

## **CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF ISLAMIC COMMERCIAL BANKS IN BANGLADESH: A STUDY ON ISLAMI BANK BANGLADESH LIMITED (IBBL)**

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### **ABSTRACT**

The paper tries to explore the Corporate Social Responsibility (CSR) practices of an Islamic Commercial Bank in Bangladesh named Islami Bank Bangladesh Limited (IBBL). This study is exclusively a case study which falls under the broad nature of exploratory social research studies. The study has been conducted basically on the basis of secondary data. To analyze data common descriptive statistical tools like percentage, horizontal and vertical comparison have been used. The studied bank is currently practicing its CSR operations under 3-P's (People, Planet and Profit) which cover Bangladesh Bank's Guidelines in this regard. IBBL has spent a remarkable amount (BDT 3002.16 million) under CSR activities from which a total number of 10,975,878 beneficiaries have been benefited from the year 1983 to 2013. IBBL's contribution on different sectoral CSR activities in the total Banking Sector was 10.23%, 18.76%, 10.15%, and 10.65% respectively from the year 2010 to 2013 which indicates that, IBBL got its highest weightage of contribution in total CSR expenditure in the Banking industry. It is suggested that the bank can increase its CSR expenditure in the areas of green banking; green IT sectors and may donate in the eco-friendly organization on a priority basis. The bank is also suggested to avoid its investment in those projects which are harmful for the clients of the bank, environment as well as the members of the society.

**Keywords:** CSR, 3Ps, Bangladesh Bank Guidelines, Islamic Bank

### **1. Introduction**

The concept of Corporate Social Responsibility (CSR) is based on the idea that not only Government but also companies have obligation to benefit the society. CSR is seen as a concept in which companies voluntarily integrate social and environmental concerns into their business operations and into the interaction with their stakeholders. As a matter of fact, over the last few decades, corporations in the developed economics have moved to 'Social Responsibility Approach' from classical 'Profit Maximizing Approach' where businesses are not only responsible to its stakeholders but also to the society as a whole in a broader inclusive sense. (Green Paper, 2001).

CSR concepts and practices in Bangladesh have a long history of philanthropic activities from the time immemorial. These philanthropic activities included donations to different charitable organizations, poor people and religious institutions. Until now, most of the businesses in Bangladesh are family owned and first

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generation businesses. They are involved in the community development work in the form of charity without having any definite policy regarding the expenses or any concrete motive regarding financial gains in many instances. (Miyan, 2006, pp.13-32)

There are fifty six scheduled commercial banks operating their activities in Bangladesh. Most of them practices CSR as their main philanthropic manner. Islami Bank Bangladesh Limited (IBBL) is one of the leading private commercial banks in Bangladesh which practices CSR in the last few years with huge CSR expenditures. The present study aims at studying the trends of sectoral pattern of direct CSR expenditure reported by the banking sector and contribution of IBBL in it.

## **2. Statement of the Problem**

In a study, Schiebel and Pöchrager (2003, pp.116-121) have stated that, a growing number of companies have recognized the benefits of implementing CSR. Benefits such as: improved financial performance, greater employee commitment and motivation, enhanced customer loyalty, minimized risk, reduced costs, enhanced brand image and reputation. Previous studies on CSR have largely focused on the effects of CSR on firm performance (Maignan and Ferrell, 2001, pp.457-484) and several studies have shown positive relationships between a good CSR reputation and certain measures of financial success (e.g. Joyner and Payne, 2002, pp.297-311; Orlitzky, Schmidt and Rynes, 2003, pp.402-441). The present study has been conducted with a view to find out some specific research questions: what is the CSR performance of Islamic commercial banks in Bangladesh? What is the contribution of an Islamic commercial bank regarding CSR in the commercial banking industry in Bangladesh? How is CSR performance monitored and measured by an Islamic commercial bank? Is there any loop to improve the CSR practices of an Islamic commercial bank in Bangladesh? To find out the answers of these questions, there is a need to conduct a research on the CSR practices of the Islamic commercial banks in Bangladesh.

## **3. Objectives of the Study**

The objectives of the present study are:

- i) to measure the Corporate Social Responsibility (CSR) performance of Islami Bank Bangladesh Limited (IBBL);
- ii) to identify the overall CSR expenditure in banking industry and contribution of IBBL in this regard;
- iii) to analyze and evaluate the CSR performance of IBBL;
- iv) to find out limitations, if any regarding CSR activities of the bank; and
- v) to provide suggestions for expanding CSR activities of IBBL.

