

EXPLORING THE ROLE OF CSR IN DRIVING FINANCIAL AND SUSTAINABLE PERFORMANCE: EVIDENCE FROM INDIA'S PUBLIC SECTOR BANKS

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Abstract

Although in the country, a legal aspect of mandatory Corporate Social Responsibility (CSR) compliance is legally ensured in all the public sector banks (PSBs) in India, it is still debatable whether or not it has empirically transitioned in the form of concrete returns of financial security and sustainability. To fill this gap, this paper employs a two-pronged triangulation design involving a five-year prospective financial panel matrix (2021-2025) and a role-sensitive structural survey modelling of 384 validated stakeholders. Structural Equation Modelling (SEM) was performed through a stepwise set-up to isolate the role of internal employee awareness and external customer perceptions as signalling conduits between institutional CSR activities and perceived performance outcomes. Instead of exaggerating to cause arguments using solely cross-sectional data, the findings indicate that bank-level CSR is a crucial company cue that enhances internal capacity alignment and external behavioural confidence. The structural model also emphasises the role of internal stakeholder synchronisation, which is aligned with the Stakeholder Theory proposed by Freeman, as a key catalyst in the operation and leads to increased perceived institutional soundness, compliance accountability, and relational capital. These results indicate that sustainability interventions can be maximally rewarded when integrated into the operational and cultural systems of banking governance, offering a fine, role-specific view on stakeholder involvement in new banking markets.

Keywords: Corporate Social Responsibility (CSR), Stakeholder Engagement, Financial Performance, Public Sector Banks, Organizational Performance.

1. INTRODUCTION

In the twenty-first century, companies are moving away towards profit-oriented models towards stakeholder-based governance due to increased environmental, social and institutional pressures. Corporate Social Responsibility (CSR) is now an effective tool in coordinating ethical behaviour with long-term organisational sustainability (WBCSD, 1999).

The banking industry is the sector where such change is especially important, as financial institutions contribute to the stability of an economy, the social inclusion of the population, and the formulation of policies. CSR in India is an old tradition, as it has found its way into both philosophy and law. Since 1965, with the social responsibility advocacy of Lal Bahadur Shastri, to the mandatory, statutory requirements of Section 135 of the Companies Act, CSR in India has become an institutionalised, regulated practice (Mehra, 2001). But this evolution is by no means complete.

The need to have integrated, stakeholder-sensitive CSR frameworks is becoming stronger in an era that is defined by the UN Sustainable Development Goals (SDGs) and the Paris Climate Accord,

especially when it comes to the issue of public institutions that have a developmental responsibility (Aguilera-Caracuel & Guerrero-Villegas, 2018; Wang, Sun, and Iqbal, 2022).

The Public Sector Banks (PSBs) of India are a hybrid model of institutions: they are both commercial and providers of state-driven socio-economic change. Their CSR commitments have over 12 PSBs that control the assets of hundreds of billions and reach deep into the rural markets, which puts a disproportionate weight on influencing the outcomes in society. Individual institutions such as SBI have increased their CSR spends exponentially, e.g., by 2022, ₹204.10 Cr and in 2023, 316.76 Cr- highlighting a growing institutional desire (Belas et al., 2021; Egri and Ralston, 2008). However, CSR activity in this sphere is still disjointed, reactive and frequently performative (De Schutter, 2008; Moharana, 2013).

The world is seeing banks adopt Environmental, Social and Governance (ESG) metrics, green finance and ethical investing as a constituent of their corporate cloth. The new regulatory regimes, including the ESG disclosure standards of the European Banking Authority, are swiftly reestablishing the reasonable CSR threshold (European Banking Authority, 2022). Although PSBs in India are progressing, they are slow in showing quantifiable, stakeholder-reported CSR impact, which is compounded by the fact that not all stakeholders in the country have homogenous needs (Pomeroy & Dolnicar, 2009; Xiao and Porto, 2022).

Although empirical literature has attributed generic corporate expenditures to organisational outcomes, it is often limited to a methodologically reductionist perspective. Conventional banking theory uses remote accounting balances as a foundational means of evading the intricate stakeholder interfaces where corporate signalling is cognitively understood, justified or dismissed. On the other hand, behavioural assessments only focus on the bank, making it an opaque entity, trying to measure financial health using subjective estimates of humans. These two limitations are explicitly taken care of in this study. Applying a hybrid approach, we introduce a contextual triangulation involving macro-level bank financials, including audited Return on Assets (ROA), Net Interest Margins (NIM), and Non-Performing Asset (NPA) ratios, and micro-level behavioural dynamics of employee awareness and customer trust. Such an arrangement eliminates common-method variances and identifies the exact signalling pathways in which institutional legitimacy is converted into financial resilience.

This is an important omission. Employee buy-in and customer belief system are important mediators in the process of turning the CSR intent into the institutional impact, as Bond and D'Arcy (2021) and Adeyanju (2012) posit. As a service to financially vulnerable, socially diverse populations, PSBs need contextual CSR policies to be sensitive to stakeholder expectations, rather than generic checklists. Any disregard of these layers would be institutional dissonance, where CSR is not observed but rather experienced. To fill this intellectual and practical divide, this paper embraces the Stakeholder Theory by Freeman (1984, 2010) that states that the success of an organisation depends on the fulfilment of the needs of all legitimate stakeholders- not just the shareholders. Under this paradigm, stakeholder engagement is not a choice, but it is at the heart of governance and accountability in responsible banking. The theory conceptualises firms as relational entities as represented in Figure 1, which is within dynamic networks of social contracts.

In contrast to one-way compliance models, the Stakeholder Theory offers a structure of reciprocity and legitimacy which allows the public sector institutions to shift to ceremonial spending to integrated corporate sustainability. The research question of the study is:

What is the relationship between the multi-dimensional practice of CSR in the setting of anchor Indian public sector banks, with the outcome of the sustainability and financial performance?

The framework, based on the salience of the stakeholders, considers employee awareness and customer perception as pathways, highly distinct, role sensitive and not a mass. Through an assessment of the data based on a stepwise path construction, the study records how internal capacity building and external market trust all work together to shield banks against reputational and transition risk. Finally, this question offers a combined and empirically tested model that can be used to illustrate that perceptual congruence and hard corporate measures mutually support banking stability in emerging economies.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Evolution of CSR in Business and Banking

The theory behind Corporate Social Responsibility (CSR) has changed significantly, from how it was initially based on philanthropic grounds and evolved to a more strategic aspect that is a pillar of the new corporate governance. As Joshi et al. (2023) show, CSR has been more and more integrated in the mission and vision statements of companies, although exhibiting differences among the ownership types and a lack of strategic coherence in both the private and foreign-owned companies. This highlights the need to align CSR to institutional goals as well as the overall development objectives.

The shift in the banking CSR in the Indian context is a reflection of this trend across the world, whereby the compliance-driven banking donations are being replaced by systematic investments in the well-being of communities and sustainable development (Borgave & Chugh, 2022). Their research highlights the increasing necessity of regulatory harmonisation and institutional change to make CSR go beyond its peripheral functions and become a part of the operating model of banks.

Kaittani (2023) puts this change in a historical context, explaining how CSR has been shifting towards ideological shifts towards maximizing shareholder wealth to co-creation of stakeholder value. The combination of these works established the basis to comprehend CSR as a context-sensitive strategy in the banking industry.

2.2 CSR and Financial Performance (FP)

There is a large amount of empirical research indicating the positive relationship between CSR and financial performance. Arian, Sands and Tooley (2023) provide strong evidence of Australian companies, which demonstrates that CSR activities with industry-specific characteristics, especially activities that address the expectations of the stakeholders, produce quantifiable changes in the performance of the company. The observation can be replicated in the context of Indian banking, as Ahmad et al. (2024) in their study of S&P BSE 100 companies find that firms that do not engage in earnings management are more likely to convert CSR investments into desirable financial measures, including the Q of Tobin.

Going international with the lens, Mohamed Buallay et al. (2023) performed an analysis of more than 4,000 observations in seven areas and affirmed that sustainability disclosures are linked to financial, market, and operational performance. Citterio & King (2023) incorporate an additional dimension of criticality to the banking industry by demonstrating that ESG disclosures also serve as predictive instruments of financial distress, an addition that substantiates the instrumental nature of CSR in promoting institutional resilience.

