

The People-Oriented Approach of CSR for the Banking Industry in Romania

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Abstract

The main purpose of this paper is to define and explore the People-oriented elements in the corporate social responsibility strategies of the banking industry in Romania based on the 'triple bottom line' theory. Taking into consideration the particular position of the social issues in the CSR mechanism, this research can provide useful insights in the Romanian banking sector assessment, and thus help the bank managers to better integrate the community needs in their CSR agenda and to report the CSR outputs according to the 'triple bottom line' approach. The present paper analyses the CSR visibility in the Romanian banking industry, identifying the main reasons behind the CSR decisions, trying to distinguish between different CSR dimensions through a coding process that will reveal the dominant theme of CSR activity in the mentioned sector. In more specific terms, the majority of the banking institutions from the sample have focused on the social dimension of CSR, suggesting a leading direction for the social responsible actions in the current Romanian banking system, with direct implications on CSR communication, reputation or client's perceptions.

Keywords: people; corporate social responsibility; bank;

JEL Classification: G21; M14;

1. Introduction

The concept of corporate social responsibility (CSR) is a topic of great interest in the current global agenda, with multiple meanings and causal variations, being associated in Carroll's research with four significant pillars in the CSR design: economic, legal, ethical and discretionary (1979, p. 499). Considered one of the most valuable resources for other theoretical studies, Carroll's dimensional pyramid has suffered various interpretations, each stage of CSR development being carefully explored, from the basic concern of reaching high profits to the most philanthropic obligations, thus being deeply related to the corporate citizenship approach (Maignan *et al.*, 1999, pp. 455-469).

Starting from the multidimensional CSR approach developed by Carroll in 1979, a number of theoretical constructs have emerged, including a revised CSR approach mixing up the philanthropic and the ethical dimensions into a simplified structure with only three dimensions of CSR: economic, legal and ethical (Schwartz and Carroll, 2003, p. 509). Considering the same original composition, García de los Salmones *et al.* (2005) noted the merging process of two key facets of CSR, ethical and legal responsibility, while Wood advanced the understanding of CSR to the corporate social performance model through a set of particular principles and process description, integrating in the same time some major results of corporate behaviour in the CSR analysis (1991).

Starting from the basic economic dimension, Elkington (1997) introduced two additional performances to improve the concept of CSR, which relies on both social and

environmental performance. The social performance can be easily linked to the ethical values, by enhancing the importance of code of ethics for employees and for the development of a company. Moreover, an extended vision on CSR has constructively described it as „a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities, 2001, p. 6), while Falck and Heblich (2007, p. 247) considered that „CSR is regarded as voluntary corporate commitment to exceed the explicit and implicit obligations imposed on a company by society's expectations of conventional corporate behaviour”.

The main hypothesis of this paper is that there is a correspondence between the strategies followed by the banks from the sample and the ‘triple bottom line’ approach, with a clear focus on the People dimension. Considering this assumption, the encoded data will reveal the assumed positions of the banking institutions through their official websites, identifying the main directions in the corporate social responsibility field, the dominant themes of CSR activity and the key-issues that provide a useful insight in the current Romanian banking system analysis. In order to achieve this goal, the coding mechanism will focus on the repetitive terms, trying to identify the roots of the responsible banking in Romania through the leading directions and the common elements suggested by the process.

2. A New Insight in the „Triple Bottom Line” Theory

The roots of the modern CSR are deeply implanted in the concept of sustainable development in an attempt to mix the natural and the economic laws, being a basic condition for a long-term survival of a company by „providing products in such a manner so as not to enable the degradation of the natural and social capital” (Ak, 2015, p. 252). Introduced for the first time in 1994 by John Elkington and expanded in 1997 in the book “Cannibals with Forks: the Triple Bottom Line of 21st Century”, the ‘triple bottom line’ (TBL) approach is based on the balance between the three Ps (People-Profit-Planet), clearly synthesized in three baselines within a company's business activity: the traditional profit („Profit and loss account”), the social responsibility measure („People account”) and the environmental responsibility measure („Planet account”). These lines have a direct correspondence in terms of performance, through the economic performance, the social performance and the environmental performance or, at the macroeconomic level, through the economic prosperity, the environmental quality and the social capital issues.

