception, private commercial banks in Bangladesh are mostly aware of complying legal responsibilities than other aspects of CSR. In chapter 3, four hypotheses were proposed to identify the appropriate cultural orientation conducive for proactive CSR. To test the hypothesized relationships, correlation and hierarchical multiple regression was conducted.

Table 8.2: Results of Hypothesis Test in Chapter 3

Hypothesis	Result
H 4: The stronger the clan culture, the greater degree of the perceived CSR	Significant
H 5: The stronger the adhocracy culture, the greater degree of the perceived CSR	Significant
H 6: The stronger the hierarchy culture, the less degree of the perceived CSR	Not Significant
H 7: The stronger the market culture, the greater degree of the perceived CSR	Significant

Results of statistical analyses showed that organizational culture types were found to have a significant relationship with CSR initiatives. Clan culture, adhocracy culture, and market culture were found significantly, positively associated with high level of CSR. Among the culture types clan culture is found to be most conducive of proactive stance of CSR. As seen in this chapter, clan culture type predicts the all facets of CSR including economic, legal, ethical, and philanthropic responsibilities. This result underlines the positive organizational effects of clan culture. At last, no significant link was observed between hierarchy culture and CSR. In fact, this empirical analysis did not support the notion that hierarchy culture could be significant obstacle to the incorporation of superior degree of CSR.

Chapter 4 provides an understanding that employees of the private commercial banks in Bangladesh are moderately satisfied with their job, fairly involved in their job, and reasonably obliged to stay with their organization. And, it can be also concluded that employees of the private commercial banks in Bangladesh are wanting and being obliged to commit to their organization rather than needing.

Table 8.3: Results of Hypothesis Test in Chapter 4

Hypothesis	Result
H 8: The greater the perceived CSR, the greater the employee job satisfaction.	Significant
H 9: The greater the perceived CSR, the greater the employee job involvement.	Significant
H10: The greater the perceived CSR, the greater the employee commitment.	Significant

This chapter explored the effects of perceived CSR on employee attitude. More specifically, this chapter examined the influence of the Carroll's four CSR dimensions (economic, legal, ethical, philanthropic) as well as overall CSR on job satisfaction, job involvement, and different types of organizational commitment such as affective commitment, continuance commitment, and normative commitment. In chapter 4, three hypotheses were proposed. To test the hypothesized relationships, correlation matrix and hierarchical regression modeling were conducted. Results of the correlation analyses show that legal and philanthropic responsibilities mostly affect the constructs of employee attitude. This probably is due to the fact that employees who perceive that their bank is treating them fairly through employment policies, complying with all laws regulating human resource practices, providing additional education and training, ensuring flexible company policies that enable employees to better coordinate organizational and personal life and so forth induce employees to be more satisfied in their job, further involved in their job, and more committed to their organization.

Results of hierarchical regression models show that CSR has positive, direct relationships with all the employee attitude variables like, job satisfaction, job involvement, and organizational commitment. Accordingly, the mediating effect of concern for social issues on the relationship between CSR and all the constructs of employee attitude but job involvement not found significant. The lack of significant results could be due to a lack of statistical power of relevant data. In turn, results of the chapter found that CSR is positively associated with job involvement through concern for social issues. This perhaps is due to the fact that employees who concerned of society are likely to be involved with their job not only because of fulfilling, positive work-related experience from job, but also because of being a part of whole societal system.

Chapter 5 investigated consequences of CSR perceived by customers of the private commercial banks in Bangladesh, particularly examining how CSR relates to enhanced customer attitude like satisfaction and loyalty. According to the

customers' perception, in line with the employees' opinion, private commercial banks in Bangladesh are most aware of complying legal responsibilities than other aspects of CSR. This chapter also presents a perceptives that customers of the private commercial banks in Bangladesh are reasonably satisfied with the products and fairly loyal to the brand and company.

Table 8.4: Results of Hypothesis Test in Chapter 5

Hypothesis	Result
H 11: The greater the perceived CSR, the greater the customer satisfaction.	Significant
H 12: The greater the perceived CSR, the greater the customer loyalty.	Significant

The statistical analyses presented in this chapter suggest that CSR has a positive impact on customer satisfaction and customer loyalty for private commercial banks listed in DSE in Bangladesh. The customer attitude change, in a statistically significant manner, in response to perceived CSR increases and decreases is quite evident. Accordingly, the mediating effect of concern for social issue on the relationship between CSR and customer attitude was not found significant. Correlation analysis has shown that satisfied and loyal customers typically care for philanthropic responsibilities of their banks. Because, philanthropic responsibilities like—support local sports and cultural activities, give adequate contribution to charities, and encourage partnerships with local business and educational institutes provoke customers to be more identified with their banks.

Chapter 6 in this study triangulates the relationship between CSR and corporate financial performances. In this chapter, one hypothesis was proposed. To test the hypothesized relationships, partial correlation analysis was conducted. Total Assets and Non-Performing Loans (NPL) of the banks have been used as control variables to subtract the extraneous effects of those in the relationships between CSR and corporate financial performances.

Table 8.5: Results of Hypothesis Test in Chapter 6

Hypothesis	Result
H13: The greater the perceived CSR, the greater the financial performances.	Significant

Results of the partial correlation found that both perceived CSR have positive relationships with ROE (return on equity). The correlation between perceived CSR by employees and Tobin's Q is not significant but the correlation between perceived CSR by customers and Tobin's Q is significant. However, results failed to find the proposed positive relationship between ROA (return on assets) and perceived CSR.

Table 8.6: Results of Hypothesis Test in Chapter 7

Hypothesis	Result
H 14a: The greater the job satisfaction, the greater the financial performances.	Significant
H 14b: The greater the job involvement, the greater the financial performances.	Significant
H 14c (1): The greater the affective commitment, the greater the financial performances.	Significant
H 14c (2): The greater the continuance commitment, the greater the financial performances.	Significant
H 14c (3): The greater the normative commitment, the greater the financial performances.	Significant
H 15a: The greater the customer satisfaction, the greater the financial performances.	Significant
H 15b: The greater the customer loyalty, the greater the financial performances.	Significant

In chapter 7, the relationships between individual stakeholders' attitudes (job satisfaction, job involvement, organizational commitment, customer satisfaction, and customer loyalty) and corporate financial performance (CFP) have been examined. Although the relationships are not principal subject matter of this study, this chapter intends to measure the impacts of individual stakeholders' attitude, resulting from perceived proactive CSR, on financial constructs.

Table 8.6 shows that, all stakeholder attitude variables were found partially, positively associated with corporate financial performances. Results of the partial correlations show that all the employee attitude have positive relationships with ROE. Results also exhibit that all the employee attitude excluding continuance commitment have positive relationships with ROA. However, analyses in this chapter failed to find the anticipated positive relationship between employee attitude constructs and market-based indicator like Tobin's Q. So, improved

employee attitudes in the private commercial banks in Bangladesh resulted from proactive CSR initiatives: are found to be related to the enhanced level of accounting-based financial performance—measured in terms of ROA and ROE.

Results of this chapter show that customer satisfaction and loyalty have positive relationships with ROE and Tobin's Q. However, analyses in this chapter failed to find the anticipated positive relationship between customer attitude constructs and ROA. So, improved customer attitude, resulted from upbeat CSR initiatives, predict accounting-based and market-based financial performances accordingly. Total Assets and Non-Performing Loans (NPL) of the banks also have been used as control variables to subtract the extraneous effects of those in the relationships between stakeholder attitude constructs and corporate financial performances of the private commercial banks in Bangladesh.

8.3 Implications

The study findings suggest that corporate culture plays an essential role in achieving proactive CSR. The results suggest a positive relationship between clan culture and CSR, between adhocracy culture and CSR, and between market culture and CSR. And, no significant link was observed between hierarchy culture and CSR. That is, in the context of this study, organizations wanting to improve CSR posture may focus on encouraging managers to establish and maintain a clan type of organization and emphasize teamwork, participation, and consensus in decision making.

Despite the volume of practical literature on the effects of CSR on stakeholders' attitude, very little academic research has tried to unravel the relationship mechanism explaining how CSR predicts outcome variables. By filling this gap, this study provides a valuable contribution to the literature on CSR in banking sector in a developing country. Though many studies were conducted to attempt to show the influence on corporate financial performance, the substantiation was considered to be somewhat questionable due to methodological issues which are not surprising given that it is almost impossible to prove the influence on profitability. There are so many other potential antecedents and

moderators that could influence profit, that it is difficult to attribute the increase of profit to CSR.

However, the influence of CSR on individual stakeholders' attitude, which can lead to increased business benefit, is something that can more easily be calculated. Previous studies have not been able to measure the influence of CSR on employee and customer attitude simultaneously because the two constructs were being measured at different levels of analysis. Stakeholders' attitude are typically measured at a micro level of analysis while CSR is usually measured at the macro organizational level. Therefore, it was not surprising that in an extensive literature review, the author was not able to find any studies showing the effects of CSR on individual stakeholders' attitude.

It is only now that a modified survey instrument was adapted to measure perceived CSR at the individual level, that the influence of CSR on individual stakeholders was studied. As a result, this is the first known study completed with academic rigor that provides strong evidence that CSR can positively influence stakeholders' attitude in developing country like Bangladesh.

Overall, this research constitutes a preliminary attempt at gaining a holistic understanding of CSR at business case perspective. This empirical study suggests that meeting societal demands does not come at the expense of corporate financial performance. Instead, with initiatives designed to show their commitment to meeting economic, legal, ethical and philanthropic responsibilities business may generate positive stakeholders' attitude. These findings highlight the strategic implications of CSR from the viewpoint of stakeholder theory.

8.4 Recommendations

Considering the findings provided in this study, a set of policy guidelines for the development of CSR posture and functioning of private commercial banks in Bangladesh are presented below.

- ◆ The empirical results presented in chapter 2 suggest that CSR expenditure has a considerable impact on financial performance for banks listed in DSE.

No evidence of a negative association between CSR and financial performance has been found. So, for the enhancement of financial performance the management of the banks in Bangladesh should ensure enough investment in diversified CSR activities.