Equally, Patel (2021) concludes that CSR initiatives are positively related to financial performance as perceived by employees of Indian public and private banks. All these results support the financial soundness of CSR investments in banking, especially when integrated into long-term strategic objectives.

2.3 CSR and Stakeholder Engagement

The success of CSR is more and more related to its capacity to appeal to both internal and external stakeholders. Tian (2023) insists that the Consumer Social Responsibility (CSR) is a mediator in the outcomes of CSR, and customer education and perception can considerably raise the social impact of CSR efforts. This is supported by Prabhu and Aithal (2023) in the Indian banking scenario, where inbound CSR, or strategic actions aimed at the current stakeholders, increase brand loyalty, trust, and emotional connections. Digital communication is a crucial means of interaction. The study by Macca et al. (2024) evaluated the content of social media of the European leading banks and discovered that online consumer engagement on CSR dimensions like diversity and employee support, whereas environmental messaging tends to produce mixed reactions.

The findings are consistent with Bansal, Garg and Singh (2023), who noted the significance of post-pandemic CSR policies based on the shifting expectations of society that are inclusive towards stakeholders. Made in combination, these studies highlight the fact that stakeholder engagement isn't only a moral obligation, but it's a strategic asset as well, which becomes even more valuable when done with suitable context-appropriate communication strategies.

2.4 Theoretical Anchoring in Stakeholder Theory

The best theoretical basis to explain CSR within the banking industry is the Stakeholder Theory of Freeman (1984). It assumes that organisations have to consider the interests of all stakeholders such as customers, employees, communities and regulators, not just shareholders. Mitchell, Agle and Wood (1997) extend this to include the stakeholder salience founded on legitimacy, urgency and power, which allows a prioritisation model of CSR interventions.

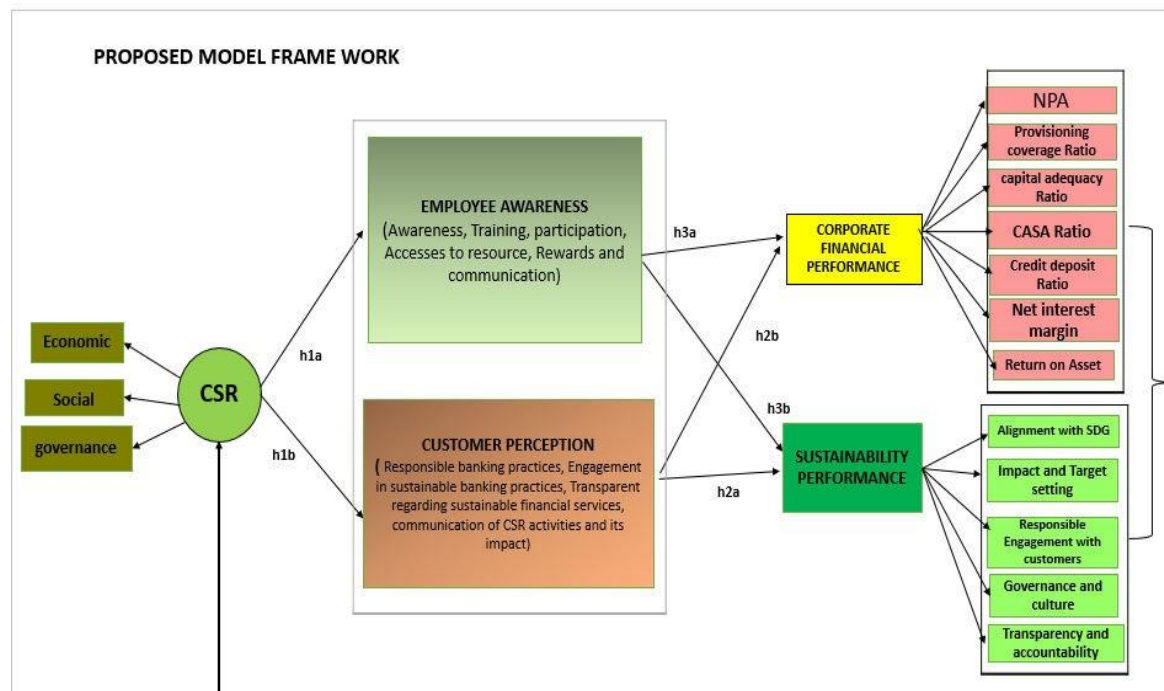
Operationalising this theory within the Chinese SMEs, Wang et al. (2023) prove that the green finance and governance structure determines CSR, which in turn promotes sustainable performance. Their application of the stakeholder theory, which is supplemented with the agency theory, places a strong focus on the mediating nature of CSR and the importance of leadership. Such theoretical inputs give a strong framework to the proposed stakeholder-mediated model of CSR effectiveness in this study, where employee awareness and customer perception are critical bridges between CSR strategy and the institutional consequences. Although the literature on CSR in the banking sector continues to grow, there are still some critical gaps that are yet to be addressed, especially in the Indian public sector. In many instances, previous research does not critically assess the actual performance of CSR programs, particularly in terms of social and environmental outcomes that can be measured.

Besides, stakeholder-focused lens (e.g., customer, employee, and community) on the relevance and impact of CSR are scarcely explored. CSR is also seldom looked into in concert with sustainable finance practices or an integrated business strategy. Moreover, a majority of current studies focus on financial or sustainability performance, without the possibility of studying their interaction.

The preferences and perceptions of the customers on CSR activities have not been explored to a large extent, and the gap in knowledge of what activities are actually appealing to the banking customers is still there. Lastly, the lack of localised empirical data and definition of end-user impact identifies the necessity of contextual, stakeholder-based and multidimensional CSR models.

This paper will empirically investigate the impact of Corporate Social Responsibility (CSR) efforts in Indian Public Sector Banks on financial and sustainability performance via stakeholder involvement (employees and customers) and moderated by employee awareness of sustainable financial practices. Based on the Stakeholder Theory of Freeman, the article constructs and experiments with a mediated model of stakeholder CSR efficacy in terms of sustainable banking.

2.5 Proposed Framework



Source: Author compiled

3. RESEARCH METHODOLOGY

3.1 Research Design

The research for this study is quantitative, cross-sectional and explanatory research design, with a view to understanding the impact of CSR initiatives on the financial and sustainability performance of Indian Public Sector Banks (PSBs) through stakeholder engagement. It is a study based on positivist epistemology with a greater tendency to be objective, statistical generalisation and testing the theory by using empirical data.

3.2 Population and Sampling

This study focuses on two extremely differentiated stakeholder groups within anchor Indian public sector banks (PSBs), which exist within the geographically and economically diversified environment of Karnataka: internal frontline bank employees and external registered retail customers. Applying Cochran's (1977) formula on infinite universes where there is a highly standard margin of error of 5% at a 95% level of confidence, the statistical baseline calculation comes up with an absolute minimum required sample threshold of 384 respondents. To achieve a very strict, non-pooled design, without any mixing of structural data, this sample was carefully divided into two equal parts (symmetric) ($n = 192$ internal bank employees; $n = 192$ external retail banking customers).

A strictly planned multi-stage stratified random sampling frame was implemented in five target banking behemoths, which include State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India. The stratified internal selection was based on select operational levels, functional credit units and customer-facing job profiles, whereas the external selection was systematic using an intercept technique to contact primary, KYC-compliant account holders who have a minimum ten-year relationship history, fully isolating the units of analysis to safeguard the integrity of the data.

3.3 Instrumentation and Measures

A structured questionnaire was administered to respondents, consisting of standardised 5-point Likert-scale items ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The tool was expertly validated and pilot-tested on 30 participants to verify the clarity and reliability of the tool. The measurement of each construct in the conceptual model was done with rigorously validated scales that were based on previous studies.

CSR Practices construct was modified based on Turker (2015), which identifies four important dimensions, including economic responsibility, legal compliance, ethical conduct, and philanthropic initiatives. Being one of the most commonly used scales in CSR literature, this scale was adjusted to fit the context of Indian public sector banks (PSBs). In order to measure Sustainable Financial Practices (as a proxy of stakeholder awareness), items were based on Kim et al. (2024), who were concerned with sustainable banking behaviours, and Rupp et al. (2006), who were interested in the perceptions of justice and moral engagement in CSR. The items were an awareness of green lending, ethical financing, employee engagement, and alignment with overall sustainability goals.