Thus, this multidimensional approach extends the traditional financial performance sphere by including two additional lines that reflect the horizontal integration of all externalities attached to corporate social responsibility. Willard (2004, p. 246) highlights the economic orientation of the TBL approach through increasing revenue, reducing the expenses with energy, water and waste, increasing the employee productivity, reducing staff hiring and retirement expenses, reducing operational and strategic risks (2012). Moreover, according to the convergence requirement developed by Norman and MacDonald (2004) „measuring social performance helps improve social performance, and firms with better social performance tend to be more profitable in the long-run”.

Corporate social responsibility has increasingly become a citizen function of a business (Maignan *et al.*, 1999), extending the corporate awareness to a higher level of commitment to support various categories of stakeholders. In order to extend these

approaches outside the corporate sphere, the conceptual premises of corporate social responsibility rely on the sustainable development term, which focus on the same three basic dimensions: economic development, social development and environmental protection. In this respect, sustainable development is defined as meeting the current generation needs without affecting the future standards and quality of lives. Thus, the three-pillars approach of sustainable development can be easily assimilated with the TBL approach through a clear relationship between their dimensional structures, where TBL is considered a practical approach to sustainability, being a construct based on sustainable development. While the TBL approach balances the importance of the three pillars (Elkington, 1997; Epstein, 2008; Savitz and Weber, 2006) and includes the progress, there is a clear difference in the dimensional analysis of sustainability, depending on importance.

The TBL theory starts from the premise that companies do not only use financial resources but also natural and human resources for their organizational development. The theory limitations include real constraint to treat the two additional dimensions (environmental and social) in financial terms, but also the impossibility to establish the proportions of these three fundamental CSR lines. The attempts to determine the parameters used to measure the social and the environmental performance have been constantly tackled, being found the difficulty of quantifying them (Hubbard, 2009). Moreover, the lack of a realistic measurement of social and environmental indices raises the issue of setting an opportunity cost, like the cost of the lost alternatives in temporal or financial terms.

Among the criticisms of the concept are the lack of clear attempts to calculate a net result of the social dimension, without a unique accepted unit of measure, or the argument of impossibility, which emphasizes the lack of a reference system based on which the scores obtained can be either positive or negative (Norman and MacDonald, 2004). Without such a reference, companies are not subject to any risk, because the lack of final results in social or environmental terms does not provide real comparisons and makes it easier for firms to assert their commitment to CSR without a real measure of it, facilitating in this way the „corporate hypocrisy”. In this respect, the voluntary reporting practice involves a CSR process that seems to be a marketing approach, in order to manipulate the stakeholders by selectively communicating the CSR results.

Instead, Pava (2007, p. 108) contradicts such a hypothesis, amplifying the idea of missing a certain number as a financial performance aggregate, and therefore, there should be no such ambition for social and environmental performance, recalling the multidimensional nature of corporate performance. Moreover, Slaper and Hall (2011, p. 5) perceives the measurement difficulties as a strength that allows us „to adapt the general framework to the needs of different entities (businesses or nonprofits), different projects or policies (infrastructure investment or educational programs), or different geographic boundaries (a city, region or country)”.

The People dimension refers to the company's impact on the community and the relationship with the employees, being the expression of the real economic benefit for the society as a whole: fair wages, improved working conditions, career development support, respecting the human rights, living standards, education, health and equal opportunities. The Global Reporting Initiative standard classifies the social performance indicators into the following major categories: (1) labour practices and decent work, through issues related to diversity and equal opportunity, employment, labour / management relations, occupational health and safety, training and education, equal

remuneration for women and men, supplier assessment for labour practices, labour practices grievance mechanisms; (2) human rights, through the investments, lack of discrimination, freedom of association and collective bargaining, child labour, forced and compulsory labour, indigenous rights, security practices, assessment, supplier human rights assessment, human rights grievance mechanisms; (3) society, through elements related to the local communities, public policy, anti-corruption, anti-competitive behaviour, compliance, supplier assessment for impacts on society, grievance mechanisms for impacts on society; (4) product responsibility, through the consumer health and safety, products and services provided and labelling, advertising, confidentiality of data and compliance.