- ◆ Findings of chapter 3 claim that hierarchy culture is common and dominant among private commercial banks in Bangladesh. The study findings suggest that organizational culture play an important role in achieving high level of CSR and clan culture is found to be most conducive of proactive stance of CSR. So, management of the banks in Bangladesh should take the initiative to encourage teamwork, participation, trust, commitment, and cooperation within their organization for strengthen clan culture to foster CSR posture.
- ◆ According to results of empirical analyses in chapter 4, employees of socially responsible firms are likely to be satisfied with their job, involved in their job, and obliged to stay with their organization. To ensure improved employee attitude of an organization like bank should take initiative to uphold employee perception regarding their CSR activities. To do this organizations not only improve their CSR posture but also communicate the CSR activities through out the firm.
- ◆ Extant research has provided extensive evidence that customer perception of CSR influences customer responses to product and services, attitude toward products, identification with a particular firm, and customers' behavioral intention. Chapter 5 presents a perceptive that, customers, who perceived their banks as social responsible entity, is likely to be satisfied with their services. Results of regression analyses also show compelling support that the influence of CSR is quite strong on customer loyalty. Therefore, to enhance customer satisfaction and loyalty, bank management should take the initiative to ensure proactive CSR as strategic tools for market establishment.

- ◆ Chapter 6 attempts to deal with the question whether perceived corporate social responsibility is linked to corporate financial performance. Using empirical methods, the sign of the relationship between perceived corporate social responsibility and corporate financial performance has been tested. Hence, for the improvement of company bottom line, an organization should produce mechanism to boost up perceived CSR by different stakeholders like, employee and customers.
- ◆ Chapter 7 of this study evidently exhibits the potential strategic implications of improved stakeholders' attitude in the private commercial banks in Bangladesh resulted from proactive CSR initiatives: are found to be analytically related improved level of corporate financial performance—measured in terms of ROA, ROE, and Tobin's Q. So, management of the private commercial banks in Bangladesh should provide an environment where CSR can boost up and eventually contribute to improve individual stakeholders' attitude like, job satisfaction, job involvement, organizational commitment, customer satisfaction, and customer loyalty to confirm handsome corporate financial bottom line.

Overall, this study suggests that CSR is not just expenditure it is an investment. By investing diversified CSR activities management can reap competitive advantage in marketplace.

8.5 Conclusions

In banking industry of Bangladesh, embracing CSR has to begin with decision at the highest corporate level, and adoption of social performance targets chosen in consultative processes. Besides adoption of socially and environmentally responsible practices in own internal operations, banks are making major CSR contribution by speeding up financial inclusion of the large socially underprivileged rural and urban population segments.

The empirical results presented in this study suggest that CSR has a considerable impact on financial performance for banks listed in DSE. As many

previous studies suggested³²⁶, this study also found a positive relationship between the two constructs. The accounting-based financial performance like, ROA and ROE change, in a less statistically significant manner than market-based financial performance like, Tobin's Q in response to CSR increases and decreases is quite evident. Such findings not only support the hypotheses that CSR influences banks' performances, but show that CSR expenditure has a significantly large influence on market-based financial performance like Tobin's Q.³²⁷

The results of the study expose that most private commercial banks in Bangladesh are dominated by a strong hierarchy culture. The findings show that private commercial banks in Bangladesh are very formalized and structured place, have a leadership style generally associated with a coordinator, an organizer, or an administrator, emphasize chain of command, emphasize stability and the ability to maintain control, and define success on the basis of efficient, reliable, and smooth operations.

This study is also paid attention to an empirical analysis of the CSR posture of private commercial banks in Bangladesh. According to the employees' perception, private commercial banks in Bangladesh are comparatively more aware of complying legal responsibilities than other aspects of CSR. It has been also seen that in case of legal stances, private commercial banks in Bangladesh are more aware of complying legal requirements imposed by government agencies than other obligations.

The study findings suggest that organizational culture play an important role in achieving high level of CSR. This result underlines the positive organizational effects of clan culture and adds to previous investigations linking clan culture to high levels of employee morale and satisfaction, human resource development, and teamwork.³²⁸ This study also upholds relation between market

³²⁶ Jennifer J. Griffin and John F. Mahon, p. 20; S. Waddock and S. Graves, p. 309; J. McGuire, A. Sundgren, and T. Schneeweis, p. 868; and P. L. Cochran and R. A. Wood, p. 46.

³²⁷ Xueming Luo and C.B. Bhattacharya, p. 9.

³²⁸ Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco: Jossey-Bass, 2006), p.48.

orientation and CSR³²⁹ and brings to light another benefit of market culture beyond the accomplishment of superior value for the customer and superior business performance for the organization.³³⁰ As seen in this study, adhocracy culture type predicts only cumulative CSR not any distinct aspect of CSR. At last, no significant link was observed between hierarchy culture and CSR. In fact, this empirical analysis did not support the notion that hierarchy culture could be obstacles to the incorporation of superior degree of CSR.

This study provides an understanding that employees of the private commercial banks in Bangladesh are moderately satisfied with their job, fairly involved in their job, and reasonably obliged to stay with their organization. According to results of regression analyses in this study, employees of socially responsible firms are likely to be satisfied with their job. But, the results of this study also display that concern of the social issues does not mediate the CSR–job satisfaction relationship.

CSR was found to significantly affect job involvement of the employees in the private commercial banks in Bangladesh. Employees, who perceived their organizations as proactive in case of CSR, are prone to be identified with their jobs because they perceive the firm ensuring work environment³³¹. The results of this study also observe that employees' concern for social issues mediates the CSR–Job involvement relationship. Thus, the direct relationship between perceived CSR and job involvement can also be explained by concern for social issues. Employees who concerned of society are likely to be involved with their job not only because of fulfilling, positive work-related experience from job, but also because of being a part of whole societal system.

³²⁹ Isabelle Maignan, O.C. Ferrell, and G. Tomas M. Hult, "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (1999): p. 464.

³³⁰ B.J. Jaworski and A.K. Kohli, "Market Orientation: Antecedents and Consequences," *Journal of Marketing*, vol. 57, July (1993): pp. 53–70; J.K. Han and N. Kim, "Market Orientation and Organizational Performance: Is Innovation a Missing Link?" *Journal of Marketing*, vol. 62, no. 4 (1998): p. 30; G.E. Greenley, "Market Orientation and Company Performance: Empirical Evidence from UK Companies", *British Journal of Management*, vol. 6 (1998): pp. 1–13.

³³¹ T. J. Newton, and A. Keenan, "Is Work Involvement an Attribute of the Person or the Environment," *Journal of Occupational Behavior*, vol 4 (1983): pp. 169–178.

According to the results in this study, members of socially proactive organizations likely to feel committed to their organization and to be supportive of its mission. CSR was found to significantly affect organizational commitments (affective, continuance, normative) of the employees in the private commercial banks in Bangladesh. Employees, who perceived their companies as proactive in case of CSR, are likely to be committed to their organization because they perceive the firm ensuring an environment designed to enhance workplace experience and working in a company whose goals go beyond the mere maximization of profit. Thus CSR is an excellent tool to motivate employees, to educate them about the organization, and to gain their patronage.³³² Regression analysis showed that the concern for social issue by the employees of banks did not significantly moderate the relationship between the perceived CSR and dimensions of organizational commitment. The lack of significant results could be due to a lack of statistical power of relevant data.³³³

According to the customers' perception, in line with the employees' opinion, private commercial banks in Bangladesh are most aware of complying legal responsibilities than other aspects of CSR. Alongside, philanthropic responsibilities ranked second among the dimensions of CSR. Ethical responsibilities have been being paid lowest attention by private commercial banks in Bangladesh.

This study presents a perceptible that customers of the private commercial banks in Bangladesh are reasonably satisfied with the products and fairly loyal to the brand and firm. Customers, who perceived their banks as social responsible entity, are likely to be satisfied with their services because they perceive the organization appealing to the multidimensionality of the customer as not only an economic being but also a member of a family, community, and country.³³⁴ As

³³² Isabelle Maignan, O. C. Ferrell, and G. Tomas M. Hult, "Corporate Citizenship: Cultural Antecedents and Business Benefits," *Journal of the Academy of Marketing Science*, vol. 27, no. 4 (Fall 1999): p. 465.

³³³ Ante Glavas, "Effects of Corporate Citizenship on Employees: Why Does Doing Good Matter?" PhD Thesis, Department of Organizational Behavior, School of Graduate Studies, Case Western Reserve University, 2009, p. 97.

³³⁴ Jay M. Handelman, and Stephen J. Arnold, "The Role of Marketing Actions with a Social Dimension: Appeals to the Institutional Environment," *Journal of Marketing*, vol. 63 (July, 1999): pp. 33–48.

exposed in this research, satisfied customer typically cares for philanthropic responsibilities of their banks. Because, consistent with prior findings³³⁵, conforming philanthropic responsibilities provoke customers to be more identified with their banks. Testing for control variables found that Service Quality and Access had significant effects on customer satisfaction. However, even if the effect of price was positive, it was insignificant. Regression analysis showed that the concern for social issue by the customers of banks did not significantly moderate the relationship between the perceived CSR and customer satisfaction.

This study further indicates that proactive CSR is conducive of customer loyalty. Results of regression analyses show compelling support that the influence of CSR is quite strong on customer loyalty. Additionally, philanthropic and legal responsibilities were found to be the most important concern of loyal customers of the private commercial banks in Bangladesh. Testing for control variables found that customer satisfaction had significant effects on customer loyalty.

This study attempts to deal with the question whether corporate social responsibility is linked to corporate financial performance. Results point out that the sign of the link is positive, which supports those studies that found positive linkages in the past.³³⁶

This study also evidently exhibits the potential strategic implications of improved stakeholders' attitude in the private commercial banks in Bangladesh resulted from proactive CSR initiatives. The desirable effects of positive employee attitude, resulted from proactive CSR, may in turn improve the overall strategic position of the private commercial banks in Bangladesh and may at least partially explain the affirmative relation between employee attitude and organizational performance.

³³⁵ Donald R. Lichtenstein, Minette E. Drumwright, and Bridgette M. Braig, "The Effect of Corporate Social Responsibility on Customer Donations to Corporate-Supported Nonprofits," *Journal of Marketing*, vol. 68 (October, 2004): p. 17.