## **4. Scope and Limitations of the Study**

This study only covers a single Islamic Shariah based commercial bank in Bangladesh that is Islami Bank Bangladesh Limited (IBBL). Only CSR activities and

contribution of the studied bank in this regard are brought under the scope of the study. The area of study is limited to see and compare the bank's CSR activities and its contribution in the total banking sector in this regard covering the years from 2010 to 2013. However, aggregate contributions of the bank from the establishment (1983) to 2009 have also been covered. A wholehearted effort was applied to conduct the study to bring a reliable and fruitful result. In spite of that there exist some limitations which acted as a barrier in conducting the study. The interviews were conducted by using open ended questionnaires that consist of questions on views and opinions of the respondents, which might raise the question of bias. In some cases respondents could not provide concrete facts or figures. Due to time constraints it was not possible to conduct extensive interviews and surveys which could make the research paper more informative. However these limitations did not create significant impact on the quality, reliability and outcomes of the study as the other facts have been collected and included very rationally and carefully.

## 5. Methodology of the Study

### 5.1 Research Design

The nature of the present study is exclusively a case study which falls under the broad nature of exploratory social research studies. This research is also a mixed research in nature where both qualitative and quantitative data have been used. Data have been collected basically from the annual reports of IBBL which is actually secondary sources of data. Cowton, (1998, pp.423-434) have justified to use secondary data in business research in his research paper 'the use of secondary data in business ethics research'. Belal (2001, pp.274-289) has been evident that, information from annual report is the most widespread and accepted document for corporate communication in Bangladesh.

### 5.2 Techniques of Data Collection

Although this study is basically based on the information from the secondary sources of data, data from primary sources have also been used. These sources are discussed below:

#### 5.2.1 Secondary Sources: **Sources of secondary data are as below.**

- i. Annual reports and different publications of Islami Bank Bangladesh Limited (IBBL)
- ii. Different books, articles, manuals etc. related to the topic.
- iii. Website of the IBBL, Bangladesh Bank, and relevant others.
- iv. Islami Bank Foundation, Islami Bank Training and Research Academy (IBTRA), Corporate Social Affairs Department.

#### 5.2.2 Primary Sources: Sources of primary data are:

- i. Interviewing 17 employees of the Corporate Social Affairs Department (CSAD) and different other concerned departments of Islami Bank Bangladesh Limited (IBBL);
- ii. Consulting with experts of the respective research fields;

### 5.3 Data Analyses and Presentation

As the present study is descriptive in nature, so data has been analyzed by using common descriptive statistical tools like percentage, horizontal and vertical comparison and presented by using tables, figures and graphs.

## 6. Literature Review

**Azim, Ahmed and Islam** (2009, pp.130-145) in a study have opined that, CSR is not only ethical dilemmas that financial institution faces in an atmosphere of corrupt corporate practice but also these institutions are concerned with commitment for sustainable development. Execution of such development procedure function through compliance with CSR guidelines is difficult. At present in Bangladesh CSR is a matter of self- interest for the corporate sector.

Theoretical studies linking CSR practices and financial performance are done by different Islamic and conventional banks and financial institutions. **Belal, Abdelsalam and Nizamee** (2011, pp.2-5) provide an excellent review in an international conference paper, and here some of the observations are highlighted. Islamic banks are said to have a 'social face' (Mashhour, 1996) as they claim that promotion of social welfare and justice is equally important to these banks alongside their commercial profitability. Therefore, it can be expected that these banks will comprehensively address the social and ethical concerns of the society in which they operate. According to Islamic doctrine corporations are expected to balance their own rights and responsibilities, with those that they have towards society, and not restrict their aims to profit maximization only (Williams and Zinkin, 2010, pp.519-533).

**Beekun and Badawi** (2005, pp.131-145) opine that, while *Shariah* protects an individual's rights to make profit and acquire goods and properties, there are rules and ethical codes designed to protect the rights of society. Individuals and organizations are considered stewards of the society's economic resources (Williams and Zinkin, 2010, pp.519-533) and therefore, good CSR practices must be embedded in their business conducts, embracing issues such as effective environmental practices, and philanthropic contributions regardless of whether the financial consequences are positive or negative.