In an attempt to quantify the CSR involvement in the field of arts and culture (AC) in Romania and Bulgaria using the AC-CSR Index, Iamandi and Constantin (2012a) identified some pillars to compose the index: (1) supporting the organization and development of AC events; (2) supporting the cultural reconstruction of the local environment; (3) supporting young talents in AC fields; (4) supporting talented and disadvantaged people in AC fields; (5) supporting the development of AC inside the company or for employees; (6) cooperating with local authorities or NGOs in AC fields and (7) promoting the development of AC within the local communities. The authors highlights a similar trend for the analyzed countries and a clear focus on the CSR actions related to company's object of activity, explaining in this way the results of this paper regarding the financial education concern in the banking industry.

The same scholars have developed an empirical study in order to compare the CSR practices dedicated to employees in the Central and South-Eastern Europe countries (Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia) through four CSR-HR composite indices and six main pillars: (1) improvement of labour conditions and job satisfaction; (2) work-private life balance; (3) equal opportunities and promotion of diversity; (4) personnel training and development; (5) participation of employees in the decision-making process; (6) fair payment and financial support for employees (Iamandi and Constantin, 2012b). Relying on the Human Resources (HR) influence on CSR, Gond *et al.* (2011) suggest that the HR-CSR interface can substantially contribute to the responsible leadership of 22 corporations operating in France, mobilizing in the same time the employees for the social good purpose. In the same extent, Stoian and Zaharia (2011) investigate the employees' expectations toward the CSR current expression, suggesting a division between exogenous and endogenous CSR. On the other hand, Koleva *et al.* (2010) highlight the „participative CSR” in the post-communist countries, contributing to the CSR enhancement in the area. Although the CSR process in the transition economies is under-investigated, several theoretical positions have emerged, revealing the important role of multinationals as drivers of sustainability, which were mainly anchored in the Western social responsibility framework.

Regarding the Planet dimension, it includes a number of environmental protection practices: preventing air, water and soil pollution, recycling, efficient use of natural resources, air and water quality, product lifecycle assessment or the environmental management. In addition to its purely ecological side, the mix between the environment and the economic area includes energy efficiency issues and different granting subsidies for environmental causes. On the other hand, focusing on cost reduction through a more efficient use of natural resources raises the issue of an authentic CSR, with obvious consequences on the theoretical foundations of the CSR concept. The Global Reporting Initiative standard includes the following aspects in the environmental category:

materials, energy, water, biodiversity, emissions, effluents and waste, products and services, compliance, transport, overall - total environmental protection expenditures and investments by type, supplier environmental assessment and environmental grievance mechanisms.

The economic component of TBL refers to the Profit, managing costs, being reflected in the macroeconomic environment through the research and development expenses and the total growth of the national economy. This dimension focus on the impact of the company on the national economy, the revenue that contributes to the creation of GDP, sales, turnover, cash flow, taxes, number of firms in a sector, number of employees. According to the GRI standard, the economic dimension includes: economic performance, indirect economic impacts, procurement practices and market presence. On the other hand, the economic dimension is in the middle of all CSR approaches, considering that obtaining profit represents the basis for the development of corporate social responsibility. However, starting from the central goal of a business, to maximize the profit, it can be observed that the economic dimension is realized by its very nature, being a decisive condition in the survival of a company on the market. Thus, there is a bidirectional relationship between the organization and the market forces, the economic policies adopted by the state and the national legislation, mutually enhancing the benefit of a society.

3. Methodology

The sample of this paper is based on the Top 100 SEE – South-East Europe’s Biggest Companies 2015 and the National Bank of Romania data, including ten credit institutions, Romanian legal entities, with majority foreign capital and branches of foreign credit institutions which activate on the Romanian financial market. Taking into account the net assets indicator for the reference year 2014, there were 21 leading credit institutions from Romania which were included in the mentioned ranking that included ten representative countries in South-East Europe: Croatia (10 banks), Romania (21 banks), Slovenia (15 banks), Bulgaria (18 banks), Serbia (15 banks), Albania (6 banks), Bosnia and Herzegovina (6 banks), Republic of Macedonia (3 banks), Republic of Moldova (5 banks) and Montenegro (1 bank). The main evidence from this study was the real impact of the Romanian banking institutions in the region, representing 21% of the total banking institutions included in the analysis.

