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## A CRITICAL VIEW ON CORPORATE SOCIAL RESPONSIBILITY IN DIFFERENT BUSINESS ENVIRONMENTS: A COMPARISON BETWEEN PRIVATE AND PUBLIC BANKS IN GAPAN CITY, NUEVA ECIJA

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### ABSTRACT

*This study was conducted to examine the critical views on Corporate Social Responsibility of different employees from different banks in Gapan City, Nueva Ecija and to compare the views of Private and Public Bank employees. The study used descriptive method of research in an attempt to analyze and interpret the survey on the view on CSR of public and private banks in Gapan City and make a critical comparison. The respondents of the study were the bank personnel of Allied Bank, Banco de Oro, Bank of the Philippine Islands, China Bank, GM Bank, Landbank of the Philippines, Luzon Development Bank, Metrobank, Philippine National Bank and Rizal Commercial Banking Corporation. The questionnaire was the main instrument used by the researchers to gather data on 124 employees of different banks. Most of the respondents belonged to 41 to 50 years age bracket, mostly female, married, college graduates, and mostly six to 10 years in the service. Generally, the study shows that employees in public and private banks view Corporate Social Responsibility as an important part of the company's success. They also believe that in performing CSR, the companies moderately needed to consider the issues in its customers, shareholders or investors, local government, national government, competitors, environmentalists, media, local and national charity foundations, trade associations, and other stakeholders. The study shows that there is a significant difference between the public and private corporations' critical views on Corporate Social Responsibility. Regarding on the issues to be considered as part of the CSR based on the shareholders groups, there is no significant difference between public and private banks. On the other hand, based on the employees views there is a significant difference on the issues to be considered by the company. It also concluded that CSR and its sustainability is said to be the key issues in the current business environment in the Philippines.*

## INTRODUCTION

Corporate Social Responsibility is how the company balances the interest of all members of stakeholders. It includes the internal customers (employees and shareholders), external customers, suppliers, government, community, environment, and the media. Thus, beyond increasing wealth, companies are also responsible for transparent business practices that are based on ethical values compliance with legal requirements and respect for people, communities and environment.

Somehow, with regards to this, over a past decade, a growing number of companies have recognized the business benefits of Corporate Social Responsibility policies and practices. Companies which engage in Corporate Social Responsibility would often prefer to claim that they work on sustainable development. Their experiences are supported by a growing body of empirical studies conducted, demonstrating that Corporate Social Responsibility has a positive impact on business economic performance.

But, despite the numerous positive impacts of Corporate Social Responsibility in business, answers the predominant question, “Does every company need Corporate Social Responsibility whether private or public?” Corporate Social Responsibility has been a subject in extensive researches within hospital, education, non-profit business organization, yet studies of the banking industries are just limited, particularly in Gapan City, Nueva Ecija. The quality of views on Corporate Social Responsibility is one of the most essential factors in determining the success of banking industry.

The above mentioned statement gives an idea to the researchers to conduct a study on the critical views on Corporate Social Responsibility of employees from different banks in Gapan City, Nueva Ecija and to compare the views of Private and Public Bank employees. It is in this light that this study found essence and significance. As Corporate Social Responsibility becomes a trend issue, it will play a more important part in business which no one can avoid.

## OBJECTIVES OF THE STUDY

This study was conducted to examine the critical views on Corporate Social Responsibility of different employees from different banks in Gapan City, Nueva Ecija and to compare the views of Private and Public Bank employees. The study sought to answer the following questions:

1. How may the respondent’s critical views on Corporate Social Responsibility be described?

- Is there a significant difference between public and private corporation’s critical views on Corporate Social Responsibility?

## METHODOLOGY

The study used descriptive method of research. This is the most appropriate method to analyze and interpret the survey on the view on CSR of public and private banks in Gapan City and make a critical comparison. The respondents of the study were the bank personnel of Allied Bank, Banco de Oro, Bank of the Philippine Islands, China Bank, GM Bank, Landbank of the Philippines, Luzon Development Bank, Metrobank, Philippine National Bank and Rizal Commercial Banking Corporation. The questionnaire was the main instrument used by the researchers to gather data on 124 employees of different bank–13 from the public bank and 111 from private banks. Furthermore, analysis of variance was used to determine the difference of perceptions of the respondents.