Social responsibility should not be the responsibility of governments' alone, as advocated by **Friedman** (1970, pp.32-33;122-126) but rather, of all members of society, including individuals and corporations. It should be emphasized that Islam is not against profit-making, but encourages it. However, profit-making should not be the sole purpose for business organizations and should be balanced with the social and moral responsibilities towards society and the environment, as well as all stakeholders such as consumers, employees, shareholders and local communities (Beekun and Badawi, 2005, pp.131-145).). Islamic teachings and laws provide information and guidance on every aspect of human life, both for the individual and collective members of society. Islam coincides with daily life and work, and faith is not independent from finance, economic, and social activities. Islamic law aims to achieve social justice and therefore prohibits economic exploitation (Kamali, 2002).

**Wu** (2007, pp.233-263) in a study on 'Islamic Banking: Signs of Sustainable Growth' have suggested that, profit is not the sole objective of investment, but rather, the

individual and costs to the society should also be considered in the investment decision making processes. In Islam, social justice is as much living in harmony with the environment as it is in living in harmony with the communities. Islamic banking prides itself as a financial system which pays attention to the largely overlooked benefits of social justice, and is not exclusively concerned with profit alone. While the mainstream banking system relies heavily on debt and interest, ideally Islamic banking should be based on interest-free financing modes such as partnership and PLS.

In a study on CSR Initiatives in Banks conducted by Department of Off-site Supervision of the Bangladesh Bank, **Chowdhury, Islam and Tahmida** (2010, pp.2-10) have revealed that, The banking sector of Bangladesh has a long history of involvement in benevolent activities like donations to different charitable organizations, to poor people and religious institutions, city beautification and patronizing art & culture, etc. Recent trends of these engagement indicates that banks are gradually organizing these involvements in more structured Corporate Social Responsibility (CSR) initiative format, in line with Bangladesh Bank (BB) Guidance in **‘DOS circular no. 01 of June 1, 2008’**. The circular suggested that banks could begin reporting their CSR initiatives in a modest way as supplements to usual annual financial reports, eventually to develop into full blown comprehensive reports in GRI format. However the publication also reported that currently all commercial banks of Bangladesh have been expending their CSR activities under some specific sectors such as ‘Humanitarian & Disaster Relief’, ‘Education’, ‘Health’, ‘Sports’, ‘Arts & Culture’, ‘Environment’ and all other activities fall under the title ‘Others’ (Bangladesh Bank, 2010, p.2).

## 7. Analyses and Findings

### *7.1 Corporate Social Responsibilities of Islami Bank Bangladesh Ltd.*

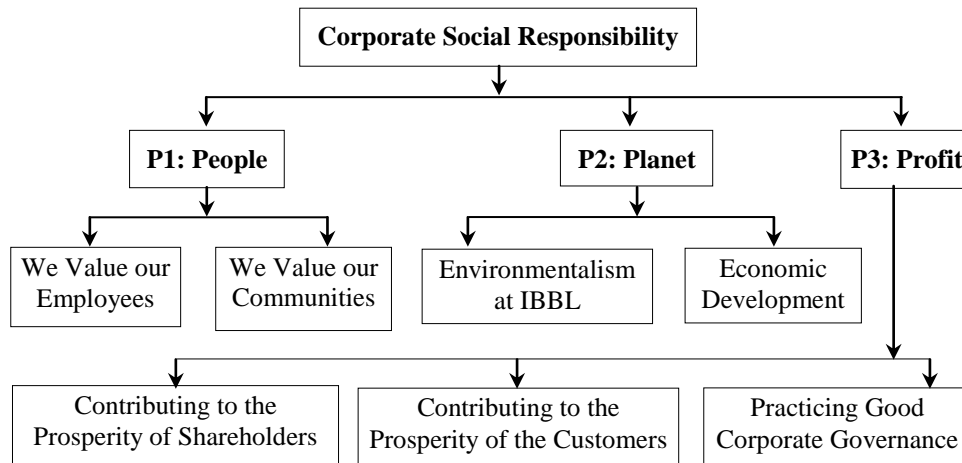
Islami Bank Bangladesh Ltd. (IBBL), the first Shariah based Islami commercial bank in the Southeast Asia, is playing a remarkable role in alleviating poverty across the country through performing enormous Corporate Social Responsibility (CSR) activities in different vital sectors. The IBBL has been playing a very significant role in performing CSR activities in different sectors, including education, health, environment, sports, industry, literature, cultural and relief sector, through the Bank’s Social Affairs Department (IBBL, Annual Report, 2013).

