# Examining Employee Perceptions of External Corporate Social Responsibility Initiatives in the Nepalese Banking Sector: A Descriptive Analysis

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## Abstract

The study aimed to explore employee perceptions of external corporate social responsibility (CSR) activities in the Nepalese banking sector. The study used a descriptive research design and collected primary data using questionnaires distributed to employees of commercial banks in Nepal. A real sample was used, and the sample size was 40 participants. The study results show that employees have a positive perception of their company's external CSR efforts, including charitable contributions and environmental initiatives. Importantly, demographic factors like gender, marital status, age, years of service, and education do not significantly influence these perceptions. Thus, the organization’s commitment to external CSR appears consistent across diverse employee demographics. Future researchers can explore the relationship between employees' active involvement in CSR activities, such as volunteering, and their perceptions of the company's CSR commitment.

**Keywords:** Corporate Social Responsibility, Employee Perception, External CSR, Stakeholder

**Introduction**

The concept of Corporate Social Responsibility (CSR) is constantly evolving. Although debates about the nature of CSR continue, most of the recent literature suggests that the main elements of CSR practices are corporate governance practices that respond to the expectations and needs of different stakeholders (Wirba, 2023; Lamichhane & Neupane, 2023). Businesses are also expected to use natural resources judiciously for the benefit of others. Profit still being the primary goal of business organizations, corporate social responsibility also has become important over the years (Asemah, Okpanachi, & Edegoh, 2013).

Externally, Corporate Social Responsibility (CSR) refers to the public perception of a company's efforts and efforts to address social and environmental issues (Vuong & Bui, 2023). It focuses on how a company's behavior and practices are viewed by external stakeholders. External stakeholders are customers, communities, partners, suppliers and governments. Similarly, internal stakeholders are the employees of the company. Their job satisfaction and understanding of their organization affect other stakeholders. External CSRs are influenced by several factors (Mubusha, Rasool, Haider, & Cerchione, 2021). A key aspect is transparency and accountability. Stakeholders expect companies to be open and honest about their CSR activities, including their goals, progress and impact (Mu, Xu, & Chen, 2023; Bista, 2022). Organizations that provide clear and detailed information about their efforts are more likely to be perceived as socially responsible.

In the last three years, CSR has emerged as the subject and foundation of the role of companies and financial institutions in society (Miah, Saha, & Karim, 2019). In fact, there is very little research and critical issue around CSR to explore in terms of micro foundations and psychology. It has been explored among 181 CSR articles and found that 90% of the articles focused on organizations under review, while less than 4% of studies focused on individuals under review (Madanaguli, Dhir, Kaur, Mishra, & Srivastavac, 2023). This is still rare in the Nepalese context. In this case, this study aims to examine the perceptions of employees regarding their company's external CSR initiatives, rather than focusing on the efforts of the organization. Understanding employee perceptions of external CSR is essential as employees play a vital role in the overall success and reputation of an organization. Their attitudes, job satisfaction, and commitment are influenced by how they perceive the organization's social responsibility efforts. Positive perceptions of CSR initiatives can lead to higher employee engagement, job satisfaction and loyalty, while negative perceptions can lead to low morale and commitment. By studying the relationship between perceived external CSR and employees' attitudes and behaviors, this study aims to provide valuable insights for banking institutions to improve their CSR strategies and make a positive impact on their workforce (Paudel, Thapa, Gurung, & Lama, 2023). Ultimately, a strong and positive association between externally perceived CSR and employee outcomes can contribute to improved organizational performance and a more responsible and sustainable banking industry as a whole.

The study aims to explore how different demographic factors might influence employees' perception of external CSR in Nepalese banking industry (Shrestha & Timalsena, 2023). By analyzing this relationship, the study was able to identify any important associations between specific demographic characteristics and employees' perceptions of CSR. This understanding can help organizations align their CSR strategies and communication efforts to better resonate with their diverse workforce, leading to increased levels of engagement, job satisfaction, work and engagement among employees.

**Objectives**

1. To identify the employee’s perception on external CSR activities
2. To examine relationship between the demographic variables and external CSR activities

**Research gap**

In Nepal, various researches on CSR are available. There are many works that explores the effects of internal, external and aggregated CSR practices on the firm's reputation and profitability. However, examining the perceived external CSR through employees is not found adequate in Nepalese context, it is almost untouched one. Also, the variables used here are very rarely seen in a cluster. It can give new insight to the existing research.