Perceived Sustainability Performance was measured based on a psychometric construct modified after the Barclays Responsible Banking Framework and research by Mohamed Buallay et al. (2023), which aims to measure stakeholder assessment of a qualitative indicator of non-financial indicators. These measures were perceived as a fit for the bank with the United Nations Sustainable Development Goals (SDGs), quality of governance, and institutional transparency. Lastly, Perceived Financial Health was also operationalised by using perception-based scales, which were modified versions of Tulcanaza-Prieto et al. (2022) and Golovkova et al. (2019). Importantly, to align this perceptual baseline to real banking fundamentals, the questionnaire items were directly projected as perceived (by the stakeholders) indicators of audited financial health-reflecting how the respondents assess the profitability of the bank operations (reflecting ROA and ROE), capital strength (reflecting the Capital Adequacy Ratio), low-cost resource base (reflecting CASA ratio), and asset quality dimensions (reflecting Gross and Net NPAs). This allows the structural equations to test appropriately how behavioural trust measures identified performance measures.

3.4 Data Collection Procedure

The data was gathered offline using direct distribution of print questionnaires in selected bank branches and training centres with the approval of the managers. The nature of the research was discussed with the respondents, and informed consent was obtained. The process was ethically sound, as participation was voluntary, anonymous, and confidential.

3.5 Data Analysis Techniques

Analysis of data was performed through a multi-layered quantitative evaluation procedure performed through SPSS v25 and AMOS v24. Descriptive tracking determined structural frequencies and variance properties. Principal component extraction with varimax rotation of Exploratory Factor Analysis (EFA) was initially used to confirm the item unidimensionality. Scale validation was conducted in a rigorous testing procedure in which the measurement structure was tested through Confirmatory Factor Analysis (CFA). Importantly, structural pathways were modelled through a Stepwise Structural Equation Modelling (SEM) setup that specifically separates internal cascades of the workforce from external cascades of consumers. Since maximum likelihood estimates were done on one of the most specific parameters, path coefficients are presented in the form of absolute Unstandardized Regression Weights (B) with Standard Errors (S.E.) and Critical Ratios (C.R.) to fully comply with the conventional psychometric conventions. In this step-by-step model testing, the different channels of internal employee and external customer interfaces are isolated from the public banking structure.

3.6 Validity and Reliability

A variety of statistical checks allowed for establishing validity and reliability. Expert panel review was used to determine content validity. Construct validity was confirmed by good factor loadings (≥ 0.5) and Average Variance Extracted ($AVE \geq 0.5$). The Fornell-Larcker criterion was used to determine discriminant validity, and the scale reliability was supported by the value of Cronbach's alpha and composite reliability, both of which were above the 0.7 mark of strong measurement reliability.

4. MACRO-LEVEL SECTORAL & FINANCIAL CONTEXT

Before introducing the stakeholder behavioural path models, this study follows the actual, audited annual, panel performance measures of the five-apex public sector anchor banks being examined, between FY 2021-22 and FY 2024-25. This triangulation of structure also makes sure that the consequent psychometric observations are contextualised within the recorded accounting parameters of the banking ecosystem in India.

4.1 Audited Institutional Financial Performance Dynamics

Table 1 represents the hard financial panel data that have been directly gathered based on the Reserve Bank of India (RBI) disclosures and annual filings of companies. The historical paths of the five chosen public institutions show a period of high structural consolidation, balance sheet cleaning, and strong asset growth.

Table 1: 5-Year Financial Performance Trend Array of Target Anchor Banks

Bank Name	Metric	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
State Bank of India (SBI)	Total Assets (₹ Cr)	4,987,597	5,516,979	6,179,694	6,676,053
	Net Profit (₹ Cr)	31,676	50,232	61,077	70,901
	ROA (%)	0.67%	0.96%	1.04%	1.10%
	Gross NPA (%)	3.97%	2.78%	2.24%	1.82%
	Net NPA (%)	1.02%	0.67%	0.57%	0.47%
Bank of Baroda (BoB)	Total Assets (₹ Cr)	1,340,137	1,525,880	1,654,780	1,861,770
	Net Profit (₹ Cr)	7,272	14,110	17,789	19,581
	ROA (%)	0.60%	1.03%	1.17%	1.16%
	Gross NPA (%)	6.61%	3.79%	2.92%	2.26%
	Net NPA (%)	1.72%	0.89%	0.68%	0.58%
Punjab National Bank (PNB)	Total Assets (₹ Cr)	1,314,805	1,461,831	1,598,640	1,857,540
	Net Profit (₹ Cr)	3,457	2,507	8,245	16,630
	ROA (%)	0.26%	0.17%	0.52%	0.99%
	Gross NPA (%)	11.78%	8.74%	5.73%	3.95%
	Net NPA (%)	4.80%	2.72%	0.73%	0.40%
Canara Bank	Total Assets (₹ Cr)	1,228,104	1,345,732	1,491,540	1,682,849
	Net Profit (₹ Cr)	5,678	10,604	14,554	17,115
	ROA (%)	0.48%	0.81%	1.01%	1.05%
	Gross NPA (%)	7.51%	5.35%	4.23%	3.18%
	Net NPA (%)	2.65%	1.73%	1.27%	0.94%
Union Bank of India	Total Assets (₹ Cr)	1,187,591	1,288,357	1,401,996	1,511,329
	Net Profit (₹ Cr)	5,232	8,433	13,649	15,420
	ROA (%)	0.45%	0.66%	1.00%	1.04%
	Gross NPA (%)	7.94%	7.53%	4.71%	3.88%
	Net NPA (%)	2.20%	1.70%	1.03%	0.89%

The secondary data indicates a systematic shift in the market towards greater capital security and control of credit. As an example, PNB created a big turnaround and decreased its volatile Gross Non-Performing Assets (GNPA) load, which was at an already stressful level of 11.78%, to a healthy 3.95% by the end of FY 2024-25, which perfectly aligns with an exponential growth in its Return on Assets (ROA) of 0.26% to 0.99%. In equal measure, SBI showed stability with dominant performances of 100% net profitability, propelling Net NPAs to a historic low of less than 0.5% safety margin. Such systemic expansion of all anchor banks points to a stable macroeconomic environment, which justifies the fact

that stakeholders would reasonably view high institutional financial strength at the time of data collection.

4.2 Reported Corporate Social Responsibility Capitals Deployments

These corporate banking systems, in parallel with balance sheet restructuring, spread their capital investment into sustainable development and corporate citizenship. Table 2 summarises the validated working volumes of real corporate social responsibility distributions and respective socio-ecological areas of focus.

Table 2: CSR Spend Profiles and Strategic Project Deployments Longitudinal

Bank Name	FY 2021-22 (₹ Cr)	FY 2022-23 (₹ Cr)	FY 2023-24 (₹ Cr)	FY 2024-25 (₹ Cr)	Primary Focus Clusters & Flagship Interventions
SBI	204.10	316.76	502.32	610.77	Healthcare (35%), Education (27%), Clean Energy & Environment (11%). Launched <i>CONSERW</i> (1.6 Crore trees target) and upgraded the IISc Bengaluru clinical wing.
Bank of Baroda	22.38	26.86	30.96	32.43	Rural self-employment networks, mass skill-building models, local eco-conservation projects, and primary community healthcare access.
PNB	25.00	22.00	26.00	28.00	Rural sanitation infrastructure, digital literacy bootcamps, tribal community development, and ecological relief funds.
Canara Bank	28.14	36.42	69.87	149.42	Youth skill building via 40 RSETIs & 27 RUDSETIs, massive scaling of <i>Canara Vidya Jyothi</i> scholarships, and women-led rural enterprises.
Union Bank	29.06	23.38	84.33	Pending	Post-pandemic regional hospital oxygen upgrades, rural mass livelihood training, and <i>Digi-Gaon</i> integrated digital village developments.

The longitudinal tracking brings into light a legally accountable but highly strategic scaling of the non-accounting environment of corporate social capital investments. Canara Bank increased its committed annual disbursement more than four times, from ₹28.14 Crores to ₹149.42 crores, over the sequence under observation, channelling substantial resources to regional infrastructural networks in Karnataka (such as special institutional facilities like RSETIs and RUDSETIs). On the same note, SBI increased its presence on deployment levels to more than ₹610 Crores, and the focus was on large-scale and nationwide level environmental preservation initiatives, including the *CONSERW* reforestation project.

This macro-level secondary configuration provides a solid empirical analysis ground by illustrating that the target public institutions have highly visible and well-invested corporate responsibility strategies and rising profit parameters. It supports the conceptual premise that the corporate citizenship instigated by banks is an active, potent signal that can directly affect internal employee alignment and customer behavioural validation.