According to the “best-in-class” approach by net assets and the considered criteria, there were identified ten banks included in the sample: Banca Comercial Român SA, BRD - Groupe Société Générale SA, Raiffeisen Bank SA, UniCredit Bank SA, ING Bank SA, Alpha Bank România SA, Bancpost SA, Piraeus Bank România SA, Banca Românească SA, OTP Bank România SA. This approach is also used in the Dow Jones Sustainability Index, in order to identify the leading companies around the world through a complex index developed in accordance with the sustainability requirements after an economic, social and environmental assessment. The methodological approach supports a neutral position on the existence of a dependence between the financial and the CSR performance as formulated by Abbott and Monsen (1979). Testing the significance of the correlation coefficient between the TBL variable and the profit/loss level in SPSS, it was obtained a Pearson Correlation of -0.280 that indicates a weak correlation due to the fact that the value is very close to 0. The TBL variable reflect the “triple bottom line” approach, being

realized only if the three dimensions analyzed (People-Profit-Planet) are simultaneously met. Thus, considering that the CSR performance according to the 'triple bottom line' theory does not necessarily influence the financial results, the paper suggests a rearrangement of the considered CSR dimensions in accordance with the context and the time framework, the profit criteria being an obligation only on the long-term.

The main hypothesis of this paper was tested in order to examine the Romanian financial market conditions in accordance with the 'triple bottom line' approach. In order to achieve the expected results, it was realized a qualitative analysis of the CSR sections from the official websites of the analyzed banks. Due to the fact that Piraeus Bank didn't include such a section in its website, in this particular case it was included the CSR section of the annual report. The research has focused exclusively on codes, their definition and selection, using different coding methods in order to develop the analytical process. The qualitative content analysis has revealed a strong connection of the established codes under the 'triple bottom line' theory. The present methodology is related to the Kilian and Hennigs (2012) CSR analysis of the annual reports for 30 companies listed on the Frankfurt Stock Exchange, being attached more than one code for some sentences and identifying repetitive codes in the mixed deductive-inductive process. A similar methodology was developed by Looser and Wehrmeyer (2015) in order to design the CSR particularities in the SMEs sector, based on 'in-vivo' coding and the new categories formed in accordance with the research requirements.

The sections were analyzed by integrating and electronically encoding the CSR data through qualitative analysis software (MAXQDA 12), a program that presents a number of additional coding functions used to facilitate the interpretation of the outputs. The methodological aspects used in the coding process refer to the development of working notes created by dividing the contents of the CSR sections corresponding to each bank of the sample into paragraphs and pre-coding the CSR information in detailed codifications, made by writing in red the meaningful words at a preliminary stage of coding. In order to identify the codes from the first analysis cycle, the encoding process includes codes that ranged from a single word to a series of words, mixing the initial coding method based on the first impression and In Vivo Coding, which apply to the words extracted from the document and putting them in quotation marks. These coding methods were then duplicated by descriptive coding, in order to refine the results and to obtain the second analysis cycle.

Using the methodology described by Zimmermann and Fliess (2017) to outline the sustainability framework in the banking sector typology related to the economic, ecological and social dimensions, the coding process followed the three-stage analysis, grouping the similar CSR activities and trying to attach them into theoretical patterns. Thus, the second process was based on the rearrangement of the primary results, maintaining the key-units according to their frequency. Recoding was necessary in order to establish the links between the initial codes and the interpretation of the causal relationship between the components of the CSR system in the banking sector. The results of these sequences were then set in a new order, based on the repetitive patterns identified and the discontinuity elements in the initial analysis. The research was continued by including the identified codes in categories based on common or distinctive elements. Thus, the coding process has led to the construction of a model based on the three Ps (People, Planet, Profit), depending on the correspondences identified and their frequency. In order to structure the data according to the research objectives, the information was filtered by taking into account the CSR field addressed by the banks from Romania, the

stakeholders considered in the process of building the CSR policies and the results pursued in the CSR approach.

In the context of the interdependencies found in the previous phases, the last two cycles of data coding required systematic work to align the results of the encoded data in the conceptual directions of the CSR approach of this paper, based on the 'triple bottom line' theory. Moreover, the main themes derived from the previous classifications have been formulated, requiring a more detailed description of the identified processes, as opposed to codes, which explicitly describe the analyzed data segments. The clarification of the theoretical structure by developing the fundamental CSR notions in the Romanian banking practice validate the paper hypothesis on the essential role of the 'triple bottom line' approach in the construction of social responsibility within the banking sector in Romania.

