

**CORPORATE SOCIAL RESPONSIBILITY AND
ENVIRONMENTAL PERFORMANCE OF SELECTED BANKS IN
BATTICALOA REGION: MEDIATING EFFECT OF GREEN
INNOVATION**



By:

JEGANATHAN JENITHAN

REG NO: - EU/IS/2019/MS/089

INDEX NO: MS 2269

A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as partial fulfillment of the requirement for the Degree of Bachelor of Business Administration Honours.



FCM2985

Project Report
Main Library, Eastern University, Sri Lanka

**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT EASTERN
UNIVERSITY, SRI LANKA**

2025

ABSTRACT

The impact of Corporate Socially Responsible on the environmental performance of banking institutions in the Batticaloa Region is examined in this study, with an emphasis on the function of employee green innovation as a mediator. Three main factors constitute the basis of the study: green innovation acts as the mediator, environmental performance as the dependent variable, and corporate socially responsibility as the independent variable.

A questionnaire was used to gather data from workers of particular institutions using a quantitative technique. Descriptive statistics, regression analysis, and correlation analysis were among the statistical techniques used in the study to investigate the relationships between the variables. 212 employees of particular banks in the Batticaloa Region were asked to complete a standardized questionnaire. Furthermore, mediation analyses, correlation, and descriptive statistics were used to analyze the gathered data.

Statistical analysis employed in this work include Mean and Standard Deviation values to assess the levels of variables, and Pearson coefficients and linear regressions to measure associations for additional mediation analyses. There is a moderately positive correlation between environmental performance and green innovation, a weakly positive correlation between the CSR and environmental performance, and a weakly positive correlation between the CSR and green innovation, according to the findings. It has been discovered that green innovation mediates the association between environmental performance and CSR.

Keywords: *Corporate Social Responsibility, Environmental Performance, Green Innovation.*

TABLE OF CONTENTS

ACKNOWLEDGMENT.....	I
ABSTRACT.....	II
TABLE OF CONTENTS.....	III
LIST OF TABLES.....	IX
LIST OF FIGURES.....	XI
LIST OF ABBREVIATIONS.....	XII
Chapter - 1.....	1
INTRODUCTION.....	1
1.1 Background of Study.....	1
1.2 Research Gap/ Research Problem.....	3
1.3 Research Questions.....	5
1.4 Research Objectives.....	6
1.5 Significant of the Study.....	6
1.6 Scope of the Study.....	7
1.7 The Organizations of the Chapter.....	8
1.8 Chapter Summary.....	9
Chapter - 2.....	10
LITERATURE REVIEW.....	10
2.1 Introduction.....	10
2.2 Corporate Social Responsibility.....	10
2.3 Environmental Performance.....	14
2.4 Green Innovation.....	18
2.5 Hypothesis Studies.....	22
2.5.1 Corporate Social Responsibility and Environmental Performance.....	22
2.5.2 Corporate Social Responsibility and Green Innovation.....	23
2.5.3 Green Innovation and Environmental Performance.....	23

2.5.4 Corporate Social Responsibility, Environmental Performance and Green Innovation	24
2.6 Chapter Summary	24
Chapter - 3.....	25
CONCEPTUALIZATION & OPERATIONALIZATION.....	25
3.1 Chapter Introduction	25
3.2 Conceptualization	25
3.2.1 Conceptual Framework.....	26
3.2.2 Corporate Social Responsibility	27
3.2.3 Environment Performance	27
3.2.4 Green Innovation	28
3.3 Operationalization	28
3.3.1 Summary of Operationalization	29
3.4 Chapter Summary	30
Chapter - 4.....	31
RESEARCH METHODOLOGY.....	31
4.1 Introduction	31
4.2 Research Philosophy	32
4.3 Research Approach	32
4.4 Research Strategy	33
4.5 Methodological Choice	34
4.6 Time Horizons	35
4.7 Research Site	35
4.8 Population of the Study	35
4.9 Sampling Techniques	36
4.10 Sample Size	37
4.11 Method of Data Collection	38

