



Social Accountability Practices in Banking Sector (A Case Study of Meerut District)

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ABSTRACT

This study investigates how public and private sector banks in Meerut integrate social accountability into their operations and evaluates the perceptions of various stakeholders regarding these practices. The study measures various factors of social accountability of public and private sector banks in Meerut and understands stakeholder perception regarding the adoption of social accountability measures taken by these banks. Primary data from 200 respondents across eight major banks were collected through likert scale and analysed through MS Excel and SPSS Softwares. The research tests whether significant differences exist between public and private banks concerning their social accountability practices and stakeholder perceptions. The findings aim to contribute to the understanding of corporate social responsibility (CSR) in the banking sector and guide future CSR strategies. The results underscore the importance of structured and transparent CSR frameworks in building public trust, brand equity and long-term stakeholder value. For public sector banks, there is a pressing need to modernize and integrate social responsibility more effectively into their core strategies. Meanwhile, private banks must ensure inclusivity and authenticity in their CSR efforts to avoid criticism of profit-centric motives.

1. INTRODUCTION

Banking institutions have witnessed a significant transformation in their roles, transitioning from being purely profit-oriented entities to proactive agents of social change recently. As stewards of public funds and influential financial intermediaries, banks carry a moral obligation to address societal concerns, community development and transparent practices. Social accountability includes the adoption of ethical standards, environmental sustainability practices, financial inclusion, community engagement and employee welfare. It has emerged as a benchmark to measure a bank's responsibility towards society.

The RBI and various regulatory bodies have encouraged financial institutions to adopt socially responsible strategies, thereby embedding Corporate Social Responsibility (CSR)

into the core operational framework of banks. However, the adoption and execution of these responsibilities vary widely between public and private sector banks due to differences in legacy, organizational culture, resources and regulatory frameworks. Public sector banks often carry mandates of social welfare, while private sector banks focus on innovation and structured CSR implementation.

The present study focuses on banks in Meerut District, examining how both public and private sector banks undertake social accountability measures and how these measures are perceived by various stakeholders, including customers, employees and community representatives. This research is vital in offering insights into the effectiveness and reception of such measures that can guide future improvements and policies.

2. OBJECTIVES OF THE STUDY

- To study and measure various factors of social accountability of public and private sector banks in Meerut.
- To understand stakeholder perception regarding the adoption of social accountability measures taken by these banks.

3. HYPOTHESES OF THE STUDY

H1: There is no significant difference in the factors of social accountability between public and private banks in Meerut.

H2: There is no significant difference between stakeholders' perception towards the adoption of social accountability measures between private and public banks in Meerut.

4. LITERATURE REVIEW

Sharma & Jain (2023) found that private banks tend to outperform public banks in CSR disclosures and customer-centric activities.

Kumar (2022) suggested that employee engagement in CSR is higher in private banks due to structured CSR departments.

RBI Annual Report (2021) indicated the growing pressure on banks to focus on environmental and social governance (ESG) compliance.

Sen & Das (2024) revealed that public banks show higher community involvement but lack the innovation seen in private banks' CSR strategies. Key Variables from Literature are as given below:

- Community Development Initiatives
- Financial Inclusion Programs
- Environmental Sustainability
- Employee Welfare
- Transparency and Disclosure

5. RESEARCH METHODOLOGY

- Sample Units:** 8 banks (4 public: SBI, PNB, Indian Bank, BoB; 4 private: ICICI, HDFC, Axis, Kotak)
- Sample Size:** 200 respondents (including

customers, employees, and local community members)

- Area:** Meerut District
- Data Type:** Primary data (structured questionnaire); Secondary data (RBI reports, bank CSR reports)
- Tools Used:** Likert-scale-based scoring (1 to 5), t-tests, and descriptive statistics
- Software:** Excel and SPSS.

6. QUESTIONNAIRE FRAMEWORK

Respondents rated the following statements on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree):

Section A: Social Accountability Practices

- The bank is actively involved in community development.
- The bank promotes financial inclusion for underserved groups.
- The bank takes measurable steps toward environmental sustainability.
- The bank ensures transparency in operations and disclosures.
- The bank provides welfare programs for its employees.

Section B: Stakeholder Perception

- I am aware of the bank's social responsibility initiatives.
- The bank communicates its CSR activities effectively.
- The CSR activities of the bank align with community needs.
- I trust this bank more due to its social responsibility efforts.
- The bank's initiatives have positively impacted the local community.

