Exploring the Relationship between Effective Management & Social Equity
A CSR Perspective

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ABSTRACT

The objective of this study is to identify the role of effective management in social equity in the micro-finance banking sector of Pakistan. It is understood that in the micro-finance banking sector, the deficiency of effective management is reported, and it is creating hurdles in the way of promoting social equity in the banking sector. This study was based on the primary data collected on a five-point Likert questionnaire. The target population for this study was the employees and customers of the micro-finance banking sector of South Punjab. The results of this study demonstrate that there is a critical role for effective management to ensure the implementation of social equality practices in the banking sector to improve the loyalty of customers and the performance of the organization. This study fills in the gaps in the literature about the micro-finance banking sector by showing how corporate social responsibility, non-discrimination, and social awareness work together to create social equity.

Keywords: Effective Management, Corporate Social Responsibility, Social Awareness, Non-Discrimination, and Social Equity.

INTRODUCTION

In the developing areas, the problems related to human beings and their working relationships in society are still present. In this regard, the banking sector of Pakistan is facing a different kind of crisis that is not beneficial for the people of Pakistan. Unfortunately, the micro-finance banking sector all over Pakistan is failed to provide social equity to the appropriate level for the people (Clauß, Kraus, & Jones, 2022). There are different factors behind this failure of the banking sector, however, the most important factor is that this banking sector is failed to recruit the key professionals for the highest positions in the organizations. This non-availability of the professional management people in the microfinance sector has created different challenges for the social equity that is not good for the working relationship of the micro-finance sector with the customers (de Freitas, de Oliveira, & de Oliveira, 2019; Neal, Kline, Olejarski, & Gherardi, 2022). Effective management refers to the capable people in the field of management that are effectively working with efficacy to improve the performance of the organization (Khan & Iqbal, 2020; Neal et al., 2022). It is critical to understand that without the concept of effective management, the organizations are failed to improve the standard of people and their lifestyles. Corporate social responsibility is when the organizations are working on the sustainable development goals by considering the performance of the organizations as responsible for the ethical and other social values (Clauß et al., 2022; Khan, Tufail, & Ali, 2021). Corporations are responsible for social equity because the values of organizations are directly linked to their performance in the target market. Non-discrimination is when people or any group of individuals are not neglected based on any bias in society (Musaazi et
The organizations are responsible to create an environment in which people get equal rights and fair practices for sustainability in the organizations (Khan, Shah, Bashir, & Iqbal, 2021). Social awareness is to create awareness in the society to provide all the information to the people related to their living standard and their interaction with the business organizations (Charonis, 2012). The role of social awareness is critical because, without social awareness, most organizations are failed to perform well in society. Social equity refers to the system of working in which people are provided with equal rights, and are not discriminated against on any basis. In this regard, the organizations have a key responsibility to maintain social equity in their business practices for getting a competitive advantage.

The objective of this study was to identify the relationship between effective management in social equality. The study is designed to discover the role of effective management in corporate social responsibility and non-discrimination because these are the basic functions for different organizations to work sustainably. The micro-finance banking sector of South Punjab is facing a crisis in the terms of corporate social responsibility and social equity. The relationship between effective management and social equity was neglected when it comes to the micro-finance banking sector of South Punjab.

This study is significant because it is to provide theoretical as well as practical implications for the micro-finance banking sector of South Punjab as it was identified that the sector is facing a crisis in the terms of social equity. In the review of the previous literature, it was identified that no study discussed this issue, however, it was identified by different studies. The theoretical implications of this study are important to provide guidelines for the policy-making of the board of directors and the management of the micro-finance sector to improve the level of social equity. Also, the practical implications of this study would help the management to practically solve the issues to eliminate the barriers that are hurdles in the way social equity in the micro-finance banking sector of South Punjab.

LITERATURE REVIEW
Role of Effective Management in Corporate Social Responsibility

In modern times, the role of management has increased when it comes to sustainable development in the organization. In this regard, according to Shigetomi, Chapman, Nansai, Matsumoto, and Tohno (2020), the modern organization particularly the HR department the organization is working to promote or recruit effective managerial people for the routine work procedure of the organization. Is because to run the procedure and functionality of the organization effectively, it is critical to have effective management to deal with all kinds of these issues. Also, the role of the organization is to improve the standard of living of people in which people are provided with opportunities of social equity that are beneficial for them in the long term (Astrachan, Binz Astrachan, Campopiano, & Baú, 2020; Fiack, Cumberbatch, Sutherland, & Zerphey, 2021).