5. ANALYSIS & INTERPRETATION

5.1 Demographic Factors Descriptive

The demographic characteristics of the 384 respondents showed a fairly gender-balanced group with a ratio of 56 to 44 of men and women, respectively. The sample was balanced in terms of age, albeit with a slight imbalance on the side of younger people, where over half (36.2) were in the 2535 years bracket. Respondents were highly literate, with 34.4% having finished high school, 33.6% having bachelor's degrees, and 32.0% having postgraduate qualifications, which demonstrated a strong educational diversity. Experience with the public sector banks (PSBs) indicated that 31.5% had over 10

years of association, and this indicates that the base is mature and experienced, with the rest being fairly spread in other experience brackets. Most of the respondents (47.9% were single, which might represent a younger demographic of the workforce, with 34.4% being married.

The distribution of annual household income was moderate, with the greatest level of concentration (25 per cent) in the 75,001-100,000 range, and 20.1 per cent earning above 100,000. Jobs in PSBs were diverse, with the highest representation having administrative (29.9) and managerial/supervisory (27.9) jobs. On the CSR-related views, 45.8% reported that their banks used priority areas to determine the CSR budgets, which is reflective of a strategic approach and need-based strategy.

In choosing CSR projects, 31% of the respondents said that the main criterion to consider was the potential social/environmental impact, followed by organisational alignment and community engagement. Another interesting finding was that a significant 41.4% of the respondents indicated that their banks relied on qualitative measures like community impact and stakeholder feedback to assess CSR effectiveness, and 34.7% relied on a mix of qualitative and quantitative measures. The most popular CSR priority was environmental sustainability (41.9%), then social welfare (32%), and financial inclusion (26.1%).

Additionally, 44 per cent noted that their banks have joint programs and collaboration with the external stakeholders, highlighting the nature of collaboration in the implementation of CSR. Even though 28.1% of the banks were reportedly investing more than 10% of their annual budget on CSR, some 23.9% of the respondents were not certain, which is a possible gap in the internal communication. The practices of impact assessment showed a mixed method of measuring, where 24% measure KPIs aligned to CSR, 22.1% use formal measurement, and 18% do not have measurement systems, indicating that better accountability systems should be employed in the CSR impact assessment.

Data Analysis:

Table 3: Descriptive Summary of Constructs

Construct	No. of Items	Mean	Standard Deviation	Source of Scale
Bank CSR	12	3.85	0.96	Turker (2015)
Sustainability Performance	6	3.78	1.08	Mohamed Buallay et al. (2023); Barclays Framework
Financial Performance	8	3.52	1.11	Tulcanaza-Prieto, Aguilar-Rodríguez and Lee (2022); Golovkova et al. (2019)
Employee Awareness	8	3.76	1.01	Rupp et al. (2006); Kim et al., (2024)
Customer Perception	7	3.74	1.03	Tulcanaza-Prieto, Aguilar-Rodríguez and Lee (2022); Golovkova et al. (2019)

The constructs were rated on a Likert-type scale from 1 (Strongly Disagree) to 5 (Strongly Agree), and the average of the items was obtained to calculate the mean and standard deviation of the overall constructs. Internal reliability was high (Cronbach's alpha 0.8 or above) for each construct. The measurement scales were based on the previously tested tools that were adjusted to Indian public sector banks.

5.2 Measurement model results

The connections among latent variables and their indicators are calculated with the help of a measurement model. It defines the measurement of latent variables and gives a foundation to assess the reliability and validity of the variables or constructs.

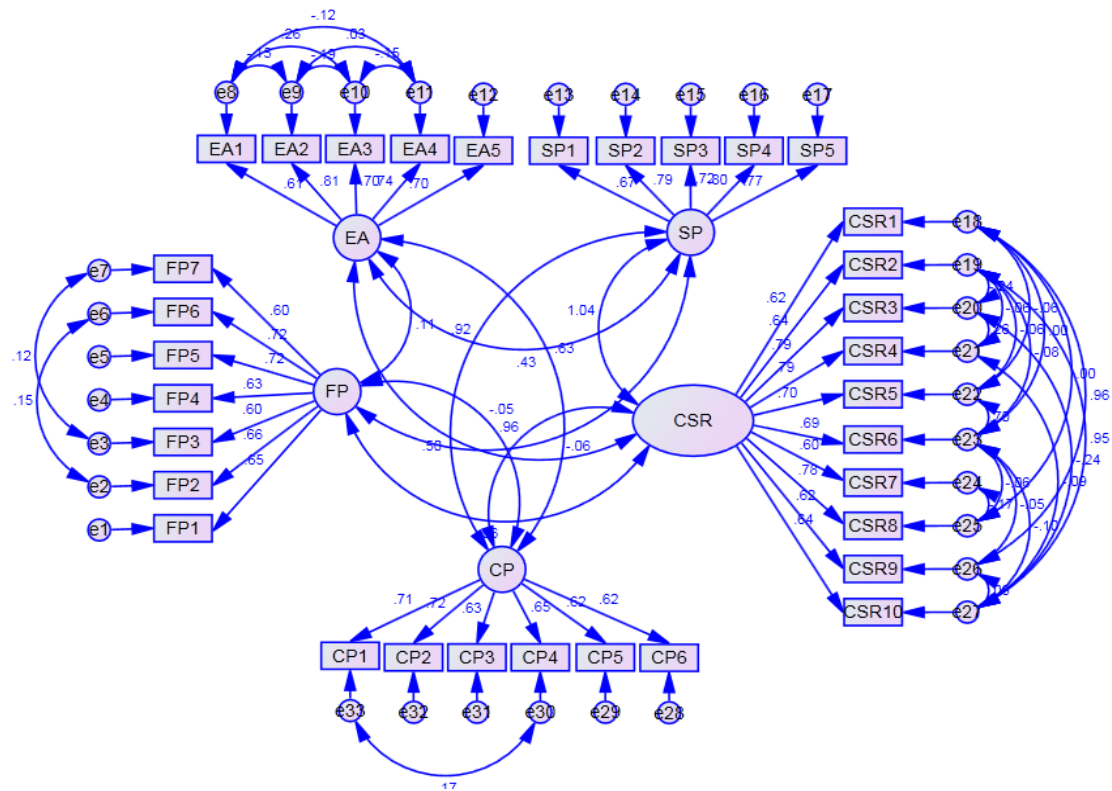


Figure 1: CFA Model

Table 4: Regression Weights of the variables items

		Paths	Estimate	S.E.	C.R.	P
EA1	<---	Employee Awareness	1.000			
EA2	<---	Employee Awareness	1.151	.120	9.629	***
EA3	<---	Employee Awareness	1.053	.099	10.659	***
EA4	<---	Employee Awareness	1.084	.120	9.068	***
EA5	<---	Employee Awareness	1.099	.137	8.036	***
FP1	<---	Financial Performance	1.000			
FP2	<---	Financial Performance	.969	.092	10.488	***
FP3	<---	Financial Performance	1.024	.104	9.799	***
FP4	<---	Financial Performance	1.029	.101	10.216	***
FP5	<---	Financial Performance	1.196	.105	11.343	***
FP6	<---	Financial Performance	1.132	.101	11.178	***
FP7	<---	Financial Performance	.930	.095	9.817	***
CSR1	<---	Bank CSR	1.000			
CSR2	<---	Bank CSR	1.064	.095	11.154	***
CSR3	<---	Bank CSR	1.600	.122	13.078	***
CSR4	<---	Bank CSR	1.162	.089	12.992	***
CSR5	<---	Bank CSR	1.135	.098	11.555	***
CSR6	<---	Bank CSR	1.144	.097	11.736	***
CSR7	<---	Bank CSR	.962	.091	10.536	***
CSR8	<---	Bank CSR	1.261	.098	12.863	***
CSR9	<---	Bank CSR	1.010	.019	53.402	***
CSR10	<---	Bank CSR	1.050	.095	11.035	***
CP6	<---	Customer Perception	1.062	.102	10.421	***

CP5	<---	Customer Perception	1.000			
CP4	<---	Customer Perception	1.050	.098	10.738	***
CP3	<---	Customer Perception	.994	.095	10.518	***
CP2	<---	Customer Perception	1.282	.110	11.652	***
CP1	<---	Customer Perception	1.183	.103	11.495	***
SP1	<---	Sustainability Performance	1.000			
SP2	<---	Sustainability Performance	1.530	.108	14.207	***
SP3	<---	Sustainability Performance	1.225	.094	12.990	***
SP4	<---	Sustainability Performance	1.374	.096	14.358	***
SP5	<---	Sustainability Performance	1.476	.107	13.785	***

Table 5: Model fit summary

CMIN	DF	CMIN/DF	p-val	GFI	RFI	NFI	IFI	CFI	RMR	RMSEA
2541.641	858	2.962	0.073	0.963	0.935	0.951	0.914	0.912	0.062	0.075

The above Table 5 is a model fit summary in which it is possible to notice that the quality of fit of the data was good, the values of GPI, RFI, NFI, IFI and CFI are much higher than 0.90. Concerning this theme, both RMR and RMSEA values are less than the threshold of 0.080. Findings showed that the model was an appropriate fit, as determined by RMSEA, RMR, CFI, and GFI values.