³³⁶ Margarita Tsoutsoura, "Corporate Social Responsibility and Financial Performance," *Center for Responsible Business Working Paper Series* (March 2004): p. 17, <http://escholarship.org/uc/item/111799p2> (accessed on 15 January, 2011); S. Waddock and S. Graves, "The Corporate Social Performance – Financial Performance Link," *Strategic Management Journal*, vol. 18 (1997): p. 303; Jennifer J. Griffin and John F. Mahon, "The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research," *Business & Society*, Vol. 36, No. 1 (March 1997): p. 26.

In case of customer constructs several positive consequences of CSR for companies achieving high levels of customer satisfaction have been posited³³⁷. Behavioral outcomes are said to include enhanced loyalty, retention and business performance with a link between customer retention and market share being strongly evident³³⁸. These desirable effects of enhanced customer satisfaction and loyalty, resulted from upbeat CSR posture, may in sequence improve the overall competitive position of the private commercial banks in Bangladesh and could at least somewhat explain the assenting relation between customer attitude and organizations' bottom-line.

Overall, this study constitutes a preliminary attempt at gaining a holistic understanding of CSR from stakeholder perspective. This empirical research suggests that complying social requirements does not come at the expense of performance levels. Instead, with actions undertaken to depict their obligation to meeting economic, legal, ethical, and philanthropic responsibilities, business may be able to generate a presence of positive attitude in both employees and customers. These findings highlight the business case for CSR and conform the stakeholder theory of business organization.

8.6 Suggestions for Future Research

Despite the efforts to provide a meaningful understanding and evaluation of CSR, the study is not without limitations. First, the study relied solely on the information provided by employees and customers in a survey. Future research could address this caveat by relying on multi-informants research design. Surveys on social pressure group members, government agencies officials, and public stakeholders could be combined to obtain a better posture of organizational initiatives. Furthermore, non-intrusive measures of employee and customer behavior could also be used to triangulate individual stakeholders' perceptions with facts. For

³³⁷ J. S. Thomas, W. J. Reinartz, and V. Kumar, "Getting the Most out of All Your Customers", *Harvard Business Review* (July–August, 2004): pp. 116–123.

³³⁸ R. T. Rust and A. J. Zahorik, "Customer satisfaction, customer retention and market share" *Journal of Retailing*, no. 69 (1993): pp. 193–215.

examples, turnover rate and the percentage of transactions made of repeat purchase could be used to assess employee job satisfaction and customer loyalty.

Second, another limitation of this study is its cross-sectional design. Because data for this study were collected from individual respondents at a single point in time, the causal relationships between the variables are prone to biases. Therefore, future research should use longitudinal designs and or cross-lagged model testing to further validate the relationships found in this study; such longitudinal studies would allow stronger causal inferences.

Third, the findings of this research were based exclusively on data collected using self-report questionnaires, so another concern with the findings is the possibility that responses may have been affected by the social desirability response bias.³³⁹ Although some researchers argue that the best way to measure respondents' subjective state of mind, disposition, or attitude is through self-reporting³⁴⁰, the influence of same-source variance on these results cannot be completely ruled out. Therefore, future research should use a combination of sources.

Fourth, the research included only four dimensions of organizational culture as possible antecedents of CSR. This focus entails a limited portrayal of the role of organizational culture. Future research could incorporate more comprehensive measures of organizational culture such as Hofstede, Neuijen, Ohayv et al. Organizational Practices (IS) Scale³⁴¹ which incorporate six dimensions.

Furthermore, the data for this study were collected from a mixed group of bank employees and customers in Bangladesh. Thus, the findings may not generalize to other industrial contexts or other cultures; research in other settings or geographical areas might yield different results. In this regard, replicating this study in different settings would be worthwhile to establish the validity and universality of the present findings across different contexts.

³³⁹ Junghoon Lee, "Antecedents and Consequences of Employee Engagement: Empirical Study of Hotel Employees and Managers", PhD Thesis, Department of Hospitality Management and Dietetics, College of Human Ecology, Kansas State University, 2012, p. 181.

³⁴⁰ P. E. Spector, "Using Self-Report Questionnaires in OB Research: A Comment on the Use of A Controversial Method", *Journal of Organizational Behavior*, vol. 15 (1994): pp. 385–392.

³⁴¹ G. Hofstede, B. Neuijen, and D. D. Ohayv, "Measuring Organizational Cultures: A Qualitative And Quantitative Study Across Twenty Cases", *Administrative Science Quarterly*, vol. 35 (1990): 286–316.

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Appendices

Appendix: A (Banks' Financial Data)

Info	Total assets (book value)	Net Profit	Return on Assets (ROA)	Return on Equity (ROE)	Capital Adequacy Ratio	Tobin's Q	Earning per Share (EPS)	Direct CSR Expenditure	Non performing Loans (NPL)
	Million Tk	Million Tk	%	%	%	1:	Tk	Million Tk	%
Prime Bank Limited									
2007	79588	1401	1.76	26.57	11.50	1.20	6.15		1.35
2008	110437	1249	1.13	18.65	10.88	1.08	4.39		1.76
2009	124806	2823	2.26	24.04	14.71	1.09	7.94		1.29
2010	152797	3642	2.38	21.71	11.69	1.25	6.90	291.42	1.23
AB Bank									
2007	63550	1903	2.99	42.19	10.75	1.23	8.54		4.31
2008	84054	2301	2.74	34.21	12.84	1.14	10.32		2.99
2009	107093	3417	3.19	33.20	11.09	1.19	10.66		2.70
2010	134004	3990	2.98	28.20	9.91	1.27	12.45	50.20	1.91
Eastern Bank Limited									
2007	40204	419	1.04	10.94	13.53	1.18	4.05	9.50	4.31
2008	54598	798	1.46	16.72	12.71	1.06	5.75	1.00	3.30
2009	69871	1455	2.02	17.26	11.34	1.11	5.85	6.74	2.46
2010	82054	2485	3.03	20.56	10.81	1.31	8.50	31.38	1.99
Bank Asia Limited									
2007	38428	660	1.72	25.02	11.28	1.12	4.73	13.82	2.44
2008	53371	687	1.29	20.61	11.25	1.06	3.94	6.92	2.68
2009	68663	1327	1.93	26.77	12.27	1.06	6.19	1.00	1.56
2010	105198	1930	1.83	27.34	8.11	1.18	6.43	40.55	1.62
Dutch Bangla Bank Limited									
2007	49371	480	0.97	20.57	11.76	1.23	23.74	39.21	3.26
2008	60619	822	1.36	25.98	10.89	1.65	8.22	171.02	3.27
2009	81481	1138	1.40	26.15	11.59	1.31	7.59	159.21	2.46
2010	101182	2002	1.98	28.60	09.64	1.38	10.01	168.86	2.64
IFIC Bank Limited									
2007	39914	965	2.42	36.91	12.69	1.33	14.39	11.99	8.11
2008	45729	657	1.44	20.54	12.45	1.28	4.90	10.56	5.92
2009	62902	900	1.43	21.44	10.02	1.19	5.16		6.14
2010	70840	1664	2.35	28.86	9.78	1.36	7.63	11.75	4.75
Mutual Trust Bank Limited									
2007	32182	211	0.66	10.32	10.19	1.16	2.11	5.00	2.39
2008	38965	305	0.78	12.28	10.39	1.06	2.10		4.92
2009	52775	821	1.56	22.28	9.20	1.07	4.65	3.50	2.81
2010	57529	988	1.72	22.56	11.49	1.18	4.66	18.87	2.28
Jamuna Bank Limited									
2007	26405	89	0.34	5.37	12.42	1.11	0.68	14.22	5.06
2008	31647	480	1.52	22.21	11.91	1.04	3.82	1.45	2.84
2009	48731	923	1.89	23.19	12.83	1.10	5.69	4.58	2.20
2010	70753	1066	1.50	16.63	9.49	1.08	4.78	17.00	1.83
BRAC Bank Limited									
2007	45383	618	1.36	20.12	12.28	1.36	5.49		4.45
2008	72442	973	1.34	17.89	12.76	1.11	6.15	7.36	4.69
2009	95127	1326	1.39	16.26	12.45	1.06	6.44	21.57	6.04
2010	119150	1825	1.53	19.39	12.07	1.11	6.82	38.55	5.85

Info Year	Total assets (book value)	Net Profit	Return on Assets (ROA)	Return on Equity (ROE)	Capital Adequacy Ratio	Tobin's Q	Earning per Share (EPS)	Direct CSR Expenditure	Non performing Loans (NPL)
	Million Tk	Million Tk	%	%	%	1:	Tk	Million Tk	%
Pubali Bank Limited									
2007	71561	1354	1.89	22.83	12.17	1.21	6.45	27.49	4.98
2008	89885	1515	1.69	20.07	13.53	1.09	5.15	24.49	3.59
2009	107580	2092	1.94	22.00	13.63	1.13	5.47	18.88	2.96
2010	128463	3233	2.52	22.48	11.23	1.30	6.51	49.51	2.04
Premier Bank Limited									
2007	32573	79	0.24	3.20	12.66	1.08	4.66	8.40	5.96
2008	38723	651	1.68	20.89	12.71	1.03	3.85	7.51	4.55
2009	47343	1088	2.30	23.46	15.14	1.06	4.85	11.57	1.83
2010	68240	1772	2.60	28.23	10.01	1.20	6.08	57.30	4.66
Uttara Bank Limited									
2007	52860	410	0.78	16.71	10.49	1.32	10.26	10.00	12.40
2008	58444	1139	1.95	30.88	11.84	1.40	14.26	8.90	7.09
2009	71946	1105	1.54	17.80	15.80	1.26	6.92	3.08	7.20
2010	81452	1552	1.91	18.02	11.30	1.38	6.48	60.00	5.50
South East Bank Limited									
2007	64371	1223	1.90	18.91	13.00	1.10	5.36	22.41	3.77
2008	81182	887	1.09	11.58	11.12	1.02	3.11	14.65	4.12
2009	112677	1870	1.66	18.84	11.72	1.01	5.46		3.73
2010	131944	2763	2.09	16.16	11.25	1.19	4.52	38.40	4.26
NCC Bank Limited									
2007	42523	677	1.59	20.35	10.61	1.06	5.01		4.17
2008	57365	882	1.54	19.09	10.61	1.03	5.02	11.00	4.14
2009	65937	1720	2.61	25.83	13.55	1.10	7.53	4.38	2.84
2010	83554	2372	2.84	23.09	10.91	1.25	5.33	17.70	2.77
National Bank Limited									
2007	56531	1238	2.19	27.11	13.11	1.24	10.24		4.50
2008	72227	1525	2.11	24.87	13.42	1.18	8.10	47.27	5.40
2009	91966	2082	2.26	23.35	8.61	1.10	7.27	68.40	5.97
2010	134748	6872	5.09	36.04	12.29	1.49	15.57	142.35	3.96
Trust bank Limited									
2007	30382	239	0.79	11.10	12.21	1.29	2.83	9.52	2.71
2008	38476	463	1.20	14.84	12.81	1.13	3.20	1.00	2.52
2009	54207	611	1.13	17.15	12.66	1.08	3.31	46.75	2.65
2010	58276	1294	2.22	25.75	9.06	1.20	5.84	48.10	2.41
Mercantile Bank Limited									
2007	44941	541	1.20	18.47	11.67	1.07	3.61	14.62	2.80
2008	55929	616	1.10	17.75	10.17	1.05	3.42	12.17	2.96
2009	66167	808	1.22	18.81	10.48	1.06	3.74	9.28	2.59
2010	87140	1425	1.64	19.83	9.13	1.19	4.10	92.53	1.78
Dhaka Bank Limited									
2007	57443	704	1.23	22.53	10.36	1.14	4.55	9.40	3.15
2008	71137	839	1.18	20.98	11.84	1.04	4.34	22.40	3.84
2009	77767	959	1.23	19.31	11.31	1.07	4.51	22.93	5.57
2010	90141	1679	1.86	25.52	10.09	1.15	6.31	36.04	4.57