**Materials and Methods**

The descriptive research design is selected for the study to learn the profile of the respondents, presentation and description of the data collection, and to describe the characteristics of the respondents (Parajuli, Mahat, & Lingden, 2022; Neupane, Panta, & Bhattarai, 2023; Neupane, 2019). The study was carried out using a cross-sectional research methodology, which means that data was taken at a single point in time to give a snapshot of the topic (Mahat & Aithal, Women’s Articulates towards Career Advancement, 2022). The sample size for this study includes 40 respondents. Those respondents are from Nepalese commercial banks. Convenience sampling was adopted for the study. The data was collected through the structured questionnaire from the various respondents in Kathmandu. The questionnaire was self- administered in nature where following method is used as per the situation (Neupane, 2014). Likert scale with 5 points scale is included in questionnaire. (Adhikari, Ghimire, Neupane, & Regmi, 2018; Neupane & Subedi, 2018). Respondent will be asked to mark appropriate number on the scale from 1 (strongly agree) to 5 (strongly disagree) which indicate to what extent their investment decisions are affected by these factors (Mishra, Mahat, & Khanal, 2021).

**Results and Discussion**

Study revealed the employee’s perception on external CSR activities and relationship between the Demographic variables and external CSR activities.

**Demographic Information**

Among the 40 respondents, 55% were female, indicating a higher representation of female employees in the survey. Marital status distribution revealed that 37.5% were married, while 62.5% were unmarried, with 15 married and 25 unmarried respondents. Regarding age, 35% of employees fell in the 21-25 age category, with diverse age groups represented, including 5% under 20, 25% in 26-30, 22.5% in 31-35, 7.5% in 36-40, and 5% over 40 years. Years of service in the current organization showed that 77.5% had less than 5 years, while a minority had 5-20 years of service, with 10% having an intermediate education level.

**Perceived external CSR**

Table 1: Perceived external CSR

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Opinion Statement | Mean | N | Std.  Deviation |
| 1 | My company gives adequate contributions to charities. | 2.4 | 40 | 0.90014 |
| 2 | My company supports the non-governmental organizations working in the problematic areas. | 3.525 | 40 | 6.63707 |
| 3 | My company contributes to the campaigns and projects that promote the well-being of the society. | 2.275 | 40 | 0.93336 |
| 4 | My company makes investments to create a better life for the future generations. | 2.125 | 40 | 0.85297 |
| 5 | My company implements special programs to minimize its negative impact on the natural environment. | 2.225 | 40 | 0.99968 |
| 6 | My company protects consumer rights beyond the legal requirements. | 2.9 | 40 | 1.23621 |
| 7 | My company provides full and accurate information about its products to its consumers. | 2.025 | 40 | 1.14326 |
| 8 | Customer satisfaction is highly important for my company. | 1.775 | 40 | 1.20868 |

Source: Field Study

Table 1 shows the mean score for the statement “My company gives adequate contributions to charities.” has 2.4 mean with standard deviation of 0.90014 which means respondents consider their company's charitable giving appropriate. A low standard deviation indicates that the responses are fairly consistent with minimal variation. “My company supports the non-governmental organizations working in the problematic areas.” is 3.525 mean with standard deviation 6.63707 which means respondents slightly disagree with the given statement. For the statement “My company contributes to the campaigns and projects that promote the well-being of the society” has 2.275 mean and 0.9336 standard deviation which means respondents perceive that their company contributes to the campaigns and projects promoting societal well-being. Table 2 shows the mean score for the statement “My Company makes investments to create a better life for the future generations” 2.125 mean and 0.85297 standard deviation which means that respondents perceive that their company invests in creating a better life for future generations. The mean score for the statement “My company implements special programs to minimize its negative impact on the natural environment” is 2.225 with standard deviation of 0.99968 which means respondents slightly agree with the statement and perceive that their company implements special programs to minimize its negative impact on the natural environment. The statement “My company protects consumer rights beyond the legal requirements” has 2.9 mean with 1.23621 standard deviation which means respondents agree with the given statement and perceive that their company protects consumer rights beyond the legal requirements. The statement “My company provides full and accurate information about its products to its consumers” has 2.025 mean and 1.14326 standard deviation which means respondents agree with the given statement and perceive that their company provides full and accurate information to its consumers. The statement “Customer satisfaction is highly important for my company” has 1.775 mean and 1.20868 standard deviation which means that the respondents strongly agree with the given statement and perceive that customer satisfaction is highly important for their company. As shown in table 1 and described, it can be concluded that most of the respondents has positive perception towards external CSR and perceive that their organization is committed to external CSR activities and initiatives.

**Relationship between external perceived external CSR and demographic factors**

## Correlation Analysis

Correlation analysis measures the relationship between the independent variables (gender, marital status, age, years of service, and education) and dependent variables (perception of external CSR activities).similar structure was applied by (Mahat & Mathema, 2018).