After the establishment of IBBL, a charity trust titled ‘Sadakah’ had been set up on July 4, 1983 aimed to perform different social welfare activities. On May 20, 1991 all types of social welfare activities has been brought under ‘Islami Bank Foundation Limited (IBFL)’, the altering name of ‘Sadakah’. Now the bank is performing CSR activities through its Corporate Social Affairs Department (CSAD) under Operations Wing from July 16, 2009. (Annual Report, 2011)

As a responsible corporate citizen, the Bank has a policy on corporate social and environmental responsibility which includes community investment & welfare scheme, consumer protection measures, energy conservations, national donations, education for brilliant students and poor people, tree plantation, city beautification, health and safety etc. The CSR program of IBBL aims at the welfare and well-being of the people of the earth, the planet itself and all its stakeholders. Keeping that in view, IBBL designs its CSR program in 3Ps. P1-People, P2-Planet and P3- Profit.

As per the guidance of the Bangladesh Bank (BB), the sectoral pattern of CSR expenditure reported by banks includes: Humanitarian & Disaster Relief, Education, Health, Sports, Arts & Culture, Environment, and Others (Bangladesh Bank, 2010). All these sectors are covered under these 3Ps of IBBL.

**Figure 1: CSR Program of IBBL**



Source: IBBL, Annual Report (2013)

### **P-1: PEOPLE**

The Bank strives to enhance the well-being of its employees and the communities in which they live and work. This phase includes: Bank's Commitment to Employees, IBBL Employee Value Proposition, Comprehensive Training and Development, Remuneration & Benefits, Human Rights, Commitment to Communities, Education, Scholarship Program, Support to the Research Organizations, Support to the Disable Children, Health Program, Humanitarian & Disaster Relief; and Sports, Arts & Cultural Program.

### **P-2: PLANET**

The second phase includes: Environmentalism at IBBL, Environmental Policy Statement, Economic Development, Workforce Development, Islami Bank Training & Research Academy (IBTRA) Internship Program, Microfinance, Contributing for Women Empowerment, and Distressed Women Rehabilitation Centre (Bangladesh Bank, 2010).

### **P-3: PROFIT**

The Bank seeks to make Bangladesh more prosperous through the development of the financial system based on Islamic principles and become the Global Leader in Islamic Banking. The third and final phase include: Contributing to the Prosperity of Shareholders, Contributing to the Prosperity of Customers, Practicing Good Corporate Governance, and Service Rules Governs the Employee.



## *7.2 Sector Wise CSR Expenditure of Islami Bank Bangladesh Limited (1983-2013)*

### *7.2.1 Humanitarian and Disaster Relief*

Being a corporate citizen of the country, Islami Bank Bangladesh Limited (IBBL) always stands beside the distressed humanity. By devising special deposit products, extending financial inclusion and providing financial assistance, the Bank discharges its responsibilities towards the poor and less fortunate segments of the society. Disaster relief program includes winter cloths distribution, donation to PM's relief fund, distribution of Tohfa-e-Ramadan, sacrificial meat distribution, rehabilitation program etc. A total amount of BDT 531.49 million was spent for a total number of 1,495,923 vulnerable persons from 1983-2013 for this purpose. An amount of BDT 64.06 million for 158,760 beneficiaries, BDT 21.79 million for 32,928 beneficiaries, BDT 87.93 million for 597,866 beneficiaries, and BDT 140.10 million for 254,078 beneficiaries was contributed in 2010, 2011, 2012, and 2013 respectively; which indicates that although the number of beneficiaries was highest in 2012 than 2013, but total amount of contribution was reached to its maximum level in 2013.