4. The Social Impact of the CSR Construct – the Romanian Banking Sector Analysis

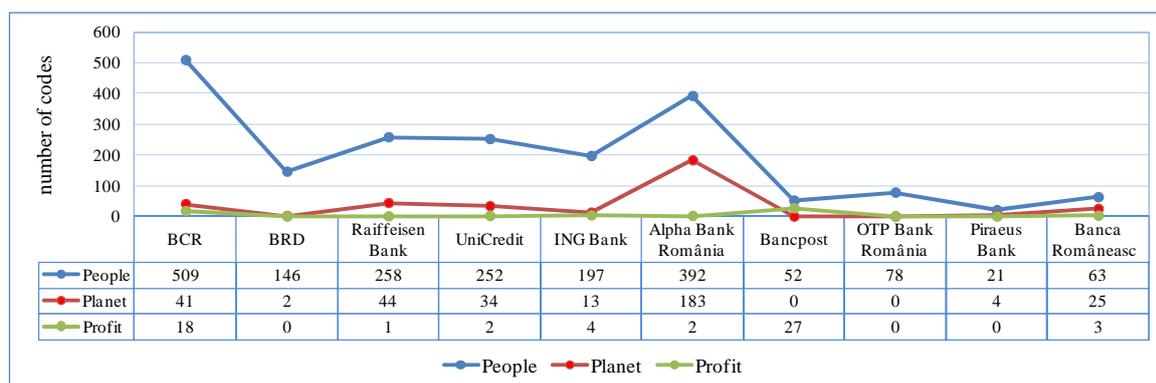
The analysis revealed a number of 2371 significant codes in the first analysis cycle, which were included in three main categories (People, Planet, Profit), according to the fundamental directions of CSR activity. Thus, the Profit code included four main categories: (1) cooperation; (2) events; (3) responsible financing and (4) economic development. In the responsible financing area can be included green business, supporting the business community, responsible products and responsibility towards clients. On the other hand, four main subcategories were outlined in the economic development area: facilitating trade, promoting local products, stakeholders (entrepreneurs, clients, exporters and importers) and economic performance. The economic approach suggests the importance of the financial factor as a support element for other CSR dimensions, starting from the idea of maximizing profit as a fundamental reason in the development of any business. Moreover, it can be noted the existence of a bidirectional relationship between profit and corporate social responsibility, making profits a major factor in the development of new CSR actions, while the CSR elements can also influence the overall development of a business, and in this way, the profit level. As an extension, the economic dimension can include the macroeconomic features through the effects that the private initiative can bring to the labour market, the different activity sectors, the evolution of GDP or the monetary flows.

The second code referring to the Planet dimension is composed of several common points and two main directions: (1) saving the natural resources – conservation of resources, sustainable development, responsible environmental policies and green energy; (2) the environment protection – waste management, recycling, urban ecology, nature and biodiversity, assessing the environmental responsibility and alternative means of transport. On the common ground with the other CSR activities, there are the volunteering actions, strategic partnerships, the real focus on the young generation, emotions, the voting platforms and the environmental events, which are related also to the community, education, sport and cultural initiatives. The environmental performance, highlighted in the Romanian banking sector mostly through the resource saving, renewable energy use or waste recycling, raises the issue of the authenticity of these actions through their effects of reducing the costs or improving the image, given the notoriety of these actions among the public.

The analyzed data confirms the initial assumption that corporate social responsibility in the Romanian banking sector is a tripartite construction in line with the ‘triple bottom line’ approach. In this respect, following the coding process, the People dimension was the most emphasized field of CSR action, for the analyzed sample. Considering the other CSR dimensions according to the Figure 1, only Alpha Bank Romania reported a medium level of environmental visibility, due to the platform Alpha Green. The main message of this initiative, „Enjoy the green!”, was directly related to the environmental actions organized with the employees support, creating long term partnerships with strategic institutions. On the other hand, BCR is the main actor in the CSR field, with direct focus on People dimension. Considering this structure, it can be noticed the impact of the bank in the community, in both the educational and society field. The BCR programs were: Summer Job, START! Business, YouthBank, Social Impact Award, The fabulous world of money, The bank of responsible children. These educational projects were completed by those that promote the models and the social involvement, together with the volunteering actions and the leadership programs.