Importantly, the role of the organization is not limited to generating profit for the stakeholders (Noorui & Jareenwisan, 2016), but the management of the organization is also responsible for developing the policies according to the values of corporate social responsibility (Khan, Ansari, Ahmed, & Malik, 2022). In developed organizations, it is a fact that due to the management support and management policy, the values of corporate social responsibility and effective management are considered for productively developing the things (Abdelaziz, 2021; de Freitas et al., 2019). The fundamental factor is the management of the different organizations is playing a different role in improving the social equity level that is beneficial for the take holders of the organization (Fiack et al., 2021; Strambo, Jahovic, & Segnestam, 2021).

H1. There is a relationship between effective management and corporate social responsibility

Role of Effective Management in Non-Discrimination

Non-discrimination is important in the environment of any organization because it is also considered a critical success factor for the organization (Astrachan et al., 2020). It is important to understand that the organization that is working to improve the working environment of the organization and have long-term relationships with the customer, these organizations are effectively working to eliminate all the barriers in the way of non-discrimination in the organization. According to Fiack et al. (2021) it is noted that the organizations that are effective and the people of these organizations are working to improve the standard of living, in these organizations the social equity is guaranteed to the people and the other stakeholders. Indeed, on the other
hand, organizations that are badly failed to improve the standard of equality in organizations these organization are not working to improve and provide benefit to the stakeholders (Leuenberger & Lutte, 2022). In America and Norway, large organizations are working to eliminate the barriers of discrimination with the help of effective management (Isham et al., 2022; Noourai & Jaroenwisan, 2016). Management is the authority that is directly responsible for the operations and the working procedure of the organization. In this regard, all the credit goes to management if the organization is working well for the collective benefit of the stakeholders. However, effective management is not beneficial for the organization because it is harmful to the organizational culture and practices (Abdelaziz, 2021; Strambo et al., 2021). Despite the bad organizational working environment with the help of effective management, most organizations have achieved a competitive advantage in non-discrimination that is attractive to the people and the investor as well (Abdelaziz, 2021).

H2. There is a relationship between effective management and non-discrimination.

**Role of Corporate Social Responsibility in Social Awareness and Social Equity**

Corporate social responsibility refers to the ethical values of the organization that is the policy and working capabilities of the organization for creating collective benefit for the stakeholders (Fiack et al., 2021). The organization must adopt the goals of corporate social responsibility to understand the effectiveness of corporate social responsibility for society. In the banking sector, corporate social responsibility attracts the customers to visit the bank again and again if the customer is treated with social equity (Abdelaziz, 2021; Leuenberger & Lutte, 2022). In this regard, the organization must consider the way that would be effective, and it would be useful for the relationship between the organization and the customers. According to the study of Noourai and Jaroenwisan (2016), the management of the organization that is developing the policies and strategies to work according to the guidelines of corporate social responsibility, these management qualities are improving the social equity and creating social awareness in the society. On the one hand, the organizations are working to improve the corporate social responsibility performance of the organization for creating social awareness and social equity in the people because it is believed that with this kind of concept it would be appropriate for the organizations to develop for along the time (Astrachan et al., 2020). However, on the other hand, it is also believed that the organization has no responsibility for providing social equity (Astrachan et al., 2020), but it is the responsibility of the people to consider the values of the organization. Indeed, this is not majorly adopted for the organization in the long term but it is the need of all that the effective management should work in the best way for developing strategies to improve the standard of living of the people creates social awareness social equity (Chapin et al., 2022).

