

The Analysis of Business Responsibility Reports (BRR) of Indian Banks for Gender and Decent Work Dimensions

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Abstract

India has improved the sustainability disclosure of firms with introduction of Business Responsibility and Sustainability Reports (BRSR) in more transparent and better way. The analysis of Business Responsibility Reports of 12 Indian banks for financial year 2019,2020,2021and 2022 reflects that there is a wide disparities among banks in no. of permanent employees , no. of women employees and no. of sexual harassment cases there. Public banks are better in gender dimension as the mean no. of sexual harassment cases in Public Banks are lower than that of Private Banks. The percent of permanent women employee in banking sector is better than other sectors and it is good in almost all banks except some private banks where it is quite low. The women representation in board of directors and Key Management Personnel (KMP) is quite low in all banks. The Public Bank is better in decent work conditions as the non-permanent worker is almost nil in Public Bank while it is high in Private Banks. The presence of differential able employees in Public bank is also large but it is almost nil in Private Banks. Contract or non-permanent employees are very high in some Private Banks. The low presence of employee unions in Private Banks is also affecting the working condition of employee of private banks. The Corporate Social Responsibility (CSR) expenditure is high in private banks than public banks and this CSR expenditure are mostly in area of health, education, environment and gender development.

1. Introduction:

The global challenges of economy include sustainability and prosperity of all individuals. The global business leaders are now reimagining the role of businesses with considering the role of all stakeholders - society, consumers, employee and environment and taking care of them. The Business Round Table (BRT), an association of big business leaders of America in 2019 reaffirmed the commitment of their businesses to all stakeholders. The World Economic Forum also released 'Davos Manifesto: The Universal Purpose of a Company in Fourth Industrial Revolution' in 2020 in which the statements also asserted to move towards stakeholders capitalism and emphasizes that the company performance should be based not only on profitability but also on how it is achieving its social, environment and good governance objectives. Business Responsibility Reporting or Sustainability reporting of a firm is one of the steps in this direction which disclosed the information to general public and stakeholders about how the firm is acting towards its sustainability goal and what the policy of the firm regarding their stakeholders. There are many globally sustainability reporting frameworks, some of them are Global Reporting Initiatives(GRI), Integrating Reporting (IR),Carbon Disclosure Frameworks(CDF),ISO 26000, Sustainability Accounting Standard Board (SASB). In India, the sustainability reporting is referred as Business Responsibility and Sustainability report (BRSR) which was earlier named as Business Responsibility Report (BRR).

India is having a short history of sustainability disclosure system or business responsibility reporting. It is started with Companies Act 2013 and SEBI Business Responsibility Reporting (BRR) regulation which made mandatory for firm to report non-financial information in annual reports. It was revised in 2018 and released as the National Guidelines on Responsible Business Conduct (NGRBC).The NGBRC has been designed to assist businesses to embrace the principle of responsible business conduct beyond regulation. Currently, top 1000 listed companies in India are required to furnish their BRRs to the stock exchanges as a part of their annual reports. The Business Responsibility Reports

(BRR) are giving information regarding the initiatives taken by the listed companies from the ESG perspective, in a specified format. The Business Responsibility Reports (BRR) is now replaced with Business Responsibility and Sustainability Reports (BRSR), which is voluntary to submit in FY 2022 and mandatory to submit from FY 2023 for top 1000 listed firms.

The finance is a key factor for economic development and its proper development will give a pathway of sustainable development. Since every firm depends on finance for their business expansion and development, the proper allocation of the fund towards sustainable projects is very important for sustainable economy. The sustainable or business responsibility reports of a firm will give a clear picture of a firm towards their responsible business conduct and it is very important for financial institute to assess the credit and sustainable risk of the firms before sanctioning the credit of the project. Central bank is also regulating these policies in banks, considering the financial stability goals. The priority sector lending in banking sector is a first major step in sustainable banking which makes mandatory lending of 40% of their credit in priority sectors like agriculture, Micro and Small Sectors, Renewable Energy, affordable housing and credit to women, SC/ST and weaker sections etc. Banking Sector is one of the large employment sectors and contributes a good share in our national income. Thus the responsible business conduct in Indian banking system needs to be evaluated considering its broader economic impacts.