4.12 Research Instrument	38
4.13 The Pilot Study	39
4.14 Validity and Reliability Instruments	40
4.14.1 Validity.....	40
4.14.2 Reliability	41
4.15 Unit of Data Analysis.....	42
4.16 Methods of Data Analysis	43
4.16.1 Univariate Analysis and Evaluation	43
4.16.2 Bivariate Analysis.....	44
4.16.2.1 Correlation Analysis.....	44
4.16.2.2 Regression Analysis	45
4.17 Testing Hypothesis.....	47
4.18 Ethical Consideration	48
4.19 Data Presentation	49
4.20 Chapter Summary.....	49
Chapter - 5.....	50
DATA PRESENTATION AND ANALYSIS	50
5.1 Introduction	50
5.2 Analysis of Reliability	50
5.2.1 Analysis of Reliability for the Instruments	50
5.3 Data Presentation	51
5.3.1 Data Presentation for Personal Information	52
5.3.1.1 Gender	52
5.3.1.2 Age Group	52
5.3.1.3 Highest Education Qualification	53
5.3.1.4 Experience	53
5.3.1.5 Position.....	54

5.3.1.6 Name of the Banks	54
5.3.2 Data Presentation for Research Information	55
5.3.2.1 Univariate Analysis	55
5.3.2.1.1 Level of Corporate Social Responsibility	56
5.3.2.1.2 Level of Green Innovation	56
5.3.2.1.3 Level of Environmental Performance.....	57
5.3.2.2 Bivariate Analysis	57
5.3.2.2.1 Pearson’s Correlation Analysis	57
5.3.2.2.2 Correlation among Corporate Social Responsibility, Environmental Performance and Green Innovation	58
5.3.2.3 Simple Regression Analysis	59
5.3.2.3.1 Effect of Corporate Social Responsibility and Environmental Performance (Step - 1).....	59
5.3.2.3.2 Effect of Corporate Social Responsibility on Green Innovation (Step - 2)	61
5.3.2.3.3 Effect of Green Innovation on Environmental Performance (Step - 3)	62
5.3.2.4 Multiple Regression Analysis	64
5.3.2.4.1 Effect of Corporate Social Responsibility and Green Innovation on Environmental Performance (Step - 4)	64
5.3.2.5 Mediation Analysis	66
5.3.3 Testing Hypotheses	68
5.3.3.1 Testing Hypothesis 1	68
5.3.3.2 Testing Hypothesis 2.....	68
5.3.3.3 Testing Hypothesis 3	69
5.3.3.4 Testing Hypothesis 4.....	69
5.3.3.5 Analyse the Mediation Influence of Green Innovation on CSR and Environmental Performance.....	69

5.4 Chapter Summary	71
Chapter - 6.....	72
FINDINGS AND DISCUSSION.....	72
6.1 Introduction	72
6.2 Discussion of Personal Information	72
6.2.1 Gender.....	72
6.2.2 Age Group	72
6.2.3 Highest Education Qualification	73
6.2.4 Experience	73
6.2.5 Position	73
6.2.6 Name of the Banks	73
6.3 Discussion of Research Information.....	74
6.3.1 Objective 1	74
6.3.2 Objective 2	75
6.3.3 Objective 3	76
6.3.4 Discussion of Hypotheses Testing	77
6.4 Chapter Summary	79
Chapter -7.....	80
CONCLUSIONS AND RECOMMENDATIONS	80
7.1 Introduction	80
7.2 Conclusions	80
7.2.1 First Objective of the Study.....	81
7.2.2 Second Objective of the Study.....	81
7.2.3 Third Objective of the Study	81
7.3 Contribution of the Study	82
7.4 Recommendations	82
7.5 Limitations of the Study	83

7.6 Future Research Direction 84

LIST OF REFERENCES 85

APPENDIX 1 97

RESEARCH QUESTIONNAIRE 97