

**THE IMPACT OF STRATEGIC MANAGEMENT PRACTICES ON
CORPORATE SOCIAL RESPONSIBILITY OF BANKING SECTOR IN
BATTICALOA DISTRICT**



By

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ABSTRACT

This study examines the impact of Strategic Management Practices (SMP) on the performance of Corporate Social Responsibility (CSR) in the banking sector of the Batticaloa district, Sri Lanka. The research specifically focuses on four SMP dimensions: Strategic Competitive Practices (SCP), Strategic Corporate Governance Practices (SCGP), Strategic Planning Practices (SPP), and Strategic Total Quality Management Practices (STQMP). A quantitative research methodology was adopted, employing a structured questionnaire as the primary data collection method.

The sample for this study consisted of 162 respondents, selected using a specific random sampling method from various banks in the Batticaloa district. Data was collected through self-administered questionnaires, ensuring comprehensive feedback from employees in the banking sector. The data analysis employed multiple regression analysis, which revealed a strong positive impact of independent variables on CSR performance.

The findings indicated that strategic management practices significantly influenced CSR performance, with SCP showing the most substantial impact, followed by STQMP, SPP, and SCGP. The regression model demonstrated an R^2 value of 0.836, explaining 83.6% of the variance in CSR performance. The statistical significance of the results was confirmed with an F-statistic of 200.228 ($p = 0.000$), indicating that the independent variables collectively contributed to the variation in CSR performance.

This study contributes to understanding how strategic management practices influence CSR performance in the banking sector. The results suggest that banks should prioritize the development and implementation of these practices to improve their CSR outcomes. The study's implications underline the importance of strategic planning, corporate governance, competitive strategies, and quality management in enhancing CSR performance in the banking sector.

Keywords: *Strategic Management Practices, Corporate Social Responsibility, Banking Sector, Sri Lanka, Regression Analysis*

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