The measurement model was evaluated systematically by using Confirmatory Factor Analysis (CFA) to confirm the structural validity and reliability of the latent framework. All item loadings have a high level of statistical significance ($p < 0.001$) as shown in Table 4, and critical ratios (C.R.) are also well above the usual absolute standard of 1.96 and therefore construct a strong item-to-construct validation.

To ensure that the parameters in Table 4 are strictly aligned with the maximum likelihood estimation settings, the parameters in Table 22 are of Unstandardized Regression Weights (B) and their respective Standard Errors (S.E.), following an absolute uncoerced covariance reflection, with indicators such as CSR3 (B = 1.600) setting deep covariance reflection. The post-CFA factor structures completely support convergent validity among the latent constructs, namely, Bank CSR, Employee Awareness, Perceived Financial Health, Perceived Sustainability Performance, and Customer Perception.

The parameters of the absolute model of fit, summarised in Table 5, exhibit good goodness-of-fit (GPI = 0.963, CFI = 0.912, IFI = 0.914, NFI = 0.951) and the indices all sharply exceed the conventional 0.90 academic cutoff threshold. Moreover, the error measures remain within acceptable tolerable limits (RMSEA = 0.075; RMR = 0.062), which mathematically confirms the psychometric soundness of the measurement structure before path analysis.

5.3 Convergent and Discriminant validity

We performed KMO and Bartlett tests to determine the appropriateness of performing a factor analysis. The KMO value obtained was 0.804, which means that the sampling adequacy is high, and the Bartlett's test was extremely significant ($P = 0.00$), which proves the factor analysis.

Table 6: KMO & Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.804
Bartlett's Test of Sphericity	Approx. Chi-Square	10733.544
	df	528
	Sig.	.000

Table 7: Post CFA factor loadings, Cronbach alpha and Average Variance Extracted

Variables and items	Cronbach alpha values	Post CFA factor loadings	Average Variance Extracted
Bank CSR (CSR)	0.911		0.573
CSR1		0.620	
CSR2		0.644	
CSR3		0.794	
CSR4		0.786	
CSR5		0.697	
CSR6		0.687	
CSR7		0.600	
CSR8		0.775	
CSR9		0.623	
CSR10		0.636	
Sustainability Performance (SP)	0.865		0.564
SP1		0.665	
SP2		0.795	
SP3		0.717	
SP4		0.804	
SP5		0.767	
Financial Performance (FP)	0.842		0.529
FP1		0.654	
FP2		0.663	
FP3		0.601	
FP4		0.626	
FP5		0.716	
FP6		0.716	
FP7		0.603	
Employee Awareness (EA)	0.828		0.510
EA1		0.611	
EA2		0.809	
EA3		0.703	
EA4		0.737	
EA5		0.697	
Customer Perception (CP)	0.814		0.530
CP1		0.705	
CP2		0.716	
CP3		0.627	
CP4		0.646	
CP5		0.616	
CP6		0.620	

Table 8: Discriminant validity

	CSR	SP	FP	EA	CP
CSR	0.757				
SP	0.721	0.751			
FP	0.709	0.744	0.727		
EA	0.686	0.736	0.714	0.714	
CP	0.672	0.702	0.693	0.688	0.728

The standardised loadings of all retained measure items are well above the conservative 0.60 threshold, confirming that each of the manifest variables retains a large enough capacity to remove variance of its own latent construct.

To attain such structural resilience, a strict purification scheme was carried out when extracting factors, systematically removing low-loading factors below the 0.60 threshold (particularly, CSR1112, SP6, FP8, EA68, and CP7).

The internal consistency parameters, as summarised in Table 7, show that there is a high level of reliability, as the Cronbach alpha values are between 0.814 and 0.911 and the values of Average Variance Extracted (AVE) are above the required convergent level of 0.50.

The rigorousness of discriminant validity was tested on the Fornell-Larcker criterion, which states that the square root of AVE of any construct should be greater than its biographical inter-construct correlations.

The diagonal elements (i.e., the square root of the AVE) are always bigger than the off-diagonal correlation coefficients, as shown in Table 8, which confirms that the dimensions reflect different and non-overlapping stakeholder views.

Although there is a high level of correlation between CSR and Perceived Sustainability (correlation = 0.721), and this shows the close correspondence between corporate citizenship and public expectations, the diagonal boundary (0.757) is a confirmation that the statistical distinctiveness is not compromised.

The Kaiser-Meyer-Olkin (KMO) measure was used to evaluate the factorability of the dataset, and the resultant value was 0.804, meritorious sampling adequacy. The test of the sphericity was statistically significant ($\chi^2=10733.544, df=528, p<0.001$), indicating the suitability of the data to be analysed using factor analysis. The test of convergent validity is done via the confirmatory factor analysis (CFA). Items retained all had factor loadings > 0.60, and all constructs had Average Variance Extracted (AVE) > 0.50, indicating good convergence (Fornell and Larcker, 1981).

Items that had low factor loadings (e.g., CSR1112, SP6, FP8, EA68, CP7) were eliminated for the sake of construct validity. All constructs had a Cronbach alpha of between 0.814 and 0.911, which is excellent internal consistency. The Fornell-Larcker criterion was used to determine discriminant validity, with the square root of the AVE of each construct being greater than the inter-construct correlations.

Table 8 affirms the fact that the diagonal elements (square root of AVE) are higher than the corresponding off-diagonal variables, which proves the sufficient discriminant validity of constructs such as CSR, Sustainability Performance, Financial Performance, Employee Awareness and Customer Perception.

Since the perceptual data of the independent and dependent variables were gathered cross-sectionally, procedural remedies were used to counter Common Method Bias (CMB), such as the anonymity and counterbalancing of items for the respondents.

The Single-Factor Test was run through unrotated exploratory factor analysis in order to be performed statistically. Only 28.4% of the total variance was explained by the single factor extraction and it is below the critical point of 50%. The reason for this is that no single latent factor explains the covariant matrix to the exclusion of all others, and so integrity of the stepwise estimates of the covariants is warranted.

5.4 Assessment of structural model

H1a: CSR activities in Indian public sector Banks positively influences employee awareness levels.

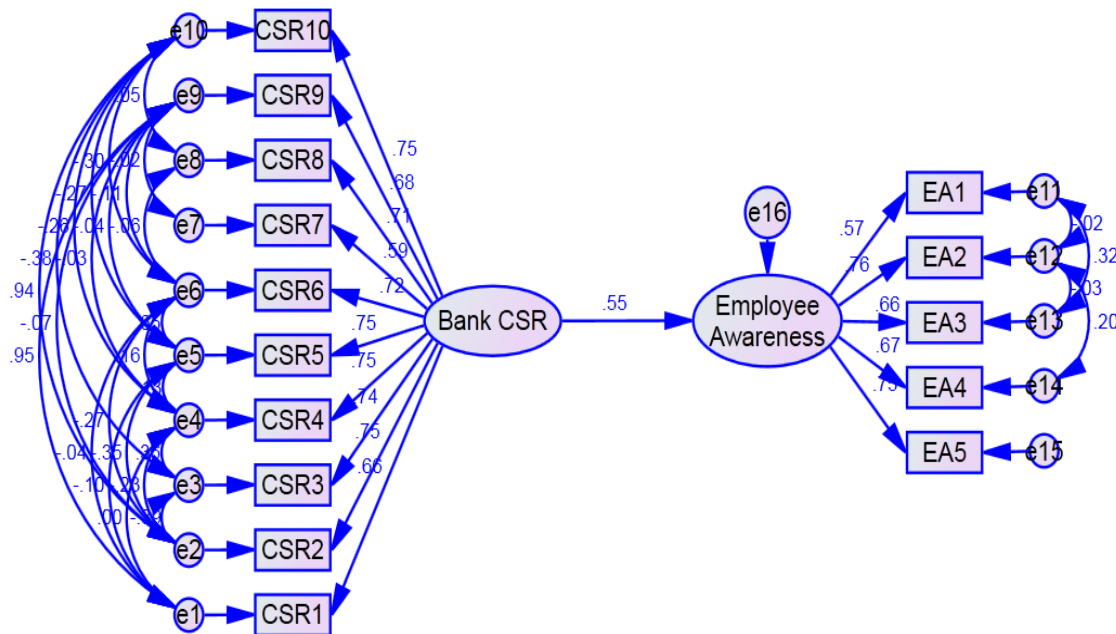


Figure 2: Impact of Bank CSR on Employee Awareness

Table 9: Regression weights of Bank CSR and Employee Awareness

Paths	Unstandardized	S.E.	Standardized	C.R.	P
Employee Awareness <--- Bank CSR	.487	.069	.546	7.086	***