India has strong banking system, consisting of private banks, public banks and foreign banks. Gender equality and decent works are two important parameters which need to be assessed considering the social sustainability goal. The women participation in work force and in top executive posts, their skill enhancement and better working environment is one of important challenges which need to be assessed. The present study has taken the no. of sexual harassment cases in different Indian banks, the women participation in workforce and top management post etc to assess the gender equality and development in banking sector. The other criteria decent work in banking

sector is assessed based on the no. of permanent and formal workforce within total workforce, the training and skill development of them, the availability of employee union etc in banking industry. All criteria are compared among selected Indian banks. India has having both public bank and private banks. There is need to study and compare gender and decent work dimension among various Indian banks.

The objective of this study is to analyze the business responsibility reports of various Indian banks for gender and decent work dimensions. The first part will discuss the Business Responsibility Reporting and its development in India. The second part will discuss the gender and decent work conditions in various Indian banks. The present study compares private banks and public banks for various parameters based on their Business Responsibility Reports. It is valuable for the banks and policy makers as it provides a comprehensive picture of sustainability practices in Indian banking sector.

2. Literature Review:

The quality of Sustainability Reporting or Business Responsible Reporting is lower in India and there is a wide difference is observed in industry type wise and firm size wise. There is no any conclusive relationship between profitability and Sustainability Reporting (SR) is observed (Aggarwal P and Singh A, 2018). The customers are expecting greater disclosure, transparency in sustainability reports. The CSR spending and stakeholders engagement brings the firm more popular and it may bring shared value for business and society (Camilleri M, 2015). The sustainability in banking sector is very important. Higher participation by the banking sector could transform the landscape of sustainability practices (Mani M, 2022). The recent study shows that Indian banks are much slower in adopting sustainability reporting and disclosure practices. It was found that sustainability issues which are of the highest priorities for the banks are directly related to their business operations like financial inclusion, financial literacy, energy efficient technology etc. The environmental indicators are relatively unaddressed by most of the banks in

India. The results of the study also show that there are significant differences in disclosure of environmental and internal socio-environmental indicators between public and private sector banks in India.(Kumar K & Prakash A, 2019). . The gender and decent work is very important parameter of sustainable development. Gender Diversity or proportion of women in board of directors plays a significant role in decision related to sustainability and also the profitability and size of a firm has a positive impact on sustainability related disclosure and performance of the company (Pareek R, Sahu TN & Gupta A, 2021).The present study will elaborate gender and decent work conditions in banks and compare the practices of the same between public banks and private banks.

3. Research Methodology and Data Analysis

This is a descriptive and exploratory based research where secondary data is accessed from Business Responsible Reports and Annual Reports of various Indian banks from their websites for gender and decent work dimension. The basic graphs and statistical analysis is conducted on the collected data to get the conclusion. The Business Responsibility Reports of 12 Indian banks, including 6 private banks and 6 public sector banks for financial year 2019, 2020,2021 and 2022 is analyzed based on their employee break-up, women participation within firm, CSR expenditure and no. of cases of sexual harassments, the presence of employee union etc. The comparison among various banks are studied and analyzed to get the conclusion.

A. Business Responsibility Reporting Practices in India

India is having a short history of sustainability disclosure system or business responsibility reporting. It is started with Companies Act 2013 and SEBI Business Responsibility Reporting (BRR) regulation which made mandatory for firm to report non-financial information in annual reports. The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business(NVG) is released by Ministry of Corporate Affairs, Govt. of India and SEBI has made mandatory for top 100 listed companies to practice the NVG

and uniformly disclose the CSR activities and Business Responsibility Reports as a part of their Annual Reports. It was revised in 2018 and released as the National Guidelines on Responsible Business Conduct (NGRBC). The NGRBC has been designed to assist businesses to embrace the principle of responsible business conduct beyond regulation. Currently, top 1000 listed companies in India are required to furnish their BRRs to the stock exchanges as a part of their annual reports. The Business Responsibility Reports (BRR) are giving information regarding the initiatives taken by the listed companies from the ESG perspective, in a specified format. SEBI through its notification dated 5th May 2021 has made amendments in its provisions and now companies would be required to submit Business Responsibility Report in new format, called as Business Responsibility and Sustainability Report (BRSR) on ESG parameters, which was voluntary to submit for financial year 2021-22, but it is mandatory from financial year 2022-23 (Govt of India, 2020). Listed companies other than top 1000 which have listed their specified securities on the Small and Medium Enterprises (SME) exchange may voluntarily submit their BRSR in place of BRR effectively from financial year 2021-22.