### *7.2.2 Education*

No human beings are able to survive properly without education. From the very beginning, IBBL engaged with promotion of education sector of the country. A total amount of BDT 628.37 million was spent for a total number of 503,679 beneficiaries from 1983-2013 for this purpose. An amount of BDT 67.80 million for 98,787 beneficiaries, BDT 56.17 million for 128,925 beneficiaries, BDT 83.80 million for 3014 beneficiaries, and BDT 135.26 million for 7,756 beneficiaries was contributed in 2010, 2011, 2012, and 2013 respectively; which indicates that although the number of beneficiaries was highest in 2011 than 2013, but total amount of contribution was reached to its maximum level in 2013.

### *7.2.3 Healthcare*

Health care is a basic need of all societies. But people are facing here a dangerous situation due to hazardous Medicare system of the country. Considering this, IBBL takes several initiatives in individual and organizational level for developing health sector of Bangladesh. A total amount of BDT 1,074.76 million was spent for a total number of 7,019,680 beneficiaries from 1983- 2013 for this purpose. An amount of BDT 64.11 million for 721,160 beneficiaries, BDT 25.78 million for 128,556 beneficiaries, BDT 39.75 million for 19,230 beneficiaries, and BDT 71.50 million for 95,255 beneficiaries was contributed in 2010, 2011, 2012, and 2013 respectively; which indicates that although the number of beneficiaries was highest in 2010 than 2013, but total amount of contribution was reached to its maximum level in 2013. CSR expenditures of banks in the health sector continued to contribute in established hospitals, clinics etc. as well as arranging free health treatment camp, blood donation program etc. in 2013.

### *7.2.4 Sports, Arts and Culture*

Sports, Arts & cultural programs make a nation physically and mentally sound and healthy. This is why IBBL sponsors various sports & cultural events every year. IBBL encourages sports and cultural activities. A total amount of BDT 503.38



million was spent for a total number of 644,157 beneficiaries from 1983-2013 for this purpose. An amount of BDT 23.22 million, BDT 255.90 million, BDT 9.85 million, and BDT 84.83 million was contributed in 2010, 2011, 2012, and 2013 respectively; which indicates that, the contribution was maximum in these sectors by the bank in 2011 but later on it increases gradually. To uphold and promote the culture of the nation, IBBL has established 'Bangladesh Sangskritic Kendra'.

#### *7.2.5 Environmentalism at IBBL*

The main theme of environmental responsibility is to protect the environment from destruction with a view to keeping it healthy for future generation. Recently, the issue of climatic change is being considered seriously all over the world. It is identified that Bangladesh, being a nation in southern delta, is under serious threat of natural disaster. IBBL contributed an amount of BDT 43.26 million for 1,101,787 beneficiaries from 2010-2013. The contribution in this sector by the bank was minimum in 2011 and maximum in 2013.

#### *7.2.6 Others Activities*

Apart from the aforesaid, IBBL takes many other initiatives as CSR activities such as:

- i. Every year IBBL distributes food items to Moulana/Alim and poor families as a Tohfa-e-Ramadan.
- ii. IBBL distributes 'Kurbani Meat' received from Kingdom of Saudi Arabia (KSA) and Islamic Development Bank (IDB) as a gift to the destitute people of Bangladesh every year.

IBBL contributed an amount of BDT 220.90 million for 210,650 beneficiaries from 1983-2013. An amount of BDT 11.87 million, BDT 50.55 million, BDT 75.38 million, and BDT 21.79 million was contributed in 2010, 2011, 2012, and 2013 respectively; which indicates that, the contribution in this sector by the bank was minimum in 2010 and maximum in 2012.

### *7.3 Trends of Sectoral Pattern of Direct CSR Expenditure Reported by the Banking Sector and Islami Bank Bangladesh Limited (IBBL)*

CSR expenditure in the Humanitarian & Disaster Relief sector by IBBL was 13.91%, 11.59%, 11.15% and 10.11% of direct CSR expenditure reported by the banking sector in the year 2010, 2011, 2012 and 2013 respectively. It indicates that although total contribution by the banking sector in the Humanitarian & Disaster Relief sector increases from 2010 to 2013 (19.76%, 8.59%, 25.88% and 30.99% respectively) but the contribution of IBBL decreases gradually. This sector got the highest weightage as percentage (13.91%) of total CSR expenditure by IBBL in 2010.