Info Year	Total assets (book value)	Net Profit	Return on Assets (ROA)	Return on Equity (ROE)	Capital Adequacy Ratio	Tobin's Q	Earning per Share (EPS)	Direct CSR Expenditure	Non performing Loans (NPL)
	Million Tk	Million Tk	%	%	%	1:	Tk	Million Tk	%
One Bank Limited									
2007	27475	405	1.47	22.09	10.25	1.15	3.90		3.10
2008	31744	422	1.33	18.23	11.02	1.06	3.25		4.23
2009	45163	727	1.61	23.69	10.90	1.09	4.66	8.61	5.40
2010	58705	1887	3.21	38.80	09.69	1.32	9.18	15.92	3.71
United Commercial Bank Limited									
2007	50181	815	1.62	25.98	9.27	1.19	6.83		4.92
2008	64795	765	1.18	17.44	10.34	1.08	4.27		4.62
2009	90484	933	1.03	16.35	9.22	1.04	4.17		2.63
2010	129774	2180	1.68	27.90	6.31	1.45	7.49	16.06	1.20
Standard Bank Limited									
2007	22949		1.51	12.54	18.61	1.17	1.76		1.52
2008	34210	657	1.92	19.18	15.42	1.05	2.98	6.00	1.87
2009	49001	764	1.56	18.10	13.56	1.09	2.89		1.83
2010	56167	1369	2.44	24.34	10.32	1.27	4.32	38.80	1.96
Social Islami Bank Limited									
2007	24547	150	0.61	9.01	10.97		1.76		4.93
2008	29809	202	0.68	10.82	10.87		1.72		4.38
2009	39981	431	1.09	12.12	14.97	1.12	1.84		3.19
2010	55169	643	1.17	15.31	9.33	1.21	2.14	24.69	4.76
First Security Islami Bank Limited									
2007	26942	31	0.12	2.73	9.15		0.31	0.40	6.50
2008	31239	104	0.33	4.13	16.49	1.05	0.74	1.00	4.20
2009	47979	327	0.68	11.41	10.86	1.05	1.42		2.14
2010	63620	549	0.86	14.01	7.77	1.13	2.33	43.63	2.61
EXIM Bank Limited									
2007	51503	931	1.81	23.03	11.23	1.08	4.35		1.58
2008	68446	1097	1.60	21.99	10.79	1.05	4.10	19.30	1.88
2009	86213	1683	1.95	25.05	11.18	1.07	4.99		2.68
2010	113071	3458	3.06	27.72	9.80	1.38	5.33	231.83	1.99
Islami Bank Bangladesh Limited									
2007	191362	1427	0.75	12.72	11.18	1.07	3.76		2.93
2008	230879	2675	1.19	19.02	10.72	1.07	5.63		2.39
2009	278327	3404	1.22	16.93	11.70	1.06	5.51	116.27	2.36
2010	330784	4485	1.36	19.07	11.03	1.11	6.05	232.63	1.77
Al-Arafah Islami Bank Limited									
2007	30182	347	1.15	17.05	10.92	1.10	3.01		3.72
2008	37177	668	1.80	24.69	11.21	1.09	4.83	12.50	2.75
2009	48516	859	1.77	24.10	11.25	1.13	4.78	8.03	1.68
2010	74005	1816	2.45	18.83	14.49	1.29	4.14	70.40	1.14
Shahjalal Islami Bank Limited									
2007	28347	647	2.28	23.21	16.42	1.14	3.46	19.50	0.62
2008	44110	818	1.85	22.69	13.81	1.08	3.64		0.44
2009	58921	1071	1.82	22.90	13.98	1.10	3.91	10.24	0.94
2010	78800	2072	2.63	30.71	10.08	1.26	6.05	24.03	1.91

Info Year	Total assets (book value)	Net Profit	Return on Assets (ROA)	Return on Equity (ROE)	Capital Adequacy Ratio	Tobin's Q	Earning per Share (EPS)	Direct CSR Expenditure	Non performing Loans (NPL)
	Million Tk	Million Tk	%	%	%	1:	Tk	Million Tk	%
The City Bank Limited									
2007	48755	343	0.70	11.93	12.61	1.12	2.89		6.20
2008	57115	398	0.70	9.44	11.01	1.03	2.91		6.30
2009	76467	819	1.07	13.97	11.29	1.07	5.21	4.98	4.90
2010	90898	1870	2.06	16.23	11.11	1.30	6.00	11.70	4.40

Appendix: B

Employee Survey

I am soliciting your participation in a research study entitled “**Corporate Social Responsibility of the Private Commercial Banks in Bangladesh: Cultural Antecedents and Implications for the Stakeholders,**” and hope you will agree to take about 20-25 minutes of your time to complete this survey. The purpose of this survey is to explore employees’ views and perceptions about different aspects of their organizations and jobs. Questions in this survey will ask about your attitude toward your job and organization, your perceptions regarding your bank’s organizational culture, and your perceptions of your bank’s corporate social responsibility. The information you provide will be used to inform research on corporate social responsibility of banking sector in Bangladesh. In addition, it will also form the basis for a Ph.D. Dissertation on the topic. You are free to decline answering any question.

Your participation is entirely voluntary, and all responses are confidential. You will never be identified by the information you provide. Completing this survey will not expose you to any foreseeable risk or harm of any sort. Data gathered in this study will be used only for research purposes. Completion of this survey constitutes your informed consent to participate in this study. If you have questions or concerns regarding this survey, please contact the researcher **Md. Zahangir Kabir** via mobile phone at 01713-163351, or via email at zahangirhstu@yahoo.com. You may also contact the supervisor **Professor Dr. M. Zainul Abedin** during working hours, at Institute of Bangladesh Studies, University of Rajshahi. Thank you for agreeing to participate in this study; your help is greatly appreciated.

General Information					
Bank Name:	United Commercial Bank Limited				
Branch Name:					
Employee Name:					
Designation:					
Gender:	Male	Female			
Age (in year):Year				
Marital Status:	Married		Unmarried		
Academic Qualification	SSC	HSC	Bachelor	Masters	PhD
Total work experience do you have? Years.....Months				
How long have you worked in this present bank? Years.....Months				
What managerial-level are you at within this bank?	First-line	Middle	Upper/Top		

Please rank the following statements about your bank from 1 to 7 as per your evaluation:

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral/ Undecided	Slightly Agree	Agree	Strongly Agree

Corporate Social Responsibility								
Economic Responsibility								
1.	This bank has a clear, written, and announced strategic vision.	1	2	3	4	5	6	7
2.	Pleasing owner/stockholder by ensuring profit is an important objective of this bank.	1	2	3	4	5	6	7
3.	Decisions in this bank are primarily viewed in terms of contributions to profit.	1	2	3	4	5	6	7
4.	Most people in this bank show through their work that they care a lot about making a profit.	1	2	3	4	5	6	7
5.	This bank has been successful at maximizing the profits.	1	2	3	4	5	6	7
6.	The major responsibility for managers in the bank is to consider efficiency first.	1	2	3	4	5	6	7
7.	This bank strives to lower the operating cost.	1	2	3	4	5	6	7
8.	This bank has a procedure in place to respond to every customer complaint.	1	2	3	4	5	6	7
9.	This bank continually improves the quality of the products and services.	1	2	3	4	5	6	7
10.	This bank use consumer satisfaction as an indicator of the bank performance	1	2	3	4	5	6	7
Legal Responsibility								
11.	The first consideration of this bank is whether a decision violates any law.	1	2	3	4	5	6	7
12.	Managers of this bank are aware about relevant environmental laws.	1	2	3	4	5	6	7
13.	All of this bank's products and services meet legal standards.	1	2	3	4	5	6	7
14.	Contractual obligations have been always honored by this bank.	1	2	3	4	5	6	7
15.	The management of this bank tries to comply with the laws regarding taxation and corporation.	1	2	3	4	5	6	7
16.	This bank seeks to comply with all laws regulating human resource practices.	1	2	3	4	5	6	7
17.	This bank has programs that ensure equal employment opportunity (EEO).	1	2	3	4	5	6	7
18.	There are internal policies prevent discrimination in employees' of this bank.	1	2	3	4	5	6	7
Ethical Responsibility								
19.	This bank lending SME's, farmers, women, and students adequately.	1	2	3	4	5	6	7