The BRSR is quite comprehensive and include various information which are very important to understand the firm regarding its action towards sustainability and business responsibilities. The BRSR has three sections - (i) General Disclosure (ii) Management and Process (iii) Principal-wise performance. The General Disclosure section includes basic information regarding firm size, location, products, no. of employee and CSR activities etc. The Management and Process section includes information on policies and processes relating to the NGRBCs Principles concerning leadership, governance, and stakeholder engagement and the Principal-wise section indicate how a firm is performing regarding each Principle and core element of the NGRBCs. It requires companies to demonstrate their intent and commitment to responsible business conduct through actions and outcomes (Govt of India ,2020). The Business Responsibility Report includes gender based information along with sustainability and CSR spending details.

B. The Analysis of Business Responsibility Reports (BRR) of Indian Banks

While addressing the challenges of sustainability in social, environment and governance framework, the Business Responsibility and Sustainability Reports (BRSR) which replace the Business Responsibility Reports (BRR) gives a good shape to the sustainable business conducts. It includes the details of acts related to stakeholders along with value chain partners' activities. The employee break-up based on gender, skill and workmen categories give better information inside the working culture within the firm. The median wage declaration within each category gives the shape of social sustainability issues which impact the long term impact on labor and human rights issues. The environment based declaration and waste management details within report will give the sustainability performance of the firm in current scenario. The gender based information and women representation within each employee categories, board of director and key management personnel will shape gender mainstreaming within the firm and address the issue related to gender development. Thus we are seeing that the BRSR will shape the future of economy in more sustainable way. The BRSR will show a milestone in sustainability disclosure in India and better than BRR. The present study is based on the BRR/ BRSR of Indian banks of FY2019, FY2020, FY2021 ,FY2022 for gender and decent work conditions.

A. Gender Parameters:

The permanent women workforce percentage and no. of sexual harassment cases in different banks are represented in table. It reflects that there are almost one fourth permanent workforces are women. It is better than other industries. Although a quire variance is available among banks, the public bank is better than private banks in women workforce. The permanent women workforce in FY 2022 is highest in Canara Bank (31.47%) and lowest in Indusind Bank (16.8%). While assessing the no. of sexual harassment cases reported in different banks for FY 2019, FY2020, FY2021 and FY2022, the mean is quite high in private banks compare to public banks. In 2022, the mean no. of sexual

harassment cases is 32.67 in private banks while it is 17.5 in public banks. The bigger banks, which have large employee are having large no. of cases of sexual harassment compare to smaller banks. The mean women permanent employee in public bank is 23.43% in FY2022 while it is 23.84% . Thus both public bank and private banks are having almost same in permanent women workforce. While considering the no. of women in board of directors and key management personnel in Indian banks, it is quite low both in private banks and public banks. The mean no. of directors and key management personnel in Indian banks is 11.3 and 5.1 respectively and out of these mean no. of women is 5.7 and 0.4 respectively. While comparing the mean no. of sexual harassment cases per 10000 women employee in private banks and public banks, the public bank is quite better in position, having lower average than private banks. Private banks are having large no. of sexual harassment cases per 10000 women employee in all consecutive years. Thus the study reveals that public banks are better in women workforce along with mean no. sexual harassment cases per 10000 women employee.

Table1: The Permanent Women Employee (%) and No. of Sexual Harassment Bankwise data (Source: Authors Calculation based on BRR reports of banks)

Bank	Permanent Women Employee (%)				No. of Sexual Harassment			
	FY 2019	FY2020	FY2021	FY2022	FY2019	FY2020	FY2021	FY2022
HDFC Bank	18.21	18.33	18.11	19.07	25	59	42	46
ICICI Bank	28.90	30.80	31.45	30.89	59	52	33	51
IDBI	28.65	26.28	26.28	30.12	2	12	12	11
Kotak M. Bank	23.19	20.57	20.20	19.03	27	26	25	33
AXIS Bank	23.28	23.59	23.38	24.66	51	59	39	45
Indusind Bank	18.28	18.75	10.79	16.80	6	7	4	10
<i>Mean (Pvt Bank)</i>	23.42	23.05	21.70	23.43	28.33	35.83	25.83	32.67
<i>Std.Dev.(Pvt</i>	4.71	4.85	7.11		23.06	23.79	15.20	18.16