Table 2: Correlation between gender and perceived external CSR

|  |  |  |  |
| --- | --- | --- | --- |
| Correlations | | | |
|  | | Gender | Mean |
| Gender | Pearson Correlation | 1 | .072 |
| Sig. (2-tailed) |  | .660 |
| N | 40 | 40 |
| Mean | Pearson Correlation | .072 | 1 |
| Sig. (2-tailed) | .660 |  |
| N | 40 | 40 |

Source: Field Study

Table 2 shows the correlation between gender and perceived external CSR. There is no significant relationship between gender and perceived external CSR as p > 0.05 i.e. (.072 > 0.05)

Table 3: Correlation between marital status and perceived external CSR

|  |  |  |  |
| --- | --- | --- | --- |
| Correlations | | | |
|  | | Marital status | Mean |
| Marital status | Pearson Correlation | 1 | -.161 |
| Sig. (2-tailed) |  | .322 |
| N | 40 | 40 |
| Mean | Pearson Correlation | -.161 | 1 |
| Sig. (2-tailed) | .322 |  |
| N | 40 | 40 |

Source: Field Study

Correlations between marital status and mean variables are shown in this table. A Pearson correlation coefficient of -0.161 indicates a weak negative correlation. As in the previous table, the correlation is not statistically significant (p > 0.05). This means that there is no significant relationship between marital status and mean.

Table 4: Correlation between Age and perceived external CSR

|  |  |  |  |
| --- | --- | --- | --- |
| Correlations | | | |
|  | | Age | Mean |
| Age | Pearson Correlation | 1 | -.023 |
| Sig. (2-tailed) |  | .890 |
| N | 40 | 40 |
| Mean | Pearson Correlation | -.023 | 1 |
| Sig. (2-tailed) | .890 |  |
| N | 40 | 40 |

Source: Field Study

This correlation table examines the relationship between age and mean variables. A Pearson correlation coefficient of -0.023 indicates a very weak negative correlation. Furthermore, the correlation was not statistically significant (p > 0.05), suggesting that age was not significantly associated with the mean.

Table 5 : Correlation between years of service and perceived external CSR

|  |  |  |  |
| --- | --- | --- | --- |
| Correlations | | | |
|  | | Years of service | Mean |
| Years of service | Pearson Correlation | 1 | -.097 |
| Sig. (2-tailed) |  | .551 |
| N | 40 | 40 |
| Mean | Pearson Correlation | -.097 | 1 |
| Sig. (2-tailed) | .551 |  |
| N | 40 | 40 |

Source: Field Study

The correlation table shows the relationship between years of tenure in the current organization and the mean variable, with a Pearson correlation coefficient of -0.097 indicating a weak negative correlation. However, the correlation was again not statistically significant (p > 0.05), indicating no significant relationship between these variables.

Table 6 : Correlation between education and perceived external CSR

|  |  |  |  |
| --- | --- | --- | --- |
| Correlations | | | |
|  | | Education | Mean |
| Education | Pearson Correlation | 1 | -.073 |
| Sig. (2-tailed) |  | .652 |
| N | 40 | 40 |
| Mean | Pearson Correlation | -.073 | 1 |
| Sig. (2-tailed) | .652 |  |
| N | 40 | 40 |

Source: Field Study

Correlation tables examine the relationship between education and mean variables. A Pearson correlation coefficient of -0.073 indicates a weak negative correlation. As with the previous correlation, this correlation is not statistically significant (p > 0.05). This means that there is no significant association between education and average.

In summary, none of the correlations shown in the table are statistically significant and no correlations are statistically significant at the 0.05 level.

**Conclusion**

The analysis of employee perceptions of external Corporate Social Responsibility (CSR) activities and their relationship with demographic variables (gender, marital status, age, years of service, and education) reveals, employees tend to have a positive perception of their company's external CSR activities. They believe that their organization is actively engaged in charitable contributions, support for non-governmental organizations, campaigns for societal well-being, investments in future generations, environmental conservation efforts, protection of consumer rights, and the provision of accurate product information. Furthermore, they strongly agree that customer satisfaction is highly important for their company.

There is no statistically significant relationship between any of the demographic variables (gender, marital status, age, years of service, and education) and employees' perceptions of external CSR activities. This implies that employees from various demographic backgrounds hold similar views regarding their company's external CSR efforts.

Employees generally have a positive perception of their company's external CSR activities, and demographic factors do not play a significant role in shaping these perceptions. This suggests that the organization's external CSR initiatives are perceived consistently across different employee demographic groups.

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