**H3. There is a relationship between corporate social responsibility and social awareness.**

**H4. There is a relationship between corporate social responsibility and social equity.**

**H5. There is a relationship between social awareness and social equity.**

**Role of Non-Discrimination in Social Equity**

Social equity is when the people are treated equally within any organization and they are provided with effective and efficient services (Astrachan et al., 2020). In this regard, the role of not discrimination is important to consider when it comes to the social equity of the organization. On the one hand, it is believed that it is the management of the organization that is improving the standard of living of people by eliminating the barrier of discrimination within the organization and providing social equity to the people. In competition concerning the organization, they are improving the standard of living of the people by eliminating all the barriers in their way of getting services (Ben Zaied, Taleb, Ben Lahouel, & Managi, 2022; Noourai & Jaroenwisan, 2016). Indeed, it is the responsibility of the management to develop the policies and strategies within the organization to ensure that the people are provided with the appropriate services, and they are not discriminated against on any grounds (Dorobantu, Gupta, & Li, 2022). Furthermore, it is also the responsibility of the effective management to ensure that if there is any report of discrimination it must be handled in an effective way that would not be dangerous for the organization and that also should be in the favor of all the stakeholders of the organization (Abdelaziz, 2021; Fiack et al., 2021). In this way, according to the study of Astrachan et al. (2020), management is working to avoid the activities of discrimination within the organization, these organizations are getting more appreciation from the customers because they are providing the customer’s
social equity with an appropriate level of living standard. The relationship between the variables is presented in Figure 1.

H6. There is a relationship between non-discrimination and social equity.

H7. There is a mediating role of social awareness in the relationship between corporate social responsibility and social equity.

Figure 1. Conceptual Framework. Drawn based on Literature Review

METHODOLOGY

Prepare Questionnaire

This study was based on a questionnaire to collect the data from the respondents. The study was based on the Likert scale five-point questionnaire that was prepared by taking scale items from the previous studies. The scale items for effective management, corporate social responsibility, non-discrimination, social awareness, and social equity were taken to measure the data for this study. The questionnaire was divided into two parts. The first part of the study was to get the demographic information of the respondents; however, the second part of the study was based on the Likert-scale questionnaire.

Data Collection Process

The data was collected from the target population and the unit of analysis was individual. Randomly banks employees and customers were selected based on convenience. The purpose of study was first defined to the bank management and with the permission the questionnaires were mailed to the customers with the paid return envelope, and they were asked to respond impersonally to the questionnaire while questionnaire from banks employees were filled on the spot. Total 300 questionnaire were sent out of which 187 were returned and 174 final questionnaires were used for analysis. At the same time, all the queries of the respondents were addressed accordingly, and the questionnaire was collected back to analyze the data of this study with the help of Smart PLS 3.

FINDINGS

Convergent Validity

This section of the study is based on the convergent validity that was to check the reliability of the scale items for this study (see Figure 2). In this regard, PLS Algorithm calculations were used to identify the factor loadings, Cronbach’s alpha, composite reliability (CR), and average variance extracted (AVE). According to Table 1, the values of factor loadings were greater than 0.60 which is important for this study. Also, all the values of CR were greater than 0.70 which is recommended by Henseler et al. (2014) for modern studies. In the same way, the values of AVE for all the variables were greater than 0.50 which is also recommended by Henseler and Fassott (2010) for modern studies.
Table 1. Factor Loadings, CR and AVE.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Loadings</th>
<th>Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility</td>
<td>CSR1</td>
<td>0.728</td>
<td>0.772</td>
<td>0.853</td>
<td>0.593</td>
</tr>
<tr>
<td></td>
<td>CSR2</td>
<td>0.801</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR3</td>
<td>0.820</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR4</td>
<td>0.726</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective Management</td>
<td>EM1</td>
<td>0.777</td>
<td>0.734</td>
<td>0.833</td>
<td>0.557</td>
</tr>
<tr>
<td></td>
<td>EM2</td>
<td>0.743</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EM3</td>
<td>0.816</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EM4</td>
<td>0.636</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Discrimination</td>
<td>ND1</td>
<td>0.877</td>
<td>0.858</td>
<td>0.907</td>
<td>0.712</td>
</tr>
<tr>
<td></td>
<td>ND2</td>
<td>0.918</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ND3</td>
<td>0.914</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ND4</td>
<td>0.634</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Awareness</td>
<td>SA1</td>
<td>0.721</td>
<td>0.823</td>
<td>0.875</td>
<td>0.586</td>
</tr>
<tr>
<td></td>
<td>SA2</td>
<td>0.807</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SA3</td>
<td>0.857</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SA4</td>
<td>0.753</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SA5</td>
<td>0.676</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Equity</td>
<td>SE1</td>
<td>0.922</td>
<td>0.898</td>
<td>0.930</td>
<td>0.771</td>
</tr>
<tr>
<td></td>
<td>SE2</td>
<td>0.926</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SE3</td>
<td>0.911</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SE4</td>
<td>0.738</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data is expressed in tabulation form from Data Analysis.