<i>Bank)</i>				6.07				
SBI	24.34	25.28	25.92	26.55	31	44	55	43
Bank of Baroda	23.35	22.65	25.95	26.17	4	8	16	25
PNB	21.74	22.07	22.90	24.07*	6	15	5	13*
Canara Bank	30.50	30.98	30.98	31.47	2	3	3	6
Central Bank of India	23.10	23.42	23.95	24.35	4	1	2	12
Bank of India	26.02	26.49	27.66	28.41	0	0	0	6
<i>Mean (Public Bank)</i>	24.84	25.14	26.22	23.84	7.83	11.83	13.5	17.5
<i>Std.Dev.(Public Bank)</i>	3.11	3.30	2.86	2.77	11.53	16.70	21.10	14.29

*Data of FY2023

Graph1: Sexual Harassment Cases - Public Bank and Private Bank Comparison

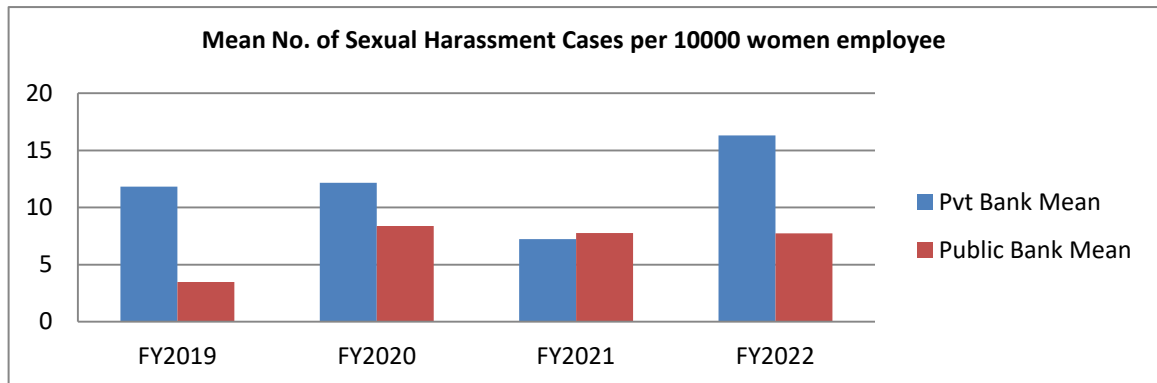
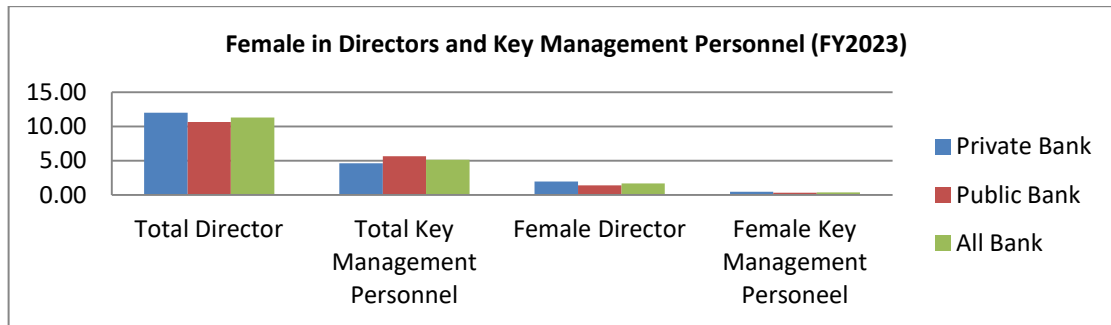


Table2: Women Directors and Key Management Personnel in Various Bank in FY2023 (Based on BRSR data (2023) of various banks)