## RESULTS AND DISCUSSION

### 1. Respondents’ views towards CSR

**Table 1**  
**Respondents’ Views towards CSR**

Considerations	Public		Private	
	Weighted Mean	Description	Weighted Mean	Description
1. Is CSR a trend that is here to stay in the Philippines?	5.00	To a very great extent	4.02	To a great extent
2. Do you think a company should be held accountable for the social, environmental and broader economic effects of its activities?	5.00	To a very great extent	4.05	To a great extent
3. Do you believe that social and environmental responsibility can improve business performance in the long run?	4.00	To a great extent	4.12	To a great extent
4. Do you think it is time for the different companies in Gapan City to become more socially and environmentally responsible?	3.00	To a moderate extent	4.03	To a great extent
5. Do you think the Concept of CSR is an innovative for managing a company?	2.00	To a lesser extent	3.62	To a great extent
6. Does your company publish an	3.00	To a	3.62	To a great

annual and semiannual social, CSR or environmental report?		moderate extent		extent
7. Does your company donate to charity?	4.00	To a great extent	4.17	To a great extent
8. Do you believe that the implementation of CSR into your company will mean a lot to your success?	5.00	To a very great extent	4.12	To a great extent
9. Are you willing to spend money just to implement into your company?	2.00	To a lesser extent	4.05	To a great extent
10. Do you believe that CSR would be great advantage for you in competing with your competitors?	3.00	To a moderate extent	4.07	To a great extent
<b>Average Weighted Mean</b>	3.60	To a great extent	3.98	To a great extent

For public bank, consideration items 1, 2 and 8 got the highest weighted mean of 5.00; the result shows that personnel in the public bank believe that Corporate Social Responsibility is a trend that is necessary to stay here in the Philippines, especially in Gapan City, Nueva Ecija, they also believed that the company should be held accountable for the social, environmental and broader economic effects of the its activities and that the implementation of Corporate Social Responsibility in a company would mean a lot to the company’s success. These results indicate that Corporate Social Responsibility does not only mean fulfilling legal expectations and governmental policies but it also includes concerning for human capital, environment and the harmonious ecology and society development. Corporate Social Responsibility has a common ground with sustainable development, thus they are always associated. Items 3 and 7 got the second highest score with a weighted mean of 4.00. Next are items 4, 6 and 10 with a weighted mean of 3.00. Finally, for the public bank, items 5 and 9 got the lowest score with a weighted mean of 2.00.

The private banks’ personnel rated the considerations with an average weighted mean of 3.98, which is to a great extent. This implies that the views of the public and private banks towards Corporate Social Responsibility are just the same. In the point of view of the private banks, the activity of donating to charity is the most important issues to be considered which got the weighted mean of 4.17. This only shows that companies recognized charity works beneficial to their companies since this is their own way of being ethically responsible not just to their employees but also to their communities. It even helps organizations to strengthen their ethics culture and encourage high standards of business behavior based on ethical values.

**1.1. Issues to be considered as part of the CSR**

Table 4 shows the results of question “When designing corporate strategy, which of the following stakeholder groups does your company consider the opinions of?”(Wickerham, 2008).

**Table 2  
Issues to be Considered Part of CSR**

Issues	Public		Private	
	Weighted Mean	Description	Weighted Mean	Description
1. Consumers	4.00	Needed	4.38	Highly Needed
2. Stakeholders or Investors	4.85	Highly Needed	4.20	Needed
3. Local Government	4.92	Highly Needed	4.38	Highly Needed
4. National Government	3.31	Moderately Needed	4.40	Highly Needed
5. Competitors	5.00	Highly Needed	4.13	Needed
6. Environmentalists	3.00	Moderately Needed	4.27	Highly Needed
7. Media	2.00	Maybe Needed	4.21	Highly Needed
8. Local Charity/Non Profit/Civil Society Group	3.00	Moderately Needed	4.02	Needed
9. National Charity/Non Profit/Civil Society Group	3.00	Moderately Needed	4.07	Needed
10. Trade Associations	3.00	Moderately Needed	3.86	Needed
11. Others	1.00	Not Needed	3.68	Needed
<b>Average Weighted Mean</b>	<b>3.37</b>	<b>Moderately Needed</b>	<b>4.15</b>	<b>Needed</b>

The views on the issues to be considered part of Corporate Social Responsibility was rated with an average weighted mean of 3.37 in the public banks which means that these issues were viewed by the bank personnel as “moderately needed”. On the other hand, the private bank’s personnel rated it with an average weighted mean of 4.15 which illustrates that for them, it is “needed”.

Item 5, the competitors got the highest score with a weighted mean of 5.00, rated “highly needed” by the employees of the public bank; it means that in the business world it is very important to have a harmonious and healthy battle with your competitors.

Employees of the private banks believed that the item 4, the national government got the highest rating with a weighted mean of 4.40 which was rated “highly needed”; this implies that the main concern of private companies are the support of the government. It can adopt to foster Corporate Social Responsibility.

On the part of the public banks, the issues to be considered part of Corporate Social Responsibility was rated “highly needed” with an average weighted mean of 4.75 while the private personnel rated it “highly needed” as well but with an average weighted mean of 4.35 which only implies that the public banks are giving more importance and considerations to the following issues compare to private banks.