**Discriminant Validity**

This section of the study has the results of discriminant validity that were checked with the HTMT method check.

Table 2. It is important to check because the distinction between the variables and scale items is important to consider when it comes to data analysis and
questionnaires. In this regard, all the values were less than 0.90 which is recommended by Henseler et al. (2014) for the HTMT method of discriminant validity. Therefore, there is clear discriminant validity between the scale items of the variables.

Table 2. Discriminant Validity.

<table>
<thead>
<tr>
<th></th>
<th>CSR</th>
<th>EM</th>
<th>ND</th>
<th>SA</th>
<th>SE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>0.879</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EM</td>
<td>0.872</td>
<td>0.811</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ND</td>
<td>0.828</td>
<td>0.875</td>
<td>0.736</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA</td>
<td>0.741</td>
<td>0.839</td>
<td>0.831</td>
<td>0.766</td>
<td></td>
</tr>
</tbody>
</table>

Source: table is made by Data Analysis

The PLS-SEMs Results

This section of the study is based on the tests of the hypotheses see Table 3. H1 was tested to check its significance and according to the results EM has a significant effect on CSR ($\beta = 0.760, T = 28.221, P = 0.000$) and H1 is supported. H2 was tested to check its significance and according to the results EM has a significant effect on ND ($\beta = 0.749, T = 24.001, P = 0.000$) and H2 is supported. H3 was tested to check its significance and according to the results, CSR has a significant effect on SA ($\beta = 0.757, T = 24.385, P = 0.000$), and H3 is supported. H4 was tested to check its significance and according to the results, CSR has a significant effect on SE ($\beta = 0.407, T = 6.581, P = 0.000$), and H4 is supported. H5 was tested to check its significance and according to the results, SA has a significant effect on SE ($\beta = 0.148, T = 2.114, P = 0.000$), and H5 is supported. H6 was tested to check its significance and according to the results ND has a significant effect on SE ($\beta = 0.503, T = 7.734, P = 0.000$) and H6 is supported (see Figure 3).

Figure 3. PLS Structural Model

Source: Figure is drawn by Data Analysis

Table 3. Direct Effects.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Beta</th>
<th>(STDEV)</th>
<th>T Value</th>
<th>P Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1. EM -&gt; CSR</td>
<td>0.760</td>
<td>0.027</td>
<td>28.221</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2. EM -&gt; ND</td>
<td>0.749</td>
<td>0.031</td>
<td>24.001</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>
H3. CSR -> SA  0.757  0.031  24.385  0.000  Supported
H4. CSR -> SE  0.148  0.070  2.114  0.000  Supported
H5. SA -> SE  0.407  0.062  6.581  0.000  Supported
H6. ND -> SE  0.503  0.065  7.734  0.000  Supported
Source: Based on Analysis Results

**Mediation Analysis**
This section of the study has the results of the mediation analysis check Table 4. In this regard, H7 was tested, and the results show that there is a significant mediating role of SA, in the relationship between CSR and SE (β = 0.308, T= 6.632, P= 0.000).

<table>
<thead>
<tr>
<th>Mediation</th>
<th>Beta (STDEV)</th>
<th>T Value</th>
<th>P Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H7. CSR -&gt; SA -&gt; SE</td>
<td>0.308 (0.047)</td>
<td>6.632</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

**DISCUSSION AND CONCLUSIONS**
Firstly, according to the results of H1, there is a significant relationship between effective management and corporate social responsibility. It is important to understand that corporate social responsibility is achieved when the management is supporting the organization and leading to an effective way for developing strategies and providing a way of improving the performance. According to the results of H2, there is a significant relationship between effective management and non-discrimination. In this regard, it is the responsibility of the management of the microfinance banking sector of the South Punjab to ensure that the management is effective and all the policies of management are in line with the non-discrimination approach that is important to consider when it comes to social equity. The organization of the rich countries is developed due to the importance these organizations are providing to social equity as highlighted in the study of Shigetomi *et al.* (2020).