Pvt. Bank	Total Director	Total KMP	Female Director	Female KMP	Public Bank	Total Director	Total KMP	Female Director	Female KMP
HDFC Bank	10	4	3	0	SBI	11	6		0
ICICI Bank	12	6	2	0	Bank of Baroda	12	3	2	0
IDBI	15	5	1	1	PNB	12	7	1	1
Kotak M. Bank	12	6	2	2	Canara Bank	13	5	2	0
AXIS Bank	13	4	2	0	Central Bank of India	8	11	0	1
Indusind Bank	10	3	2	0	Bank of India	8	2	2	0
<i>Mean (Pvt Bank)</i>	12	4.66	2	0.5	<i>Mean (Public Bank)</i>	10.67	5.67	1.40	0.33
					<i>Mean (All Bank)</i>	11.33	5.17	1.70	0.42

Graph2: Female in Directors and Key Management Personnel (KMP)



B. Decent Work Parameters:

While study the workforce in banking sectors, the non-permanent or contract workforce is high in private banks compare to public banks. Since public banks policy does not allow casual /contract labor except only for specialized jobs, it is almost NIL in public sector bank, but two private banks ICICI bank, HDFC bank is also having almost NIL non-permanent workers. It is exceptionally high in Indusind Bank which is 96.4 %, 75.8%, 42.1% and 7.94% in year 2019, 2020, 2021 and 2022 respectively. Trend shows that it is improving after BRSR reporting. It is high also in Kotak Mahindra Bank and Axis Bank which is 26.4% and 11.5 % respectively in 2022. There is no significant employee union within private bank but public bank is having employee union, so they are getting better working condition than private bank. The data regarding differential able employee, SC/ST is not available with all private bank but every public bank is having differential able employee, SC/ST employee, thus on social sustainability goal, public bank is working better than private bank. While considering the complain regarding forced labor and child labor, it is NIL in every bank.

Since public bank has to maintain the labor laws effectively and their employee union is active, their employee is getting better service condition than the private banks. The representation of differential able employee is very low in private banks and there is no any HR policy regarding them. High no. of non-permanent worker in private banks is not good considering the decent work parameters. The table and graph reflects the the differential able employee is highest in Canara Bank. The mean percentage of them is 0.35% in private bank

while it is 1.99% in public banks, considering non-declaration of data of private bank as NIL. The mean percentage of non-permanent workforce is 21.45% in private bank while it is almost NIL (0.15%) in public banks. Thus in every parameter the public banks are better than private banks. The training and skill enhancement is better in private banks compare to public banks.

Table3: Employee Union Representation in Public and Private Banks

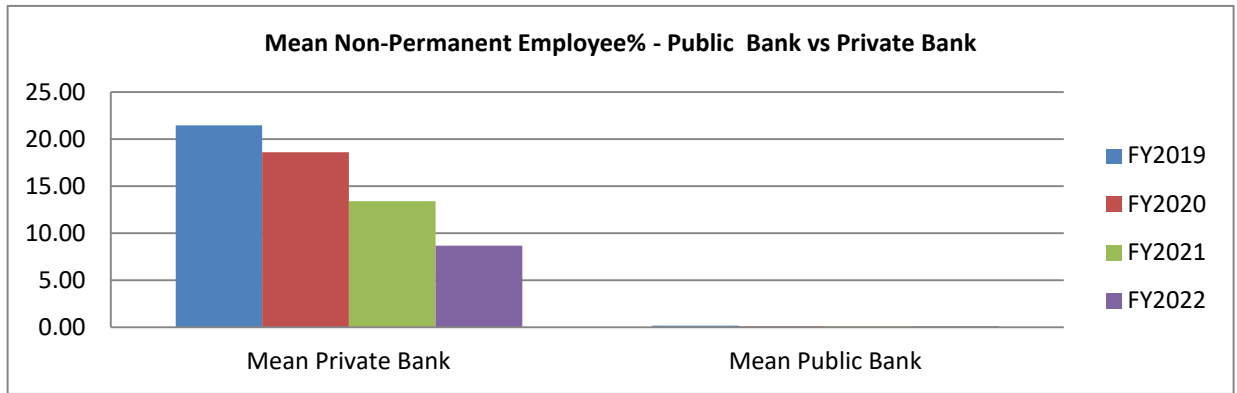
	Recognized Employee Union
Public Bank	Yes
Private Bank	No (Mostly)