IBBL contributed 16.92%, 09.17%, 08.52% and 10.44% of direct CSR expenditure reported by the banking sector in the year 2010, 2011, 2012 and 2013 respectively in the Education sector. It indicates that although total contribution by the banking sector in the Education sector increases from 2010 to 2012 (17.20%, 27.99% and 32.29% respectively) but the contribution of IBBL decreases gradually. This sector got the highest weightage as percentage (16.92%) of total CSR expenditure by IBBL in 2010.



From 2010 to 2013, IBBL contributed 9.30%, 4.95%, 9.12%, and 14.84% respectively of direct CSR expenditure reported by the banking sector in the Health sector. Though, CSR expenditure in Health sector reduced from 2010 to 2013 (29.58%, 23.78%, 14.29% and 10.77% respectively) in the banking sector but the banks including IBBL continued to maintain major share in it. This sector got the highest weightage as percentage (14.84%) of total CSR expenditure by IBBL in 2013.

Total CSR expenditure in the Sports and Arts & Culture sectors by IBBL was 7.94%, 73.43%, 4.73%, and 25.26% of direct CSR expenditure reported by the banking sector in the year 2010, 2011, 2012 and 2013 respectively. These sectors got the highest weightage as percentage (73.43%) of total CSR expenditure by IBBL in 2011.

Expenditure on Environmental responsibility by IBBL was 12.31%, 0.35%, 8.89%, and 21.52% of direct CSR expenditure reported by the banking sector in the year 2010, 2011, 2012 and 2013 respectively. This sector got the highest weightage as percentage (21.52%) of total CSR expenditure by IBBL in 2013.

#### *7.4 Findings*

After analyzing the CSR activities and last four years performance of Islami Bank Bangladesh Limited (IBBL) the following findings have been revealed:

- i. IBBL has been performing different social welfare activities from the very beginning of its establishment on July 4, 1983 through a charity trust titled 'Sadakah' later on which was altered in the name 'Islami Bank Foundation (IBF)' on May 20, 1991. Now the bank is performing CSR activities through its Corporate Social Affairs Department (CSAD) under Operations Wing from July 16, 2009;
- ii. IBBL designs its CSR program in '3Ps'. P1-People, P2-Planet and P3-Profit. As per the guidance of the Bangladesh Bank (BB), all the sectors of CSR expenditure reported by banks fall under these 3Ps very specifically and widespread;
- iii. IBBL have spent a remarkable amount (BDT 3002.16 million) under CSR activities from which a total number of 10,975,878 beneficiaries have been benefited from the year 1983 to 2013.
- iv. The sum total contribution of IBBL on different sector wise CSR activities in the total banking sector from the year 2010 to 2013 was 10.23%, 18.76%, 10.15%, and 10.65% respectively which indicates that, IBBL got its highest weightage in expending for CSR activities.
- v. Among the last four years of CSR activities the bank contributed highest percentage (18.76%) of total CSR expenditure in 2011 and lowest percentage (10.15%) in 2012.
- vi. In 2010, the maximum contribution of IBBL to the total banking sector was for the 'Education' sector (16.92%) among seven sectors of CSR expenditure identified by Bangladesh Bank.

- vii. In 2011, the maximum contribution of IBBL was in the 'Sports' sector (69.27%) in comparison to the total banking sector of Bangladesh. Whereas 'Education' sector was the top priority sector (27.99%) in total banking sector in this year.
- viii. In 2012, the maximum contribution of IBBL to the total banking sector was in the 'Other Activities' sector (24.97%) among seven sectors of CSR expenditure identified by Bangladesh Bank. Where 'Education' sector was the top priority sector (32.29%) in total banking sector in this year just like as previous year.
- ix. In 2013, the maximum contribution of IBBL was in the 'Environment' sector (21.52%) in comparison to the total banking sector of Bangladesh. Whereas 'Humanitarian & Disaster Relief' sector was the top priority sector (30.99%) in total banking sector in this year. Among all specific categories of CSR expenditure as shown in Table-2, all banks provided additional financial assistance for the victims of 'Savar Rana Plaza' tragedy in 2013. That is why CSR expenditure in 'Humanitarian & Disaster Relief' sector increased from the previous year.
- x. In the 'Humanitarian & Disaster Relief' sector, IBBL spent total amount of BDT 531.49 million for a total number of 1,495,923 beneficiaries up to 2013 (from 1983-2013). Among the last four years the number of beneficiaries (597,866) was highest in 2012.
- xi. In the 'Education' sector the bank spent a total amount of BDT 628.37 million for a total number of 503,679 beneficiaries from 1983-2013. The number of beneficiaries (128,925) was highest in 2011.
- xii. In the 'Healthcare' sector the bank spent a total amount of BDT 1,074.76 million for a total number of 7,019,680 beneficiaries from 1983-2013. The number of beneficiaries (721,160) was highest in 2010 among the last four years.
- xiii. The bank spent a total amount of BDT 503.38 million for a total number of 644,157 beneficiaries from 1983 to 2013 for various Sports, Arts & Cultural programs.
- xiv. Expenditure on Environmental responsibility by IBBL from 2010 to 2013 was an amount of BDT 43.26 million for 1,101,787 beneficiaries. The bank did not spend any amount as specific environmental responsibility from 1983 to 2009. The number of beneficiaries (1,101,787) in this sector by IBBL was highest in 2013.
- xv. The Humanitarian & Disaster Relief, as well as Education sector got the highest weightage as percentage (13.91% and 16.92% respectively) of total CSR expenditure by IBBL in 2010.
- xvi. Among the last four years, the Healthcare, Sports, Arts & Cultural as well as Environment sector got the highest weightage as percentage (14.84%, 14.84% and 21.52% respectively) of total CSR expenditure by IBBL in 2013.