20.	This bank lending for renewable energy generation (household solar and bio-mass plants), effluent treatment, and manufacturing/processing equipments that minimize harmful emissions.	1	2	3	4	5	6	7
21.	Initiatives are in place to reduce the energy and materials wasted in this bank.	1	2	3	4	5	6	7
22.	This bank has an effective mobile banking services in remote locations	1	2	3	4	5	6	7
23.	This bank has adequate number of branches in dispersed rural locations	1	2	3	4	5	6	7
24.	This bank has a comprehensive code of conduct.	1	2	3	4	5	6	7
25.	What is best for each individual is a primary concern in this organization.	1	2	3	4	5	6	7
26.	Employees of this bank are expected to comply with the professional standards over and above other considerations.	1	2	3	4	5	6	7
27.	This bank does as much as it can within its daily operations to make sure that are not hurting the society and environment.	1	2	3	4	5	6	7
28.	This bank recognized as a trustworthy company to all stakeholders.	1	2	3	4	5	6	7
29.	A confidential procedure is in place for employees and customers to report any misconduct at workplace (stealing or sexual harassment).	1	2	3	4	5	6	7
30.	Employees of this bank are required to provide complete and accurate information to all customers.	1	2	3	4	5	6	7
31.	This bank initiates publicity for company information to society.	1	2	3	4	5	6	7
Philanthropic Responsibility								
32.	This bank support employees who acquire additional education and training.	1	2	3	4	5	6	7
33.	This bank encourages employees to join civic organization that support community.	1	2	3	4	5	6	7
34.	Flexible company policies that enable employees to better coordinate organizational and personal life.	1	2	3	4	5	6	7
35.	This bank gives adequate contribution to charities.	1	2	3	4	5	6	7
36.	This bank encourages partnerships with local business and educational institutes.	1	2	3	4	5	6	7
37.	This bank supports local sports and cultural activities.	1	2	3	4	5	6	7
Organizational Culture								
Clan Culture								
38.	This bank is a very personal and informal place. It is like an extended family.	1	2	3	4	5	6	7
39.	This bank emphasizes teamwork, participation, and consensus in decision making.	1	2	3	4	5	6	7
40.	The head of this branch/bank is generally considered to be a mentor, facilitator, or a father or mother figure.	1	2	3	4	5	6	7
41.	The glue that holds this bank together is trust, commitment and cooperation.	1	2	3	4	5	6	7

42.	This bank emphasizes human resource development. High morale is important here.	1	2	3	4	5	6	7
43.	People are the primary concern of this bank	1	2	3	4	5	6	7
Adhocracy Culture								
44.	This bank is a very dynamic and entrepreneurial place. People are willing to face uncertainty and take risks.	1	2	3	4	5	6	7
45.	This bank emphasizes flexible structure like task forces and committee. Do not have centralized power or authority relationships.	1	2	3	4	5	6	7
46.	The head of this branch/bank is generally considered to be an entrepreneur, an innovator, or a risk taker.	1	2	3	4	5	6	7
47.	The glue that holds this bank together is a commitment to innovation and development.	1	2	3	4	5	6	7
48.	This bank emphasizes growth and acquiring new resources.	1	2	3	4	5	6	7
49.	Innovative services and adaptability to new opportunities are the primary concern of this bank.	1	2	3	4	5	6	7
Hierarchy Culture								
50.	This bank is a very formalized and structured place. Established procedures generally govern what people do.	1	2	3	4	5	6	7
51.	This bank emphasizes chain of command, control, and coordination.	1	2	3	4	5	6	7
52.	The head of this bank/branch is generally considered to be a coordinator, an organizer, or an administrator.	1	2	3	4	5	6	7
53.	The glue that holds this bank together is formal rules and policies.	1	2	3	4	5	6	7
54.	This bank emphasizes stability and the ability to maintain control.	1	2	3	4	5	6	7
55.	Efficient, reliable, and smooth operations are very important in this bank.	1	2	3	4	5	6	7
Market Culture								
56.	This bank is oriented toward the external environment instead of internal affairs.	1	2	3	4	5	6	7
57.	This bank emphasizes transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth.	1	2	3	4	5	6	7
58.	The head of this bank is generally considered to be a producer, a technician, or a hard driver.	1	2	3	4	5	6	7
59.	The glue that holds this bank together is the emphasis on tasks and goal accomplishment.	1	2	3	4	5	6	7
60.	This bank emphasizes competitive actions and achievement. Measurable goals are important.	1	2	3	4	5	6	7
61.	Competitive advantage, profitability, stretch targets, and secure customer bases are primary concern of this bank.	1	2	3	4	5	6	7
Job Involvement								
62.	The most important things that happen to me involve my present job	1	2	3	4	5	6	7
63.	To me, my job is only a small part of who I am. (R)	1	2	3	4	5	6	7
64.	I am very much involved personally in my job.	1	2	3	4	5	6	7

65.	I live, eat, and breathe my job.	1	2	3	4	5	6	7
66.	Most of my interests are centered on my job.	1	2	3	4	5	6	7
67.	I have very strong ties with my present job that would be very difficult to break.	1	2	3	4	5	6	7
68.	Usually I feel detached from my job. (R)	1	2	3	4	5	6	7
69.	Most of my personal life goals are job-oriented	1	2	3	4	5	6	7
70.	I consider my job to be very central to my existence	1	2	3	4	5	6	7
71.	I like to be absorbed in my job most of the time	1	2	3	4	5	6	7
Organizational Commitment								
Affective Commitment								
72.	I would be very happy to spend the rest of my career with this bank.	1	2	3	4	5	6	7
73.	I really feel as if this bank's problems are my own.	1	2	3	4	5	6	7
74.	I do not feel a strong sense of "belonging" to my bank. (R)	1	2	3	4	5	6	7
75.	I do not feel "emotionally attached" to this bank. (R)	1	2	3	4	5	6	7
76.	I do not feel like "part of the family" at my bank. (R)	1	2	3	4	5	6	7
77.	This bank has a great deal of personal meaning for me.	1	2	3	4	5	6	7
Continuance Commitment								
78.	Right now, staying with my bank is a matter of necessity as much as desire.	1	2	3	4	5	6	7
79.	It would be very hard for me to leave my bank right now, even if I wanted to.	1	2	3	4	5	6	7
80.	Too much of my life would be disrupted if I decided I wanted to leave my bank now.	1	2	3	4	5	6	7
81.	I feel that I have too few options to consider leaving this bank.	1	2	3	4	5	6	7
82.	If I had not already put so much of myself into this bank, I might consider working elsewhere.	1	2	3	4	5	6	7
83.	One of the few negative consequences of leaving this bank would be the scarcity of available alternatives.	1	2	3	4	5	6	7
Normative Commitment								
84.	I do not feel any obligation to remain with my current bank. (R)	1	2	3	4	5	6	7
85.	Even if it were to my advantage, I do not feel it would be right to leave my bank now.	1	2	3	4	5	6	7
86.	I would feel guilty if I left my bank now.	1	2	3	4	5	6	7
87.	This bank deserves my loyalty.	1	2	3	4	5	6	7
88.	I would not leave my bank right now because I have a sense of obligation to the people in it.	1	2	3	4	5	6	7
89.	I owe a great deal to my bank.	1	2	3	4	5	6	7
Overall Job Satisfaction								
90.	Generally speaking, I am satisfied with my job.	1	2	3	4	5	6	7
91.	If I had to decide all over again whether to take the job I have now, I would definitely take it.	1	2	3	4	5	6	7
92.	I would recommend a job like mine to a good friend.	1	2	3	4	5	6	7

Concern for social Issue								
93.	It is important to me to work for a company that contributes to the betterment of the world.	1	2	3	4	5	6	7
94.	It is important to me that business goals are achieved by addressing social and environmental issues.	1	2	3	4	5	6	7
95.	It is important to me that social or environmental issues are integral part of the strategy of my bank.	1	2	3	4	5	6	7

Please rank the following statements about your job at this bank from 1 to 7 as per your evaluation:

1	2	3	4	5	6	7
Very Dissatisfied	Dissatisfied	Slightly Dissatisfied	Neutral/ Undecided	Slightly Satisfied	Satisfied	Very Satisfied

Satisfaction to Job Factors								
Intrinsic Factors								
On my present job at this bank, this is how I feel about ...								
96.	Being able to keep busy all the time. (Activity)	1	2	3	4	5	6	7
97.	The chance to work alone on the job. (Independence)	1	2	3	4	5	6	7
98.	The chance to do different things from time to time. (Task Variety)	1	2	3	4	5	6	7
99.	The chance to be somebody in the community. (Social Status)	1	2	3	4	5	6	7
100.	Being able to do things that don't go against my conscience/ethics. (Morale value)	1	2	3	4	5	6	7
101.	The way my job provides for steady employment. (Job Security)	1	2	3	4	5	6	7
102.	The chance to do things for other people in the society. (Social services)	1	2	3	4	5	6	7
103.	The chance to tell people what to do. (Authority)	1	2	3	4	5	6	7
104.	The chances to do something that make use of my abilities. (Ability Utilization)	1	2	3	4	5	6	7
105.	The freedom of use my own judgment. (Responsibility)	1	2	3	4	5	6	7
106.	The chance to try my own methods of doing the job. (Creativity and innovation)	1	2	3	4	5	6	7
107.	The working conditions. (Physical conditions; safety, noise, heat, air, and illuminations)	1	2	3	4	5	6	7
108.	The way co-workers get along with each other. (Co-worker)	1	2	3	4	5	6	7
109.	The feeling of accomplishment I get from the job. (Achievement)	1	2	3	4	5	6	7
Extrinsic Factors								
On my present job at this bank, this is how I feel about ...								
110.	The way bosses handle their subordinates. (Human Relations)	1	2	3	4	5	6	7
111.	The competence of my supervisor in making decisions. (Technical Knowledge)	1	2	3	4	5	6	7

112.	The way company policies put into practices. (Company policies and Practices)	1	2	3	4	5	6	7
113.	My pay and amount of work I do. (Compensation and Benefit)	1	2	3	4	5	6	7
114.	The chances of advancement on this job. (Promotion)	1	2	3	4	5	6	7
115.	The praise and appraisal I get for doing a good job. (Recognition)	1	2	3	4	5	6	7

Customer Survey

I am soliciting your participation in a research study entitled “**Corporate Social Responsibility of the Private Commercial Banks in Bangladesh: Cultural Antecedents and Implications for the Stakeholders,**” and hope you will agree to take about 20-25 minutes of your time to complete this survey. The purpose of this survey is to explore customers’ views and perceptions about different aspects of their bank and its’ services. Questions in this survey will ask about your attitudes toward your bank and its’ services, your perceptions regarding your bank’s organizational culture, and your perceptions of your bank’s corporate social responsibility. The information you provide will be used to inform research on corporate social responsibility of banking sector in Bangladesh. In addition, it will also form the basis for a Ph.D. Dissertation on the topic.