Table 4: The contract/ non-permanent employee (%) and percentage of differential able employee (%) (Source: Authors Calculation based on BRR reports of banks)

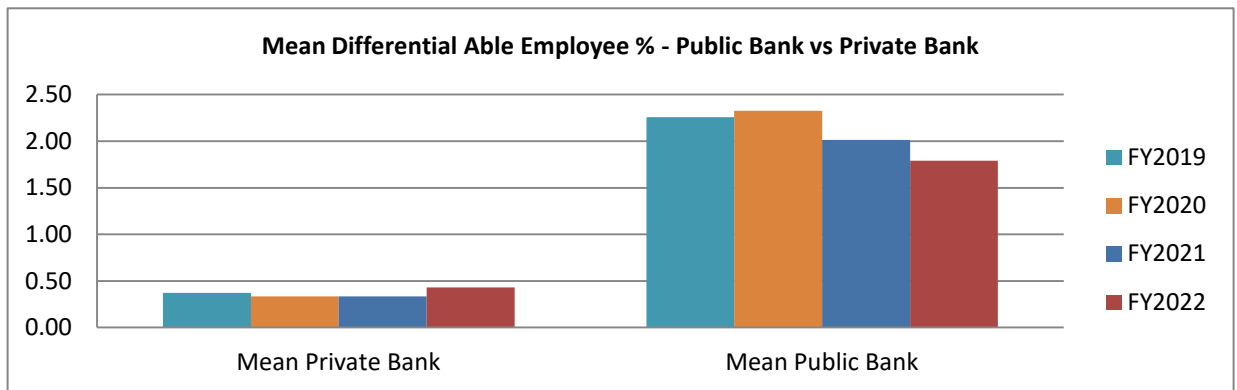
Bank	Non-Permanent Employee %				Differential Able Employee %			
	FY2019	FY2020	FY2021	FY2022	FY2019	FY2020	FY2021	FY2022
HDFC Bank	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00
ICICI Bank	0.38	0.33	0.27	0.22	0.00	0.00	0.00	0.00
IDBI	4.80	5.95	5.95	5.87	2.09	1.89	1.89	2.47
Kotak M. Bank	8.98	15.47	19.58	26.47	0.00	0.00	0.00	0.02
AXIS Bank	18.14	14.10	12.45	11.41	0.09	0.06	0.07	0.06
Indusind Bank	96.43	75.81	42.10	7.94	0.06	0.06	0.05	0.05
Mean (Pvt Bank)	21.45	18.61	13.40	8.65	0.37	0.33	0.33	0.43
Std.Dev.(Pvt Bank)	37.34	28.78	15.94	9.79	0.84	0.76	0.76	1.00
SBI	0.00	0.00	0.00	0.00	1.78	1.83	1.91	2.09
Bank of Baroda	0.34	0.03	0.23	0.53	2.62	2.52	0.39	0.40
PNB	0.00	0.00	0.00	0.00	2.43	2.54	2.55	0.47
Canara Bank	0.58	0.56	0.38	0.00	2.54	2.62	2.73	2.80

Central Bank of India	0.00	0.03	0.01	0.00	2.31	2.53	2.47	2.68
Bank of India	0.00	0.00	0.00	0.00	1.86	1.92	2.03	2.31
<i>Mean (Public Bank)</i>	0.15	0.11	0.10	0.09	2.26	2.33	2.01	1.79
<i>Std.Dev.(Public Bank)</i>	0.25	0.23	0.16	0.22	0.35	0.35	0.85	1.08