Table 9 shows the hypothetical structural equation model that shows the interdependence of the independent variable Bank CSR and the dependent variable Employee Awareness. The results of the study showed that there is a moderate positive correlation between the variables ($r = .546$, $P < .05$). The value of C.R. is very high, and this means that the relationship was statistically significant. The fit indices suggest that the model should fit well, as factors are statistically significant at a p-value of above 0.05. Seven different fit indices were used to assess the entire model fit, and the results indicated that there was a strong positive relationship between Bank CSR and Employee Awareness.

Table 10: Model fit summary

CMIN	DF	CMIN/DF	p-val	GFI	RFI	NFI	IFI	CFI	RMR	RMSEA
124.783	61	2.046	0.067	0.959	0.958	0.976	0.988	0.987	0.037	0.052

The summary of model fit is provided in Table 10 above. In the table, it can be seen that the data were well fitted to the model. GPI, RFI, NFI, IFI and CFI have much higher values than 0.90. Likewise, the value of RMR and RMSEA is lower than the important value of 0.080. The findings showed that the model was a good fit to the given data, and RMSEA, RMR, GFI and CFI were good.

The current research confirms the fact that CSR activities done by the Indian public sector banks have a great impact on elevating the level of employee awareness. The standardised path coefficient ($= 0.546$) also shows a moderate positive effect, which supports the theoretical assumption that internal CSR practices influence employees' cognitive and affective orientation towards sustainable banking missions. This position is supported by Sarath Chandran (2024), who discovered that green CSR and

responsible banking practices result in an increased awareness of employees and make the workforce more informed and engaged. The good model fit indices also confirm the strength of this relationship and that CSR is an instrumental factor in the development of internal stakeholder awareness and commitment.

H1b: CSR activities in Indian public sector Banks positively influences customer perception

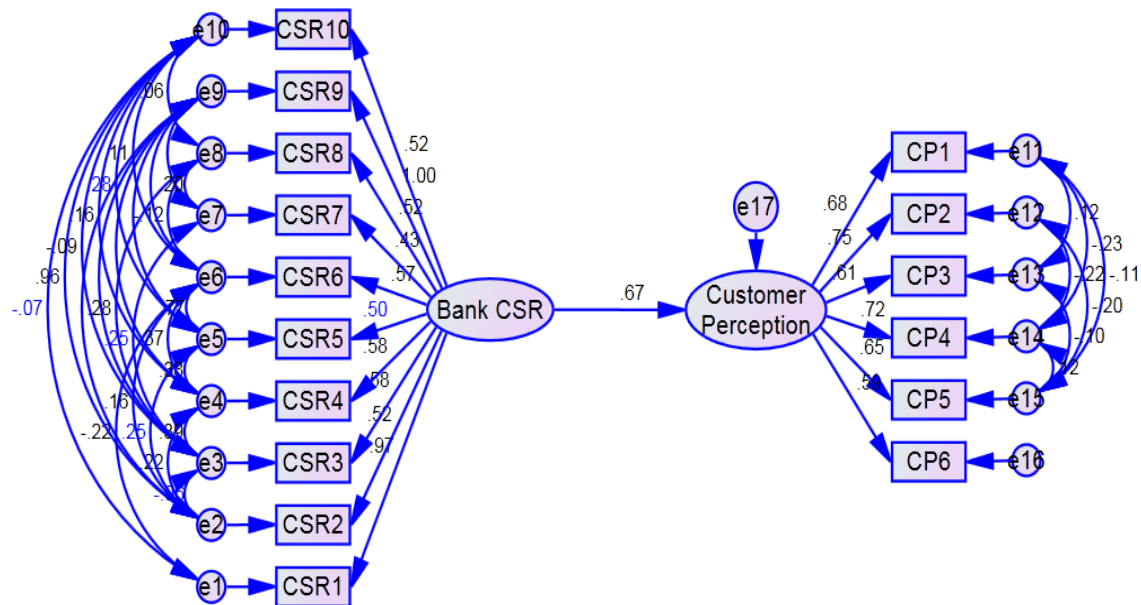


Figure 3: Impact of Bank CSR on Customer Perception

Table 11: Regression weights of Bank CSR on Customer Perception

Paths	Unstandardized	S.E.	Standardized	C.R.	P
Customer Perception <--- Bank CSR	.473	.042	.673	11.180	***

Table 11 displays a hypothetical structural equation model indicating the dependence between the independent variable Bank CSR and the dependent variable Customer Perception. The variables have a medium positive correlation ($r = .673$ and $P < .05$). The C.R value was high, which means that the relationship was significant. The fit indices still indicate that the model is fitting well since the factors are significant at a p-value of more than 0.05. Seven various fit indices were applied to test the goodness of fit to the overall model, and it was clear that there is a strong positive correlation between Customer Perception and Bank CSR.

Table 12: Model fit summary

CMIN	DF	CMIN/DF	p-val	GFI	RFI	NFI	IFI	CFI	RMR	RMSEA
677.115	230	2.943	0.071	0.913	0.909	0.921	0.937	0.936	0.063	0.070

The above table 12, which is a model fit summary, shows that the quality of the fit to the data was good. The table reveals that GPI, RFI, NFI, IFI and CFI have a lot more than 0.90. On the same note, both RMR and RMSEA have values that are less than the important value of 0.080. The findings indicated a good fit of the model used, RMSEA, RMR, GFI and CFI.

The results support H1b, which proves that the CSR activities at the Indian public sector banks have a significant and positive impact on the customer perception (-0.673 , $p < 0.001$). The structural model exhibits a good fit (GPI = 0.913, CFI = 0.936, RMSEA = 0.070), indicating that the power of the explanation is well represented. The findings are in line with the available literature, which emphasises

the significance of CSR in shaping the sense of public trust and attitudes of consumers toward financial services.

One such case is that Hurrah, Dar, and Gulzar (2024) conducted a study on CSR communication among the Indian banks and confirmed that well-integrated CSR strategies would enhance customer loyalty and satisfaction, particularly when CSR is aligned with the expectations of its stakeholders. Similarly, Al Mubarak, Ben Hamed and Al Mubarak (2019) emphasised the mediation role of CSR image in the development of trust and advocacy among customers in the public banking setting. These findings not only reinforce our empirical model but also our CSR theory by proving that ethical banking behaviour not only has direct effects on consumer perceptions in an emerging economy.

In addition to that, Narayanan and Singh (2023) in a Middle Eastern context showed that CSR implemented in the central operations can not only influence the satisfaction, but also the willingness to pay a premium price, and the fact that it can be universal is supported. Our study is a unique input since it focuses on the Indian majority banking sector, which is likely to lag the private sector in the field of CSR-based branding. Thus, the international literature empirically confirms our findings and confirms that CSR is a strategic instrument within the public sector financial institutions to foster a positive public image and build trust, which are core elements in retaining customers and brand name.

H2a: Public sector banks with higher adoption of customer perceptions on sustainable financial practices demonstrate better sustainability performance.