Secondly, according to the results of H3 and H4, there is a significant relationship between corporate social responsibility, social awareness, and social equity. In this regard, the management and the board of directors of the microfinance banking sector of South Punjab should implement the strategies of corporate social responsibility in the organizations because it would the social equity that is beneficial for all the stakeholders of the banking sector. The developed countries are working to enhance social equity with the help of effective management in services organizations. According to the results of H5, there is a significant relationship between social awareness and social equity. It is critical to understand that if people are socially aware then it would be difficult for them to be discriminated against by the organizations. The socially aware people are highly concerned about their values and they protest against any kind of irregular activities against them (Ferrer, García-Cortijo, Pinilla, & Castillo-Valero, 2022). Thirdly, the results of H6 highlight that there is a significant relationship between non-discrimination and social equity. It is important to understand that if the management of the microfinance banking sector is willing to avoid discrimination from the organization to satisfy the needs of all stakeholders, then it would be beneficial for the sector to develop social equity (Lin *et al.*, 2022). The business organizations that are working on discrimination bases and creating wires in the society, these organizations are not popular and even rejected by most of the customers. According to the results of H7, there is a significant mediating role of social awareness in the relationship between corporate social responsibility and social equity. It is important to understand that if the people are socially aware and they have all the information about their basic rights it would be effective for them to get their rights of the social equity if the organization is working on the corporate social responsibility guidelines (Noourai & Jaroenwisan, 2016; Shigetomi *et al.*, 2020). In this regard, the microfinance banking sector of South Punjab must consider the role of social awareness and developed the policies related to corporate social responsibility in a way that would help the organization to develop social equity. In a natural, in the microfinance banking sector of South Punjab, the role of effective management is significant.
management is important to develop and implement the policies for corporate social responsibility and non-discrimination approach that would ultimately help to improve social equity.

**IMPLICATIONS**

**Theoretical Implications**

These studies are designed to provide the theoretical implication that is important to consider when it comes to the microfinance banking sector of South Punjab. On the one hand, it is a fact that in the microfinance bank the lack of effectiveness is considered one of the fundamental critical factors that are deviating people from the microfinance banking sector. It is because due to the low level of organization; the qualified people are not willing to work in such kinds of organizations. In this way, this study highlights that it is the responsibility of the HR department to understand the value of effective management for implementing the goals of corporate social responsibility in the microfinance banking sector of South Punjab. In this way, it would be an effective strategy to cope with all kinds of problems that are in the way of providing the social equity values from the organization to the people. This study also considered the role of effective management in creating an atmosphere of non-discrimination that would also help the development of social equity for the stakeholders of the microfinance banking sector of South Punjab.

**Practical Implications**

This study provides the practical implications that are important for the management of the microfinance banking sector of South Punjab to consider because these implications would help the management to work in an effective way for developing social equity. On the one hand, it is a fact that the management is responsible for dealing with different kinds of situations in the working environment of the organization. However, on the other hand, it is also important to understand that the role of management is not limited to running the organization, at the same time, the role of management is to understand the effectiveness of the working practices that would help the organization for implementing the values of corporate social responsibility. Also, when the management of an organization would work on the guidelines of corporate social responsibility then it would be effective for the organization to develop strategies for improving the level of social equity in the organization. The management of the microfinance banking sector of South Punjab must be effective and it must develop goes to create an atmosphere of non-discrimination within the organization that would ultimately help the organization to grow productively by developing social equity.

**LIMITATIONS AND FUTURE DIRECTIONS**

This study is limited to the role of effective management, corporate social responsibility, and non-discrimination to identify the relationship of these variables in the social equity of the micro-finance banking sector of South Punjab. However, it was also identified that different other variables are also affecting the social equity of the micro-finance banking sector of South Punjab. In this regard, the focus of the future studies should be to understand the role of organizational behavior, working environment, and mature customers in the social equity of the micro-finance banking sector of South Punjab.

**REFERENCES**


Conference.