Graph3: Non-Permanent Employee Percent in Public Bank and Private Bank



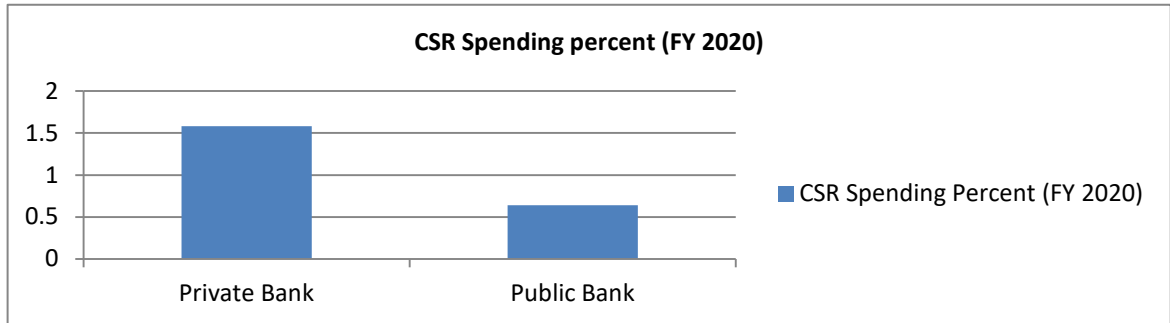
Graph4: Differential Able Employee Percent in Public Bank and Private Bank



While compare the Corporate Social Responsibility (CSR) expenditure of all banks for F2020, the private banks are spending more on CSR compare to public banks. The reason is that they are getting better profit than public banks. The many public banks are in loss and their contribution towards CSR is nil. The table reflects that the mean CSR spending percentage is 1.55% of their

profit in private banks while it is 0.65% in public banks. The amount spend is also shown which shows that private banks are better in this parameters. It is highest in HDFC bank, which is Rs 535Crores in FY2020

Graph5: Mean Public Banks and Private Banks CSR Spending percent (FY2020)



The CSR spending is observed in various areas related to education, health, gender development and environment. The banking sector is directly not involved in environment based activity but indirectly they are having active role regarding providing credit to the firm and sustainability risk is on the parts of credit risk. The banking sector is backbone of any development policy and since firms and society require credit and it is the credit policy of the bank which can impact directly on sustainability development goal. Every bank is presently assessing a project based on its sustainability risk and it gives direction to the sustainable finance. The credit to women and SHG credit is the key areas which provide self confidence and decision making to women, which is very helpful to achieve gender development goal. The priority sector lending impacts social sustainability in very effective way.

4. Result and Discussion:

While considering the challenges of Sustainable Development Goal, the Business Responsibility and Sustainable Report of the firm includes both qualitative and quantitative data which is very useful to assess the firm regarding their activities and policy regarding responsible business conduct. It provides more exhaustive information in transparent ways and shapes the

future policy of the firm considering a responsible business conduct. Many data is auto-filled from this report thus it is very effective. The Banking sector BRR gives a broad picture that the public sector performs better than private sectors in decent work and gender dimensions. There is a need for a proper policy for private banks to increase permanent workers within their firm with better salary and working conditions. The right of employee to form employee union should be maintained in these banks. The public bank is better than private banks in decent work dimension. The no. of permanent workers and differential able employee is high in public banks compare to that of private banks. The women representation is better in banking and IT sector compare to manufacturing, mining and other sectors. Public banks and private banks both are good in women workforce. The mean number of sexual harassment cases is high among private banks compare to public sector banks. The representation of women in board of directors and key management posts is also very low, which is one of the important issues which needs to be addressed by policy makers considering gender development and sustainable development goals. The CSR spending is high by private banks than public banks because public banks are making profits quite less than that of private banks.

Conclusion:

The business responsibility report or sustainability report is one of the important reports disclosed by firms to assess the firm activity and policy regarding responsible business conducts. It is now revised and includes more comprehensive information considering sustainable development goal, called Business Responsibility and Sustainability Report (BRSR). The banking sector BRR is studied for last four years and it is concluded that the private sector bank performs better in CSR spending as their profitability is higher than public bank, but considering the decent work condition and social sustainability, public sector bank is better than private sector banks. The no. of non permanent/ contract employee is high in private bank and almost nil in public sector bank. The no. of sexual harassment complains is more in private bank than public sector bank. The women workforce is quite good in all banks but

the women representation in board of directors and Key Management Personnel is very low in all banks. Every bank has environment related policy within their credit policy, which is important for achieving sustainable development goal. Thus public bank is better than private banks in both gender related development and decent work condition. A proper policy is needed to improve the working condition and gender related development in private banks.

Note: BRR/BRSR of each banks for FY2019, FY2020, FY2021, FY2022 and FY2023 for each bank is accessed from the website of these banks. If BRR/BRSR reports unavailable of any bank, the data has been accessed from the Annual Reports of those banks for that year.

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