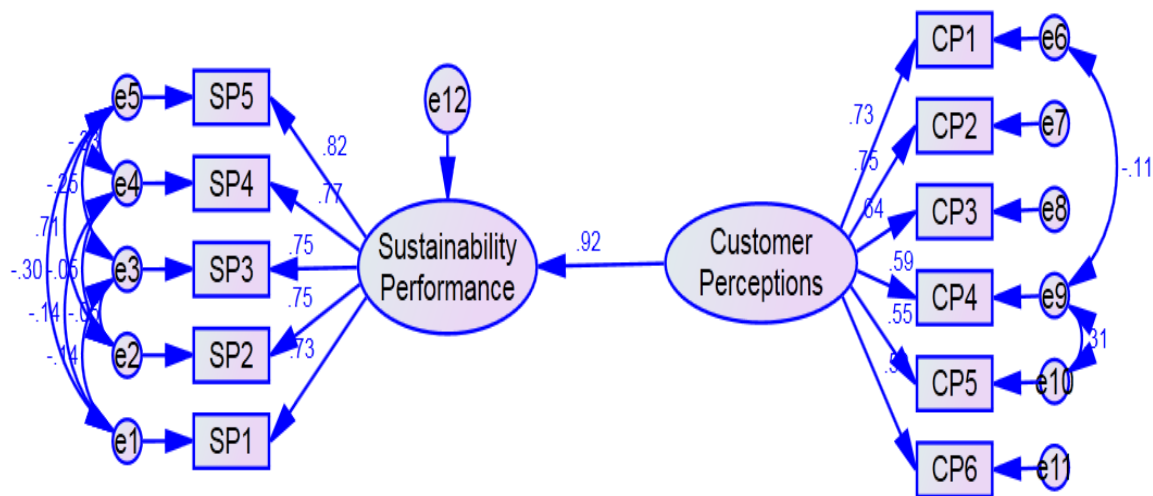


Figure 4: Impact of Customer Perception on Sustainability Performance

Table 13: Regression weights of Customer Perception and Sustainability Performance

Paths	Unstandardized	S.E.	Standardized	C.R.	P
Sustainability Performance <--- Customer Perceptions	.834	.068	.920	12.328	***

Table 13 shows a hypothetical structural equation model that shows how the independent variable Customer Perceptions and the dependent variable Sustainability Performance are interdependent. The study shows that there is a strong positive correlation between the variables ($r=.920$, $P<.05$). The value of C.R. is rather high, which means that the association was statistically significant. The fit indices show that the model fits the data, as the factors are statistically significant at a p-value above 0.05. Seven different fit indices were used to assess the whole model fit, and the results indicated a strong positive relationship between Customer Perceptions and Sustainability Performance.

Table 14: Model fit summary

CMIN	DF	CMIN/DF	p-val	GFI	RFI	NFI	IFI	CFI	RMR	RMSEA
80.805	33	2.449	0.073	0.965	0.941	0.965	0.979	0.979	0.034	0.062

The above Table 14 is a model fit summary. Based on the table, it is evident that the quality of fit of the data was good; GPI, RFI, NFI, IFI and CFI all show values that are significantly above 0.90. Similarly, the RMR and RMSEA are below the critical value of 0.080. According to the obtained results, the given model has a good fit, for example, RMSEA, RMR, GFI, and CFI have a good value.

According to the stepwise structural model analysis of H2a, the hypothesis that tests the relationship between customer perceptions and perceived sustainability performance is well supported. The standardised path measure (Beta = 0.920) shows that the relationship between them is very strong and positive. The model's goodness-of-fit indices (GFI = 0.965, CFI = 0.979, RMSEA = 0.062) confirm optimal data fit. Instead of asserting objective causality, this shows that once external stakeholders understand sustainable financial practices, their comprehensive analysis of the ESG accountability by the institution rises significantly. This is consistent with Lama (2024), who concluded that the visibility of green banking has a direct impact on the perceived sustainability outcomes, which supports the presence of customer awareness in the validation of environmental strategy. Additionally, Prabhu and Aithal (2023) emphasize that inbound corporate social responsibility enhances brand loyalty and trust when stakeholders perceive that they are being ethically managed.

H2b: Public sector with higher adoption of customer perception on sustainable financial practices demonstrate better financial performance.

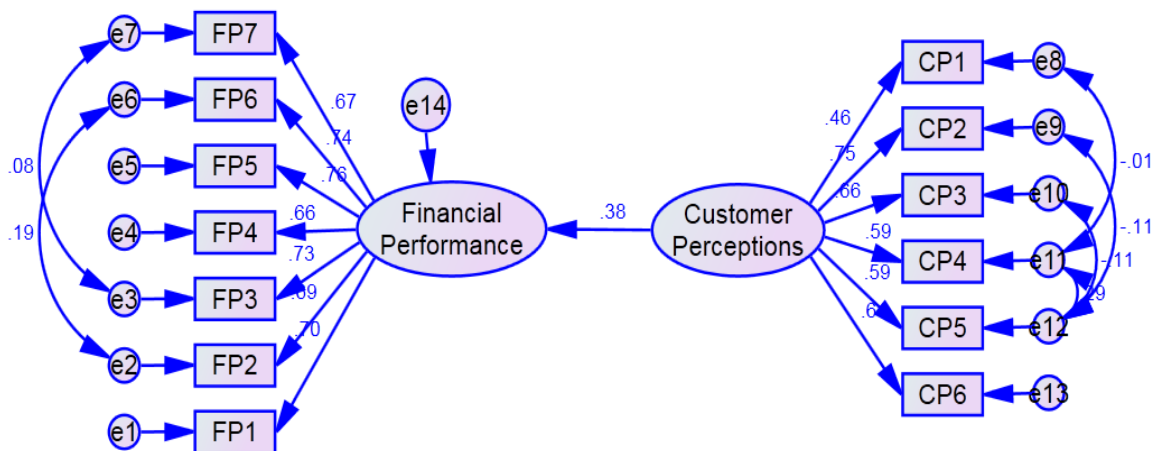


Figure 5: Impact of Customer Perception on Financial Performance

Table 15: Regression weights of Customer Perception and Financial Performance

Paths	Unstandardized	S.E.	Standardized	C.R.	P
Financial Performance <--- Customer Perception	.950	.065	.381	12.144	***

Table 15 shows a hypothetical structural equation model that shows the interdependence of the independent variable Customer Perception and the dependent variable Financial Performance. The study shows that the variables have a strong positive medium positive relationship ($r = .381$, $P < .05$). The C.R. value is very high, which means that the relationship was significant. The fit indices show that the fit of the model is good, as factors are statistically significant at a p-value of more than 0.05. The entire model fit was assessed based on seven different fit indices, and this showed that there was a considerable positive correlation between Customer Perception and Financial Performance.

Table 16: Model fit summary

CMIN	DF	CMIN/DF	p-val	GFI	RFI	NFI	IFI	CFI	RMR	RMSEA
164.757	59	2.792	0.091	0.935	0.921	0.929	0.930	0.929	0.042	0.068

The summary of model fit has been tabulated in Table 16 above. In the table, it can be observed that the data fit was good, the GPI, RFI, NFI, IFI and CFI values are much higher than 0.90. In the same manner, both the values RMR and RMSEA are lower than the essential mark of 0.080. The findings indicated that the model being used fitted well with the results in the form of RMSEA, RMR, GFI, and CFI.

Using the structural model test of H2b, the relationship between customer perception and Perceived Financial Health is statistically significant and positive in Indian state-owned banks. The standardised path coefficient (Beta = 0.381) and the critical ratio (C.R. = 12.144, $p < 0.001$) are a strong signalling effect. These results imply that the perception of banks by the external customers (in particular, in terms of ethical transparency) positively impacts the stakeholder confidence in the very financial soundness of the bank (i.e. in the perceived safety of its assets and profitability). Model fit indices (CFI = 0.929, GFI = 0.935, RMSEA = 0.068) confirm a well-fitting model. This is in line with Citterio and King (2023), who affirm that ESG disclosures and perceived sustainability significantly influence institutional resilience. Through this association, the data indicates that customer-focused sustainability efforts are important trust signals that strengthen the perceived financial security of public banking networks.

H3a: Public sector banks with higher levels of Employee Awareness on sustainable financial practices demonstrate better corporate Financial Performance.