According to **Figure 1**, most of the CSR actions are included in the People dimension, being codified 1968 sequences that relate to the social development field, culture, education and sports. The second position in the Romanian banking sector preferences are the Planet issues, with a total number of 346 codes. Despite the urgent environmental problems of the last decades, the Planet-oriented approach is just under low circumstances in our country, the Romanian banks preferring to satisfy the social demands through charity. Moreover, there are also two banks (Bancpost and OTP Bank Romania) which completely ignore the environmental objectives in their CSR strategy, creating only a diffuse link with pollution issues and recycling practices. On the other hand, the financial performance is poor defined in the CSR reporting sphere, the most part of the sample considering the economic performance as part of their duty and exclude these elements from their CSR disclosure.

Figure 1. The CSR dimensions for the analyzed sample

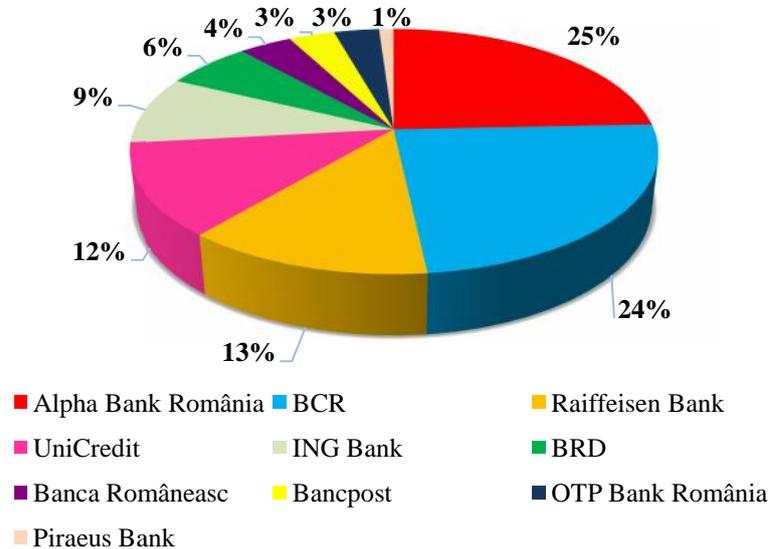


Source: author’s analysis

If the People component has a broad space in the current context of the CSR development of the Romanian banking system, with a particular focus on both young people and employees, the other two categories have a lower visibility in the CSR approach of the banking institutions. Thus, all the analyzed banks report the financial data on their official website as a result of a more coherent regulation in this area, unlike the CSR data reporting, which has been done for a long time on a voluntary basis. According to **Figure 2**, the coding process revealed a high proportion of codes for BCR and Alpha Bank, with a number of 568 CSR codes, respectively 577 CSR codes. The lowest level was registered

for Piraeus Bank, which was also the only bank without a particular CSR section on its website. Low rates of CSR codes are also emphasized for Bancpost, OTP Bank Romania and Banca Româneasc , which have low positions in the ranking based on the total assets.