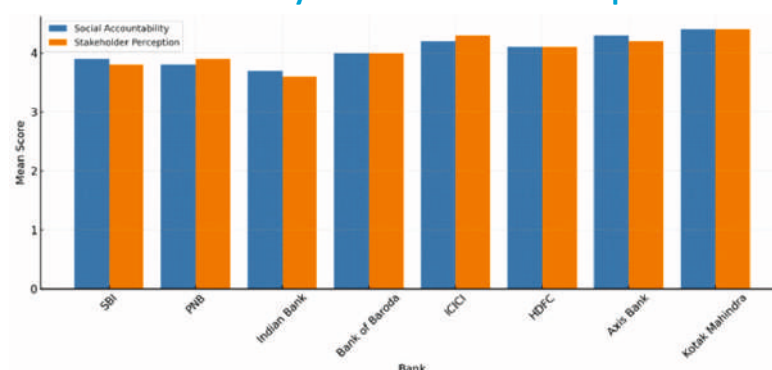
Table 1: Descriptive Analysis

Bank Name	Type	MSA	MSPS
SBI	Public	3.9	3.8
PNB	Public	3.8	3.9
Indian Bank	Public	3.7	3.6
Bank of Baroda	Public	4.0	4.0
ICICI	Private	4.2	4.3
HDFC	Private	4.1	4.1
AXIS Bank	Private	4.3	4.2
Kotak Mahindra	Private	4.4	4.4

MSA= Mean Social Accountability

MSPS= Mean Stakeholder Perception Score

Figure 1: Social Accountability and Stakeholder Perception Scores by Bank



Demographic questions included respondent's age, gender, occupation and type of stakeholder (customer/employee/community).

7. DATA ANALYSIS AND INTERPRETATION

Here is the Comparative Analysis Chart showing the mean scores for both Social Accountability and Stakeholder Perception across public and private banks. This visual clearly illustrates the differences in CSR performance and public perception among the eight studied banks.

8. HYPOTHESIS TESTING

Hypothesis 1: Differences in Social Accountability Factors

Interpretation: Significant difference exists between public and private banks in terms of social accountability practices.

Hypothesis 2: Differences in Stakeholder Perception

Interpretation: Significant difference in stakeholder perception between public and private sector banks.

9. FINDINGS

Private sector banks scored higher in transparency and environmental sustainability.

Public sector banks were more engaged in community welfare programs but lacked

structured CSR initiatives.

Stakeholders from private banks showed greater awareness and satisfaction with CSR efforts.

10. CONCLUSION

The findings of this study reveal a clear divergence in the manner and extent to which public and private banks approach social accountability in Meerut. While public sector banks traditionally emphasize welfare and rural outreach initiatives due to their historical mandates and government alignment, private banks have adopted a more strategic and structured approach to CSR. Their practices are generally marked by better stakeholder communication, well-documented CSR disclosures, and investments in sustainable practices.

The hypothesis analysis further validates these insights statistically. The rejection of both null hypotheses indicates that public and private banks differ not only in their implementation of social responsibility but also in how these efforts are perceived by stakeholders. The statistical significance emphasizes that these differences are not coincidental but are shaped by institutional culture, organizational structure, and customer engagement strategies.

Table 2: Hypothesis Testing

	Group	Mean Score	t-Value	p-Value	Significance	Decision
Hypothesis-1	Public Sector Banks	3.85	2.49	0.018	p < 0.05	Reject H1
	Private Sector Banks	4.25				
Hypothesis-2	Public Sector Banks	3.83	2.35	0.021	p < 0.05	Reject H2
	Private Sector Banks	4.25				

The study further indicates that stakeholder perceptions are shaped by the visibility, consistency, and relevance of the social accountability measures adopted. Private sector banks scored higher in the stakeholder satisfaction dimension, largely due to the modern and digital modes of service delivery, proactive community engagement, and frequent communication of CSR goals and outcomes.

The results underscore the importance of structured and transparent CSR frameworks in building public trust, brand equity, and long-term stakeholder value. For public sector banks, there

is a pressing need to modernize and integrate social responsibility more effectively into their core strategies. Meanwhile, private banks must ensure inclusivity and authenticity in their CSR efforts to avoid criticism of profit-centric motives. In conclusion, this study not only highlights the gaps and strengths in current practices but also provides a direction for banks to evolve into socially responsive institutions. Policymakers, bank leaders, and CSR strategists can leverage these insights to design inclusive, transparent, and measurable social accountability frameworks for sustainable development. ■

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