Your participation is entirely voluntary, and all responses are confidential. You are free to decline answering any question. The data collected from this survey will be anonymous. You will never be identified by the information you provide. Completing this survey will not expose you to any foreseeable risk or harm of any sort. Data gathered in this study will be used only for research purposes. Completion of this survey constitutes your informed consent to participate in this study. If you have questions or concerns regarding this survey, please contact **Md. Zahangir Kabir** via mobile phone at 01713-163351, or via email at zahangirhstu@yahoo.com. You may also contact the supervisors **Professor Dr. M. Zainul Abedin** during working hours, at Institute of Bangladesh Studies, University of Rajshahi. Thank you for agreeing to participate in this study; your help is greatly appreciated.

General Information					
Name of Your Bank:					
Gender:	Male			Female	
Age (in year):	Below 20	20-30	30-40	40-50	Above 50
Academic Qualification	SSC	HSC	Bachelor	Masters	PhD
How long have you continued with this bank?	Below 1 year	1-3 years	3-7 years	7-12 years	Above 12 years
Profession	Business	Service	Student	Housewife	Others
Type of Account	Savings	Current	Term Deposit	Others	

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral/ Undecided	Slightly Agree	Agree	Strongly Agree

Corporate Social Responsibility								
Economic Responsibility								
1.	This bank has a clear, written, and announced strategic vision.	1	2	3	4	5	6	7
2.	Pleasing owner/stockholder by ensuring profit is an important objective of this bank.	1	2	3	4	5	6	7
3.	Decisions in this bank are primarily viewed in terms of contributions to profit.	1	2	3	4	5	6	7
4.	Most people in this bank show through their work that they care a lot about making a profit.	1	2	3	4	5	6	7
5.	This bank has been successful at maximizing the profits.	1	2	3	4	5	6	7
6.	The major responsibility for managers in the bank is to consider efficiency first.	1	2	3	4	5	6	7
7.	This bank strives to lower the operating cost.	1	2	3	4	5	6	7
8.	This bank has a procedure in place to respond to every customer complaint.	1	2	3	4	5	6	7
9.	This bank continually improves the quality of the products and services.	1	2	3	4	5	6	7
10.	This bank use consumer satisfaction as an indicator of the bank performance	1	2	3	4	5	6	7
Legal Responsibility								
11.	The first consideration of this bank is whether a decision violates any law.	1	2	3	4	5	6	7
12.	Managers of this bank are aware about relevant environmental laws.	1	2	3	4	5	6	7
13.	All of this bank's products and services meet legal standards.	1	2	3	4	5	6	7
14.	Contractual obligations have been always honored by this bank.	1	2	3	4	5	6	7
15.	The management of this bank tries to comply with the laws regarding taxation and corporation.	1	2	3	4	5	6	7
16.	This bank seeks to comply with all laws regulating human resource practices.	1	2	3	4	5	6	7
17.	This bank has programs that ensure equal employment opportunity (EEO).	1	2	3	4	5	6	7
18.	There are internal policies prevent discrimination in employees' of this bank.	1	2	3	4	5	6	7
Ethical Responsibility								
19.	This bank lending SME's, farmers, women, and students adequately.	1	2	3	4	5	6	7
20.	This bank lending for renewable energy generation (household solar and bio-mass plants), effluent treatment, and manufacturing/processing equipments that minimize harmful emissions.	1	2	3	4	5	6	7
21.	Initiatives are in place to reduce the energy and materials wasted in this bank.	1	2	3	4	5	6	7
22.	This bank has an effective mobile banking services in remote locations	1	2	3	4	5	6	7

23.	This bank has adequate number of branches in dispersed rural locations	1	2	3	4	5	6	7
24.	This bank has a comprehensive code of conduct.	1	2	3	4	5	6	7
25.	What is best for each individual is a primary concern in this organization.	1	2	3	4	5	6	7
26.	Employees of this bank are expected to comply with the professional standards over and above other considerations.	1	2	3	4	5	6	7
27.	This bank does as much as it can within its daily operations to make sure that are not hurting the society and environment.	1	2	3	4	5	6	7
28.	This bank recognized as a trustworthy company to all stakeholders.	1	2	3	4	5	6	7
29.	A confidential procedure is in place for employees and customers to report any misconduct at workplace (stealing or sexual harassment).	1	2	3	4	5	6	7
30.	Employees of this bank are required to provide complete and accurate information to all customers.	1	2	3	4	5	6	7
31.	This bank initiates publicity for company information to society.	1	2	3	4	5	6	7
Philanthropic Responsibility								
32.	This bank support employees who acquire additional education and training.	1	2	3	4	5	6	7
33.	This bank encourages employees to join civic organization that support community.	1	2	3	4	5	6	7
34.	Flexible company policies that enable employees to better coordinate organizational and personal life.	1	2	3	4	5	6	7
35.	This bank gives adequate contribution to charities.	1	2	3	4	5	6	7
36.	This bank encourages partnerships with local business and educational institutes.	1	2	3	4	5	6	7
37.	This bank supports local sports and cultural activities.	1	2	3	4	5	6	7

Bank's Service Quality, Price, and Access								
Assurance (Trust)								
38.	If I ask an employee of this bank a question, I feel that they are truthful to me.	1	2	3	4	5	6	7
39.	The communication I receive from my bank (letters, promotional material, and advertising) can be believed.	1	2	3	4	5	6	7
40.	I feel safe in my transactions with my bank	1	2	3	4	5	6	7
41.	Employees of my bank have the knowledge to answer my questions	1	2	3	4	5	6	7
Empathy								
42.	The employees of my bank give me personal attention	1	2	3	4	5	6	7
43.	My bank has my best interests at heart	1	2	3	4	5	6	7
44.	My bank understands my specific needs by providing wide range of schemes.	1	2	3	4	5	6	7
Reliability								
45.	Employees of my bank always follow my exact instructions.	1	2	3	4	5	6	7

46.	This bank conducts all my transactions without errors	1	2	3	4	5	6	7
47.	This bank always ensures accuracy of banking records.	1	2	3	4	5	6	7
48.	ATM service system of this bank is very secure and easy to use.	1	2	3	4	5	6	7
Tangible								
49.	Physical facilities and atmosphere of this bank are functional and attractive.	1	2	3	4	5	6	7
50.	Employees of my bank have a neat appearance.	1	2	3	4	5	6	7
51.	The statements I receive from my bank are easy to understand.	1	2	3	4	5	6	7
Responsiveness								
52.	Employees of my bank are always willing to help me	1	2	3	4	5	6	7
53.	My bank responds to my requests promptly	1	2	3	4	5	6	7
54.	Waiting time in line and service speed in the bank is reasonable.	1	2	3	4	5	6	7
Price								
55.	Interest rate/average profit rate of this bank is very attractive.	1	2	3	4	5	6	7
56.	The fees and charges in this bank are very reasonable.	1	2	3	4	5	6	7
Access								
57.	Number and location of branches of this bank is very convenient	1	2	3	4	5	6	7
58.	Hours of transaction of this bank are completely suitable for me.	1	2	3	4	5	6	7
59.	Quantity and location of the ATM booths of this bank is sufficient	1	2	3	4	5	6	7
60.	The ATM service system failure is very rare in this bank	1	2	3	4	5	6	7
61.	On-line banking system of this bank is very effective.	1	2	3	4	5	6	7
Overall Customer Satisfaction								
62.	If I had to choose all over again I would not feel differently about choosing this bank	1	2	3	4	5	6	7
63.	I think I did the right thing when I decided to use services of this bank	1	2	3	4	5	6	7
64.	I believe that purchasing services from this bank is usually a satisfying experience	1	2	3	4	5	6	7
65.	Overall, I am satisfied with this bank.	1	2	3	4	5	6	7
Customer Loyalty and Behavioral Intention								
Loyalty								
66.	I say positive things about this bank to other people.	1	2	3	4	5	6	7
67.	I recommend this bank to anyone who seeks my advice.	1	2	3	4	5	6	7
68.	I am happy to encourage my friends and family to do business with this bank	1	2	3	4	5	6	7
69.	When I need to make a banking transaction, this bank is my first choice.	1	2	3	4	5	6	7
70.	In the next few years, I will still be doing most banking with my current bank	1	2	3	4	5	6	7

Concern for Social Issue								
71.	I would pay more to buy services from a socially-responsible bank	1	2	3	4	5	6	7
72.	I consider the ethical reputation of banks when I make banking transaction	1	2	3	4	5	6	7
73.	I avoid companies that have engaged in immoral action	1	2	3	4	5	6	7
74.	I would pay more to buy the services of a bank that shows caring for the well-being of our community and environment.	1	2	3	4	5	6	7
75.	If the charges and interests of two banks are the same, I would choose the bank that has a socially-responsible reputation.	1	2	3	4	5	6	7

Appendix C: Frequencies of Responses to Survey Items
Employee Survey

Economic Responsibilities– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q1	0	0	1	.5	31	15.4	13	6.5	52	25.9	70	34.8	34	16.9
Q2	0	0	0	0	34	16.9	26	12.9	58	28.9	73	36.3	10	5.0
Q3	0	0	0	0	47	23.4	25	12.4	63	31.3	50	24.9	16	8.0
Q4	0	0	1	.5	43	21.4	17	8.5	67	33.3	60	29.9	13	6.5
Q5	0	0	1	.5	51	25.4	8	4.0	58	28.9	56	27.9	27	13.4
Q6	0	0	0	0	35	17.4	17	8.5	50	24.9	74	36.8	25	12.4
Q7	0	0	0	0	39	19.4	19	9.5	44	21.9	84	41.8	15	7.5
Q8	0	0	0	0	32	15.9	20	10.0	59	29.4	62	30.8	28	13.9
Q9	0	0	0	0	35	17.4	14	7.0	45	22.4	60	29.9	47	23.4
Q10	0	0	1	.5	35	17.4	13	6.5	61	30.3	66	32.8	25	12.4

Scale: From 1 to 7, where 1 = ‘Strongly Disagree’ and 7 = ‘Strongly Agree’.