Figure 2. The CSR coding proportions for the analyzed sample



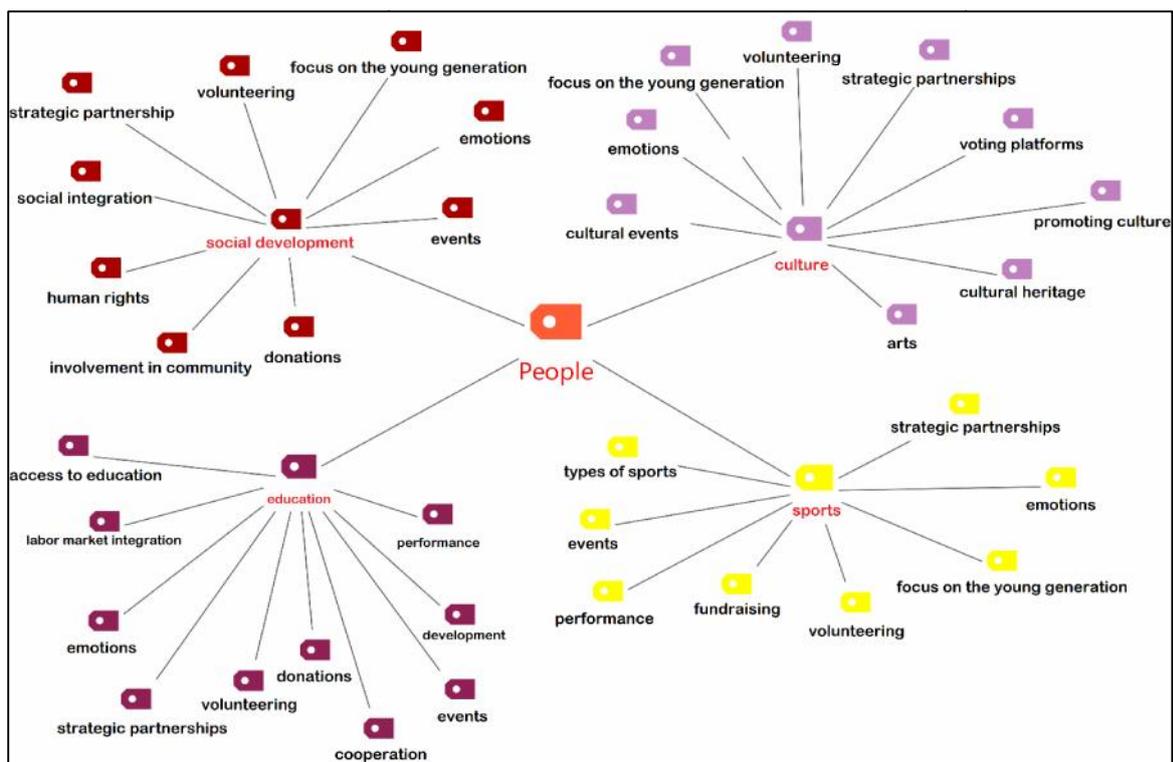
Source: author's analysis

The lack of a consistent legislation establishing clear CSR reporting criteria, without standardized reporting formula has led to a superficial CSR disclosure, encouraging the decision makers to reveal the positive aspects, omitting the negative ones and the regressions registered in some fields. On the other hand, the impossibility to quantify the results has direct effects on the correct understanding of the phenomenon, especially as financial institutions provide limited information on the CSR budget. This legislative gap was solved by the alignment with the EU acquis, reflected in the Directive 95/2014, which was included into the Romanian legislation by the Order no. 1938/2016, but whose effects will be visible starting from 2017. According to this directive, the organizations with major impact on the national economy are required to publish non-financial information in order to satisfy their stakeholders' demands.

Starting from these assumptions and completing with the existing references regarding the relationship between the operational activity of a bank and the economic dimension, we will try to concentrate on the elements that are absolutely voluntary, being pursued by the banking institutions for ethical reasons. In this respect, the social component presents a particular significance for the Romanian banking environment, the social performance being outlined by all the banks included in the sample. As a matter of fact, the People dimension is best outlined in the Romanian banking system, with four distinct encoded subcategories (**Figure 3**): social development, education, sports and culture. Thus, the structure of social development coding comprises several common key-codes (emotions, focus on the young generation, strategic partnerships, events, donations, volunteering) and three specific sub-codes: (1) social integration, with a special emphasis on young people and disadvantaged groups; (2) community involvement, concerning the issues related to the civic involvement, social solidarity programs, social entrepreneurship, project competitions and voting platforms; (3) human rights, with a special focus on the quality of life, safety standards, health and the fight against violence.

The first category, the social development, includes primarily the actions dedicated to disadvantaged people, in order to reduce the poverty and strengthening social solidarity through the charity events. A new trend in the CSR development is to direct the efforts in the sphere of social entrepreneurship, as a new form of meeting the social needs based on the private initiative. In this respect, the social assistance actions organized in partnership with charities organizations are focused on solving social problems and meeting the needs of vulnerable groups. The cooperation between the banks and the NGO sector in the corporate social responsibility framework generates an increased social impact through the CSR visibility, while focusing on the philanthropic dimension of social responsibility, which was placed at the top of the Carroll's dimensional pyramid.