- xvii. In 2013, CSR expenditure of the bank (among the last four years) to Humanitarian & Disaster Relief, Education, Healthcare, Sports, Arts & Cultural, and Environment sector reached to its maximum level than previous years (BDT 140.10 million, BDT 135.26 million, BDT 71.50 million, BDT 503.38 million, and BDT 43.26 million respectively).

## 8. Recommendations

On the basis of analysis of data, the findings of the study, expert opinion and judgment of the researchers the following recommendations are given that will hopefully make the CSR performance of the said bank more effective and efficient:

- i. The CSR activity of IBBL should disperse at the remote areas and grass root levels of the whole country. So that people of the distinctive places get the facility.
- ii. The CSR activities of IBBL and fund distribution in this regard should be monitored properly to provide best possible benefits to the beneficiaries.
- iii. Though the bank is investing in green business, it can increase its expenditure in these areas.
- iv. The bank may patronize green IT sectors and donate in the eco-friendly organization on a priority basis.
- v. The bank should be more careful to avoid its investment in those projects which are harmful for the clients of the bank and environment as well as the members of the society.
- vi. IBBL's CSR fund processing and distribution should be made easier than other commercial banks.
- vii. IBBL should consider utilization of rural potentials from both efficiency and equity grounds in the context of the present-day socio-economic conditions of Bangladesh by using CSR program. Strong commitments and stepping up through experiment and implementation of innovative ideas are the appropriate ways to do that.
- viii. IBBL should increase fund for other sectors such as culture, arts, sports etc.
- ix. Bank can invest more in those industries which produce social, cultural or religious development.
- x. Investment of IBBL in agricultural and rural sectors is low in comparison to other sectors. It should emphasize to promote agro-based industry under CSR operations.
- xi. The customers of IBBL and mass people have some confusion regarding the Islami Shariah process that needs to be clarified. Because of that the Islamic banking sector has been facing some negative impression. IBBL should arrange some Educational Campaign as CSR operations in order to remove the existing confusion among the mass people about the difference of Islamic Banking and Conventional Banking.

- xii. IBBL needs to recruit skilled human resources to conduct CSR program which can turn the bank ahead.
- xiii. IBBL may initiate establishment of various supportive and link institutions under its CSR activities.
- xiv. It is the common blame of IBBL's Customers that sometimes it is not capable to provide best service to them due to its massive banking. So IBBL should provide the best possible services under CSR activities to the clients.

## 9. Conclusion

In Bangladesh, a few organizations are contributing to Corporate Social Responsibility (CSR) remarkably. It is a general desire that the contribution of Islami Bank Bangladeshi Limited (IBBL) in CSR will be highest among the financial institutions. It is an observation that IBBL's CSR contribution in the healthcare sector is very significant. During various natural disasters, IBBL came forward with activities for the victims directly and through donating into 'Prime Minister's Relief Fund'. Recommendations will help the bank to take proper steps to improve the service quality, CSR performance, community service and overall economic conditions of the country.

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