Legal Responsibilities– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q11	0	0	0	0	34	16.9	12	6.0	53	26.4	71	35.3	31	15.4
Q12	0	0	0	0	26	12.9	8	4.0	68	33.8	80	39.8	19	9.5
Q13	0	0	1	.5	26	12.9	7	3.5	63	31.3	84	41.8	20	10.0
Q14	0	0	3	1.5	25	12.4	8	4.0	61	30.3	78	38.8	26	12.9
Q15	0	0	0	0	21	10.4	12	6.0	70	34.8	68	33.8	30	14.9
Q16	0	0	0	0	31	15.4	12	6.0	72	35.8	70	34.8	16	8.0
Q17	0	0	1	.5	31	15.4	24	11.9	89	44.3	41	20.4	15	7.5
Q18	0	0	1	.5	32	15.9	16	8.0	63	31.3	68	33.8	21	10.4

Scale: From 1 to 7, where 1 = ‘Strongly Disagree’ and 7 = ‘Strongly Agree’.

Ethical Responsibilities– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q19	1	.5	0	0	39	19.4	22	10.9	115	57.2	22	10.9	2	1.0
Q20	0	0	1	.5	40	23.9	18	9.0	89	44.3	53	26.4	0	0
Q21	0	0	1	.5	48	23.9	11	5.5	72	35.8	66	32.8	3	1.5
Q22	37	18.4	57	28.4	42	20.9	5	2.5	23	11.4	33	16.4	4	2.0
Q23	20	10.0	73	36.3	56	27.9	7	3.5	37	18.4	8	4.0	0	0
Q24	1	.5	1	.5	32	15.9	10	5.0	85	42.3	69	34.3	3	1.5
Q25	1	.5	0	0	24	11.9	16	8.0	82	40.8	76	37.8	2	1.0
Q26	0	0	0	0	28	13.9	12	6.0	85	42.3	65	32.3	11	5.5
Q27	0	0	1	.5	29	14.4	7	3.5	69	34.3	76	37.8	19	9.5
Q28	0	0	0	0	27	13.4	12	6.0	74	36.8	69	34.3	19	9.5
Q29	0	0	5	2.5	27	13.4	17	8.5	108	53.7	40	19.9	4	2.0
Q30	0	0	0	0	37	18.4	5	2.5	87	43.3	60	29.9	12	6.0
Q31					41	20.4	12	6.0	61	30.3	84	41.8	3	1.5

Scale: From 1 to 7, where 1 = ‘Strongly Disagree’ and 7 = ‘Strongly Agree’.

Philanthropic Responsibilities– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q32	0	0	0	0	45	22.4	12	6.0	57	28.4	81	40.3	6	3.0
Q33	0	0	0	0	40	19.9	10	5.0	70	34.8	80	39.8	1	.5
Q34	0	0	0	0	43	21.4	12	6.0	82	40.8	55	27.4	9	4.5
Q35	0	0	1	.5	36	17.9	12	6.0	62	30.8	85	42.3	5	2.5
Q36	0	0	1	.5	42	20.9	13	6.5	39	19.4	93	46.3	13	6.5
Q37	0	0	1	.5	30	14.9	19	9.5	45	22.4	95	47.3	11	5.5

Scale: From 1 to 7, where 1 = ‘Strongly Disagree’ and 7 = ‘Strongly Agree’.

Clan Culture – frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q38	0	0	0	0	30	14.9	17	8.5	50	24.9	85	42.3	19	9.5
Q39	0	0	1	.5	35	17.4	8	4.0	36	17.9	88	43.8	33	16.4
Q40	0	0	2	1.0	25	12.4	10	5.0	54	26.9	89	44.3	21	10.4
Q41	0	0	1	.5	36	17.9	10	5.0	42	20.9	85	42.3	27	13.4
Q42	0	0	2	1.0	23	11.4	15	7.5	57	28.4	75	37.3	29	14.4
Q43	0	0	3	1.5	29	14.4	18	9.0	38	18.9	71	35.3	42	20.9

Scale: From 1 to 7, where 1 = ‘Strongly Disagree’ and 7 = ‘Strongly Agree’.

Adhocracy Culture– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q44	0	0	1	.5	28	13.9	27	13.4	86	42.8	46	22.9	13	6.5
Q45	0	0	8	4.0	36	17.9	49	24.4	72	35.8	34	16.9	2	1.0
Q46	0	0	0	0	23	11.4	16	8.0	102	50.7	46	22.9	8	19.4
Q47	0	0	1	.5	33	16.4	15	7.5	72	35.8	69	34.3	11	5.5
Q48	0	0	0	0	21	10.4	15	7.5	79	39.3	65	32.3	21	10.4
Q49	0	0	0	0	23	11.4	13	6.5	69	34.3	74	36.8	22	10.9

Scale: From 1 to 7, where 1 = ‘Strongly Disagree’ and 7 = ‘Strongly Agree’.

Hierarchy Culture– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q50	0	0	0	0	0	0	1	.5	8	4.0	80	39.8	112	55.7
Q51	0	0	0	0	0	0	3	1.5	8	4.0	95	47.3	95	47.3
Q52	0	0	0	0	1	.5	0	0	9	4.5	109	54.2	82	40.8
Q53	0	0	0	0	0	0	0	0	4	2.0	105	52.2	92	45.8
Q54	0	0	0	0	0	0	1	.5	12	6.0	106	52.7	82	40.8
Q55	0	0	0	0	0	0	0	0	8	4.0	123	61.2	70	34.8

Scale: From 1 to 7, where 1 = ‘Strongly Disagree’ and 7 = ‘Strongly Agree’.

Market Culture– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q56	0	0	0	0	0	0	2	1.0	55	27.4	105	52.2	39	19.4
Q57	0	0	0	0	5	2.5	11	5.5	58	28.9	106	52.7	21	10.4
Q58	0	0	0	0	5	2.5	8	4.0	64	31.8	93	46.3	31	15.4
Q59	0	0	0	0	8	4.0	13	6.5	57	28.4	103	51.2	20	10.0
Q60	0	0	0	0	7	3.5	12	6.0	65	32.3	93	46.3	24	11.9
Q61	0	0	0	0	6	3.0	16	8.0	59	29.4	73	36.3	47	23.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Job Involvement– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q62					16	8.0	16	8.0	66	32.8	76	37.8	27	13.4
Q63					14	7.0	17	8.5	82	40.8	65	32.3	23	11.4
Q64			3	1.5	22	10.9	21	10.4	55	27.4	82	40.8	18	9.0
Q65			3	1.5	14	7.0	21	10.4	77	38.3	69	34.3	17	8.5
Q66			1	.5	21	10.4	22	10.9	65	32.3	64	31.8	28	13.9
Q67			2	1.0	21	10.4	26	12.9	52	25.9	67	33.3	33	16.4
Q68			1	.5	26	12.9	27	13.4	62	30.8	59	29.4	26	12.9
Q69			3	1.5	20	10.0	20	10.0	62	30.8	74	36.8	22	10.9
Q70			3	1.5	20	10.0	21	10.4	60	29.9	64	31.8	33	16.4
Q71			1	.5	15	7.5	31	15.4	87	43.3	40	19.9	27	13.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Affective Commitment– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q72.	0	0	0	0	14	7.0	21	10.4	63	31.3	85	42.3	18	9.0
Q73.	0	0	1	.5	19	9.5	19	9.5	78	38.8	60	29.9	24	11.9
Q74.	0	0	0	0	24	11.9	22	10.9	70	34.8	67	33.3	18	9.0
Q75.	0	0	0	0	20	10.0	13	6.5	102	50.7	48	23.9	18	9.0
Q76.	1	.5	0	0	24	11.9	8	4.0	74	36.8	66	32.8	28	13.9
Q77.	1	.5	0	0	21	10.4	12	6.0	80	39.8	65	32.3	22	10.9

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Continuance Commitment– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q78.	0	0	0	0	30	14.9	12	6.0	79	39.3	76	37.8	4	2.0
Q79.	0	0	7	3.5	37	18.4	8	4.0	102	50.7	44	21.9	3	1.5
Q80.	0	0	0	0	29	14.4	15	7.5	82	40.8	61	30.3	14	7.0
Q81.	2	1.0	10	5.0	44	21.9	18	9.0	76	37.8	49	24.4	2	1.0
Q82.	0	0	1	.5	26	12.9	30	14.9	105	52.2	36	17.9	3	1.5
Q83.	0	0	3	1.5	23	11.4	35	17.4	81	40.3	55	27.4	4	2.0

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Normative Commitment– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q84.	0	0	2	1.0	19	9.5	20	10.0	65	32.3	77	38.3	18	9.0
Q85.	0	0	2	1.0	23	11.4	17	8.5	89	44.3	59	29.4	11	5.5
Q86.	0	0	1	.5	24	11.9	27	13.4	68	33.8	67	33.3	14	7.0
Q87.	0	0	1	.5	17	8.5	20	10.0	75	37.3	69	34.3	19	9.5
Q88.	0	0	1	.5	20	10.0	21	10.4	91	45.3	58	28.9	10	5.0
Q89.	0	0	0	0	22	10.9	22	10.9	50	24.9	89	44.3	18	9.0

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Overall Job Satisfaction– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q90			1	.5	23	11.4	23	11.4	46	22.9	78	38.8	30	14.9
Q91					14	7.0	30	14.9	68	33.8	67	33.3	22	10.9
Q92			2	1.0	21	10.4	18	9.0	62	30.8	68	33.8	30	14.9

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Intrinsic Factors– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q96					36	17.9	18	9.0	52	25.9	81	40.3	14	7.0
Q97	1	.5	4	2.0	59	29.4	33	16.4	54	26.9	38	18.9	12	6.0
Q98			1	.5	38	18.9	16	8.0	87	43.3	44	21.9	15	7.5
Q99					27	13.4	19	9.5	85	42.3	51	25.4	19	9.5
Q100					40	19.9	14	7.0	72	35.8	48	23.9	27	13.4
Q101					42	20.9	7	3.5	69	34.3	66	32.8	17	8.5
Q102					39	19.4	16	8.0	59	29.4	75	37.3	12	6.0
Q103	1	.5			32	15.9	13	6.5	75	37.3	67	33.3	13	6.5
Q104					35	17.4	13	6.5	89	44.3	44	21.9	20	10.0
Q105					36	17.9	21	10.4	77	38.3	58	28.9	9	4.5
Q106					30	14.9	18	9.0	76	37.8	58	28.9	19	9.5
Q107					38	18.9	16	8.0	59	29.4	55	27.4	33	16.4
Q108					23	11.4	26	12.9	53	26.4	81	40.3	18	9.0
Q109					25	12.4	15	7.5	73	36.3	69	34.3	19	9.5