**Table 3**  
**Issues to be Considered Part of CSR**

Issues Considered Part of CSR	Public		Private	
	Weighted Mean	Description	Weighted Mean	Description
1. Caring for the health of employees	5.00	Highly Needed	4.45	Highly Needed
2. Environmental protection	5.00	Highly Needed	4.28	Highly Needed
3. High quality of products	5.00	Highly Needed	4.31	Highly Needed
4. Workplace safety	5.00	Highly Needed	4.35	Highly Needed
5. Good working conditions	4.00	Needed	4.35	Highly Needed
6. Observance of Business Ethics	4.00	Needed	4.51	Highly Needed
7. Observance of the rights of all the shareholders	5.00	Highly Needed	4.24	Highly Needed
8. Ensuring the professional growth and development of employees	5.00	Highly Needed	4.30	Highly Needed
<b>Average Weighted Mean</b>	4.75	Highly Needed	4.35	Highly Needed

The results of the survey, on the part of the public bank, items 1, 2, 3, 4, 7 and 8 got the highest scores of 5.00 which were all described as “highly needed”. The personnel considered caring for the health of employees,



environmental protection, high quality of products, workplace safety, observance of the rights of all the shareholders and ensuring the professional growth and development of employees highly needed and must be considered most in pushing through with Corporate Social Responsibility in their company. These results pointed out that in order to implement Corporate Social Responsibility in your company, the things to be considered must be viewed in its perfect vision first.

On the other hand, the private bank personnel rated the observance of business ethics, which is item 6, as the most important and as “highly needed” with a weighted mean of 4.51 which implies that the focus of the private companies are more on the ethical side of the activities being executed by the management. This shows that the private companies believed that all the following issues must be treated as highly needed because each issue can greatly enhance the implementation of Corporate Social Responsibility.

**2. Is there a significant difference between public and private corporation’s critical views on Corporate Social Responsibility?**

**Table 4**  
**Differences of Public and Private Corporations Critical Views**  
**towards Corporate Social Responsibility**

<b>ANOVA</b>						
<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>	<i>Interpretation</i>
Between Groups	0.64400625	1	5.7918	0.0305	4.6001	Significant
Within Groups	1.5566875	14				
Total	2.20069375	15				

The data presented shows the significant difference between the public and private corporation on Corporate Social Responsibility as viewed by the banks’ personnel in Gapan City, Nueva Ecija.

**Table 5**  
**Differences of Public and Private Corporations Critical Views towards the Issues to be Considered Part of CSR**

<b>ANOVA</b>						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>	<i>Interpretation</i>
Between Groups	3.29956364	1	4.0713	0.05723	4.3512	Not significant
Within Groups	16.2089636	20				
Total	19.5085273	21				

The data presented shows that there is no significant difference between the public and private corporation perceptions on the issues to be considered part of Corporate Social Responsibility

**Table 6**  
**Differences of Public and Private Corporations Critical Views towards the Issues to be Considered Part of CSR**

<b>ANOVA</b>						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>	<i>Interpretation</i>
Between Groups	0.644006	1	5.7918	0.0305	4.6001	Significant
Within Groups	1.556688	14				
Total	2.200694	15				

The data presented shows that there is a significant difference between the public and private corporation towards the issues to be considered part of Corporate Social Responsibility as viewed by the banks' personnel in Gapan City, Nueva Ecija.

## CONCLUSIONS

The findings of this study helped the researchers from the following conclusions:

1. Most of the personnel of the public banks belonged to middle-aged group and only one is about to reach the age of retirement while most of the personnel of the private banks belonged to younger age, and only two are about to reach the age of retirement.
2. Majority of the personnel in both public and private banks were female, married, college graduates and served their companies for less than 10 years.
3. The personnel in both public and private banks believed that corporate social responsibility must be considered up to a great extent.
4. The personnel in both the public and private banks believed that when designing corporate strategy, the following stakeholder groups must consider the issues part of CSR as moderately needed.
5. The personnel in both the public and private banks believed that the issues considered part of Corporate Social Responsibility must be viewed as highly needed.
6. There is a significant difference between the public and private corporations' critical views on Corporate Social Responsibility based on its importance.
7. There is no significant difference between the public and private corporations' critical views on Corporate Social Responsibility based on the stakeholders' group perception.
8. There is a significant difference between the public and private corporations' critical views on Corporate Social Responsibility based on the critical views of the respondents.

## RECOMMENDATIONS

Based on the conclusions the following are hereby recommended:

1. That personnel should have continuing professional development to enhance their knowledge about Corporate Social Responsibility.
2. That branch managers and subordinates should undergo workshops and seminars on Corporate Social Responsibility for them to have a better view towards the issues that must be considered part of Corporate Social Responsibility and the importance of it to organizational development.
3. That corporations like banks should pay more attention to supplier engagement and supply chain responsibility.

4. That corporations like banks should get support and advice from professional organizations and expertise.

5. That Philippine government should unify and set the standards and guidelines for Corporate Social Responsibility report and sustainability reporting for leading companies and strengthen other policy drivers. In addition, it's necessary for the government to give some guidelines to regulate the issues.

6. That further research with a wider scope may likewise be done in other organizations to help justify the result of this study. In addition, more in-dept research is needed to study Corporate Social Responsibility especially on the following issues:

- a. The extent where we can classify the indicators to measure Corporate Social Responsibility as globalization continues to accelerate.
- b. The Making of Corporate Social Responsibility and Financial Markets in the Philippines.

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