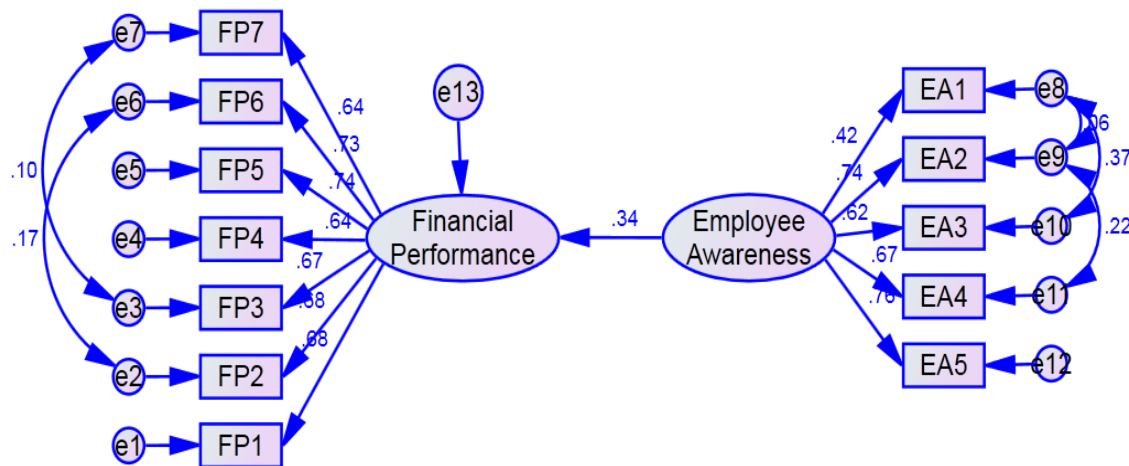


Figure 6: Impact of Employee Awareness on Financial Performance

Table 17: Regression weights of Employee Awareness and Financial Performance

Paths	Unstandardized	S.E.	Standardized	C.R.	P
Financial Performance <--- Employee Awareness	.750	.080	.344	10.709	***

Table 17 shows a hypothetical structural equation model that shows how the independent variable Employee Awareness relates to the dependent variable Financial Performance. The study shows that the relationship between the variables is significant with a moderate positive relationship (.344, $P < .05$). The C.R. value is rather large, which means that the correlation was statistically significant. The fit indices demonstrate that the model is fitting well, as the factors are statistically significant at a p-value above 0.05. Seven different fit indices were used to assess the whole model fit, and they

indicated an important positive relationship between Employee Awareness and Financial Performance.

Table 18: Model fit summary

CMIN	DF	CMIN/DF	p-Val	GFI	RFI	NFI	IFI	CFI	RMR	RMSEA
75.631	49	1.543	0.078	0.968	0.935	0.952	0.983	0.982	0.053	0.038

The above Table 18 represents the model fit summary. As per the table, it is seen that the quality of fit to the data was good; GPI, RFI, NFI, IFI and CFI all have greater values than 0.90. Likewise, values RMR and RMSEA are lower than the important value of 0.080. The outcomes showed a satisfactory fit of the given model, both in terms of RMSEA, RMR, GFI, and CFI.

The structural equation between employee awareness and Perceived Financial Health had a significant positive standardised regression coefficient (Beta = 0.344, $p < 0.001$). This direction is highly supported by the critical ratio (C.R. = 10.709), which means that a higher level of awareness about sustainable financial policies is a booster among employees who consider their institution to be quite financially stable and functioning properly. The model exhibited excellent fit statistics (CMIN/DF = 1.543; GFI = 0.968; CFI = 0.982; RMSEA = 0.038). This aligns with the existing studies that have emphasised the importance of internal stakeholder engagement as a strategic asset towards promoting economic resilience (Sarath Chandran, 2024; Namunyola & Mwange, 2025; Ahmad et al., 2024). Instead of stating direct causal financial returns, this fact supports the argument that internal capacity-building consistency aligns the employee behaviour with the operational risk management process to form a highly assured workforce that believes in the financial sustainability of the bank in the long term.

H3b: Public sector banks with higher levels of Employee Awareness on sustainable financial practices demonstrate better Sustainability Performance.

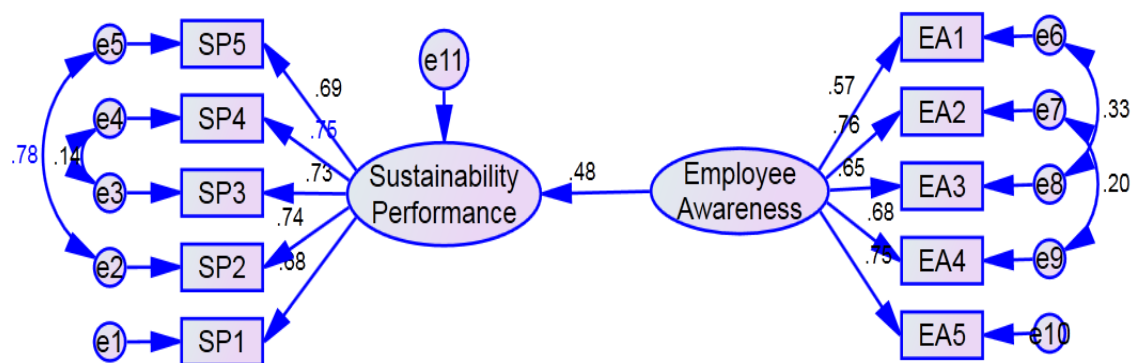


Figure 7: Impact of Employee Awareness on Sustainability Performance

Table 19: Regression weights of Employee Awareness and Sustainability Performance

Paths	Unstandardized	S.E.	Standardized	C.R.	P
Sustainability Performance <--- Employee Awareness	.500	.080	.478	6.243	***

Table 19 shows a hypothesised model suggesting an interdependence between the independent variable, Employee Awareness and the dependent variable, Sustainability Performance. Results of the research show that there is a moderate positive correlation (Beta=.478, $P < .05$) between the variables. The C.R value had a high value, which means that the relationship was statistically significant. From the fit indices, it is seen that the model fits well as the factors are statistically significant for p-value > 0.05 . Employee Awareness was significantly positively correlated with Sustainability performance (p-value <0.01) from the analysis results from seven different fit indices.

Table 20: Model fit summary

CMIN	DF	CMIN/DF	p-val	GFI	RFI	NFI	IFI	CFI	RMR	RMSEA
62.266	30	2.076	0.089	0.970	0.952	0.968	0.983	0.983	0.026	0.053

As shown in the above table 20, the quality of fit of the data is good with high values of GFI, RFI, NFI, IFI and CFI values that are greater than 0.90. The same is true of the values of RMR and RMSEA, which are less than the critical value 0.080. The results showed that the model obtained was well fitted, and RMSEA, RMR, GFI and CFI scores showed good fit.

The prediction that there exists a statistically significant relationship between employee awareness and Perceived Sustainability Performance was substantiated with a standardised path coefficient of Beta = 0.478 ($p < 0.001$). The critical ratio (C.R. = 6.243) is greater than the conventional value, which confirms the existence of a strong positive structure relationship. The strength of the structural set-up is also confirmed by model fit indices (CMIN/DF = 2.076; GFI = 0.970; CFI = 0.983; RMSEA = 0.053). These results support the importance of internal organisational awareness in the legitimization of the sustainability-oriented outcomes. Previous research confirms that sensitised employees have more chances to internalise responsible actions, thus increasing self-assessments of the sustainability profile of the institution (Roy, 2024). Employee engagement serves as a perceptual driver that transforms top-down CSR requirements into credible ground-level operational influence. This supports embedded sustainability theories, whereby institutional sustainability legitimacy is most effectively achieved by obtaining a workforce internalised systemically (Ayayi & Wijesiri, 2022).

6. CONCLUSION

The paper is a triangulation of macro-level audited financial panel data and role-sensitive structural survey design that explores the strategic influences of Corporate Social Responsibility (CSR) in Indian public sector banks. Instead of making the claim of direct causal financial returns using the cross-sectional behavioural data, the results suggest that corporate citizenship is a crucial institutional signal. The structural modelling hypothesises that CSR being strategically integrated contributes greatly to the extent of internal employee capacity and external customer trust, which consequently highly predetermines their positive assessments of financial soundness and sustainability legitimacy of the bank. The confirmed progressive model identifies the urgent need to make CSR a part of the main functional and cultural systems, beyond the necessary statutory adherence. These lessons support the idea that the banks in the public sector need to employ participatory and open CSR structures to gain stakeholder trust in the long run. Future studies must be able to build this dual-method framework for wider financial groups and investigate the longitudinal behavioural consequences of combined environmental and social governance.

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