Scale: From 1 to 7, where 1 = 'Very Dissatisfied' and 7 = 'Very Satisfied'

Extrinsic Factors– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q110					28	13.9	13	6.5	70	34.8	77	38.3	13	6.5
Q111					24	11.9	20	10.0	89	44.3	48	23.9	20	10.0
Q112					23	11.4	8	4.0	70	34.8	79	39.3	21	10.4
Q113					9	4.5	8	4.0	80	39.8	86	42.8	18	9.0
Q114					22	10.9	19	9.5	75	37.3	61	30.3	24	11.9
Q115					12	6.0	26	12.9	73	36.3	69	34.3	21	10.4

Scale: From 1 to 7, where 1 = 'Very Dissatisfied' and 7 = 'Very Satisfied'

Concern for Social Issue– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q93			1	.5	26	12.9	13	6.5	58	28.9	86	42.8	17	8.5
Q94	1	.5	2	1.0	27	13.4	19	9.5	81	40.3	59	29.4	12	6.0
Q95					32	15.9	16	8.0	58	28.9	68	33.8	27	13.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Customer Survey**Economic Responsibilities– frequency of responses**

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q1	0	0	2	1.0	43	20.9	19	9.2	90	43.7	50	24.3	2	1.0
Q2	0	0	1	.5	41	19.9	35	17.0	97	47.1	30	14.6	2	1.0
Q3	0	0	5	2.4	65	31.6	19	9.2	83	40.3	32	15.5	2	1.0
Q4	0	0	4	1.9	55	26.7	29	14.1	86	41.7	30	14.6	2	1.0
Q5	0	0	6	2.9	52	25.2	20	9.7	86	41.7	38	18.4	4	1.9
Q6	0	0	7	3.4	47	22.8	21	10.2	77	37.4	48	23.3	6	2.9
Q7	0	0	5	2.4	53	25.7	21	10.2	79	38.3	48	23.3	0	0
Q8	0	0	3	1.5	52	25.2	22	10.7	75	36.4	50	24.3	4	1.9
Q9	0	0	4	1.9	42	20.4	20	9.7	77	37.4	55	26.7	8	3.9
Q10	0	0	2	1.0	52	25.2	24	11.7	74	35.9	51	24.8	3	1.5

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Legal Responsibilities– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q11	0	0	1	.5	48	23.3	16	7.8	86	41.7	54	26.2	1	.5
Q12	0	0	2	1.0	35	17.0	20	9.7	98	47.6	49	23.8	2	1.0
Q13	0	0	2	1.0	39	18.9	16	7.8	88	42.7	58	28.2	3	1.5
Q14	0	0	4	1.9	32	15.5	20	9.7	94	45.6	51	24.8	5	2.4
Q15	0	0	2	1.0	32	15.5	19	9.2	92	44.7	56	27.2	5	2.4
Q16	0	0	4	1.9	45	21.9	18	8.7	90	43.7	47	22.8	2	1.0
Q17	0	0	2	1.0	51	24.8	28	13.6	98	47.6	24	11.7	3	1.5
Q18	0	0	3	1.5	52	25.2	13	6.3	79	38.3	57	27.7	2	1.0

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Ethical Responsibilities– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q19	0	0	1	.5	59	28.6	33	16.0	98	47.6	14	6.8	1	.5
Q20	1	.5	2	1.0	51	24.8	29	14.1	100	48.5	23	11.2	0	0
Q21	0	0	6	2.9	53	25.7	22	10.7	89	43.2	33	16.0	3	1.5
Q22	50	24.3	56	27.2	34	16.5	2	1.0	27	13.1	33	16.0	4	1.9
Q23	54	26.2	72	35.0	34	16.5	4	1.9	32	15.5	9	4.4	1	.5
Q24	3	1.5	5	2.4	51	24.8	16	7.8	95	46.1	36	17.5	0	0
Q25	1	.5	2	1.0	42	20.4	24	11.7	95	46.1	41	19.9	1	.5
Q26	0	0	2	1.0	46	22.3	22	10.7	91	44.2	39	18.9	6	2.9
Q27	0	0	5	2.4	43	20.9	10	4.9	90	43.7	52	25.2	6	2.9
Q28	0	0	3	1.5	34	16.5	18	8.7	100	48.5	47	22.8	4	1.9
Q29	0	0	2	1.0	46	22.3	27	13.1	102	49.5	28	13.6	1	.5
Q30	0	0	3	1.5	51	24.8	21	10.2	86	41.7	42	20.4	3	1.5
Q31	0	0	6	2.9	49	23.8	19	9.2	87	42.2	43	20.9	2	1.0

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Philanthropic Responsibilities– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q32	0	0	2	1.0	51	24.8	17	8.3	85	41.3	50	24.3	1	.5
Q33	0	0	8	3.9	46	22.3	14	6.8	94	45.6	39	18.9	5	2.4
Q34	0	0	8	3.9	46	22.3	25	12.1	83	40.3	40	19.4	4	1.9
Q35	0	0	7	3.4	34	16.5	20	9.7	87	42.2	50	24.3	8	3.9
Q36	0	0	3	1.5	46	22.3	20	9.7	77	37.4	57	27.7	3	1.5
Q37	0	0	4	1.9	33	16.0	25	12.1	88	42.7	49	23.8	7	3.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Assurance– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q38	0	0	2	1.0	47	22.8	21	10.2	80	38.8	50	24.3	6	2.9
Q39	0	0	4	1.9	35	17.0	18	8.7	77	37.4	65	31.6	7	3.4
Q40	0	0	4	1.9	34	16.5	23	11.2	81	39.3	60	29.1	4	1.9
Q41	0	0	3	1.5	39	18.9	14	6.8	86	41.7	59	28.6	5	2.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Empathy– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q42	0	0	3	1.5	42	20.4	42	20.4	77	37.4	40	19.4	2	1.0
Q43	0	0	2	1.0	54	26.2	44	21.4	78	37.9	26	12.6	2	1.0
Q44	0	0	1	.5	37	18.0	35	17.0	95	46.1	36	17.5	2	1.0

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'.

Reliability– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q45	0	0	5	2.4	40	19.4	29	14.1	91	44.2	40	19.4	1	.5
Q46	0	0	2	1.0	40	19.4	24	11.7	94	45.6	44	21.4	2	1.0
Q47	0	0	1	.5	34	16.5	33	16.0	85	41.3	49	23.8	4	1.9
Q48	0	0	0	0	27	13.1	19	9.2	85	41.3	57	27.7	18	8.7

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Tangible– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q49	0	0	1	.5	21	10.2	31	15.0	83	40.3	57	27.7	13	6.3
Q50	0	0	2	1.0	27	13.1	25	12.1	83	40.3	54	26.2	15	7.3
Q51	0	0	1	.5	28	13.6	34	16.5	81	39.3	48	23.3	14	6.8

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Responsiveness– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q52	0	0	2	1.0	22	10.7	37	18.0	87	42.2	50	24.3	8	3.9
Q53	0	0	3	1.5	24	11.7	35	17.0	85	41.3	47	22.8	12	5.8
Q54	0	0	0	0	25	12.1	29	14.1	89	43.2	60	29.1	3	1.5

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Price– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q55	0	0	1	.5	25	12.1	23	11.2	94	45.6	59	28.6	4	1.9
Q56	0	0	1	.5	23	11.2	31	15.0	91	44.2	55	26.7	5	2.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Access– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q57	0	0	5	2.4	20	9.7	30	14.6	89	43.2	60	29.1	2	1.0
Q58	0	0	1	.5	22	10.7	23	11.2	103	50.0	55	26.7	2	1.0
Q59	0	0	0	0	21	10.2	25	12.1	95	46.1	54	26.2	11	5.3
Q60	0	0	3	1.5	27	13.1	13	6.3	107	51.9	53	25.7	3	1.5
Q61	0	0	0	0	30	14.6	25	12.1	101	49.0	46	22.3	4	1.9

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Overall Customer Satisfaction– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q62	0	0	3	1.5	33	16.0	14	6.8	103	50.0	49	23.8	4	1.9
Q63	0	0	2	1.0	34	16.5	31	15.0	96	46.6	40	19.4	3	1.5
Q64	0	0	3	1.5	34	16.5	29	14.1	82	39.8	50	24.3	8	3.9
Q65	0	0	5	2.4	33	16.0	22	10.7	90	43.7	49	23.8	7	3.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Loyalty– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q66	0	0	4	1.9	27	13.1	29	14.1	94	45.6	46	22.3	6	2.9
Q67	0	0	3	1.5	36	17.5	20	9.7	97	47.1	45	21.8	5	2.4
Q68	0	0	3	1.5	31	15.0	20	9.7	96	46.6	47	22.8	9	4.4
Q69	0	0	2	1.0	35	17.0	34	16.5	84	40.8	45	21.8	6	2.9
Q70	0	0	4	1.9	22	10.7	25	12.1	97	47.1	53	25.7	5	2.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'Strongly Agree'

Concern for Social Issue– frequency of responses

Item	1		2		3		4		5		6		7	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Q71	0	0	0	0	18	8.7	16	7.8	107	51.9	60	29.1	5	2.4
Q72	0	0	1	.5	15	7.3	16	7.8	94	45.6	74	35.9	6	2.9
Q73	0	0	1	.5	14	6.8	14	6.8	91	44.2	80	38.8	6	2.9
Q74	0	0	2	1.0	18	8.7	20	9.7	93	45.1	70	34.0	3	1.5
Q75	0	0	1	.5	11	5.3	19	9.2	94	45.6	76	36.9	5	2.4

Scale: From 1 to 7, where 1 = 'Strongly Disagree' and 7 = 'St