Figure 3. The People dimension of the corporate social responsibility



Source: author's analysis, MAXQDA 12

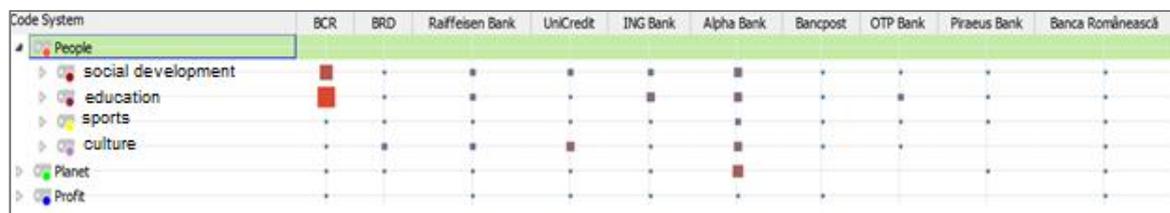
On the other hand, the educational actions have some particularities, also including several common key-codes (events, volunteering, emotions, strategic partnerships, donations) and three specific sub-codes: (1) skills development, personal and professional development and educational system development, with a special reference to the entrepreneurial education and financial education; (2) cooperation between the young generation and teachers, parents and educational institutions; (3) performance, divided into leadership, competition, efforts and models. The subjects dedicated to the integration into the labour market and the access to education are also very significant in the education code review. First of all, the large scale of the educational projects demonstrates the obvious interest of the banking institutions for the young public, but also a focus on the financial education theme. From this point of view, the CSR involvement of the analyzed banks can be considered as a reactive one, due to the consequences of the financial crisis on the global market and its effects on the reputational value of the entire financial system. Moreover, the educational projects lead to the personal and professional

development of young people, as the future human capital for the banking system, in particular.

Another category of the People dimension is represented by sports, as cultivating a positive attitude towards sports, developing in the same time new premises for increasing the quality of life by maintaining health and also the macroeconomic growth. These are mainly the results of traditionally sports events organized on the long-term partnerships basis with sports federations or national sport teams. The option for sports competitions is closely related to a number of other educational, cultural or social events that promote leadership and performance. Thus, the encoded data suggests the following categorization: (1) sports events; (2) types of sports; (3) performance; (4) emotions; (5) strategic partnerships; (6) the focus on the young people; (7) the employee volunteering and (8) fundraising.

The last code refers to the culture, considering that the cultural actions are human-centred, developing the human capacity to appreciate the historical and cultural heritage, the values and the cultural traditions communicated by generations. The sponsored artistic events organized as festivals, concerts, theatre plays, shows and exhibitions etc., have the main scope to amplify the national cultural identity by articulating a solid social system and integrating the national consciousness into the individual one. From the arts sphere, the music is the most representative component, along with literature and popular traditions. The structure of the code „culture” can be designed as follows: (1) promoting culture; (2) arts; (3) cultural heritage; (4) strategic partnerships; (5) cultural events; (6) volunteering; (7) focus on the young generation; (8) emotions and (9) voting platforms.

Figure 4. The coding process results for the analyzed sample



Source: author analysis, MAXQDA 12

Figure 4 suggests that the CSR activities are mainly included in the education (775 codes) and social development (599 codes) areas, followed by the culture (417 codes) and sports (177 codes). While BCR focus the most on the educational activities and social development issues, Alpha Bank is the leading institution for sports, guiding the CSR strategy on healthy principles and supporting sports. Similar levels of involvement in the cultural activity have both UniCredit and Alpha Bank, with a wide range of events organized. All these considerations underlie the assumption that the social dimension represents a prior position in the current CSR development in the Romanian banking system, proposing a mix of measures oriented towards the affective character of the human race, by changing mentalities and behaviours for the social benefit. Considering these results, it can be said that the corporate social responsibility, in its most authentic form, focuses on the voluntary satisfaction of social needs and has as sole purpose the fulfilment of stakeholder interests by combining the ethical elements with the philanthropic ones.

5. Common Points in the CSR Disclosure – People Overview

The present research highlights a number of common elements applicable to all identified subcategories, establishing five key-codes by recoding of the initial codes developed in the first stage: (1) focus on the young generation; (2) the employee volunteering; (3) strategic partnerships; (4) emotions and (5) the CSR visibility and the link with the banking marketing. In this respect, focusing on the young people in all the CSR fields relates to some collateral advantages pursued by banks through investments in the human resources, which represents the potential human capital used by the bank in the future. On the other hand, the financial education is another direction of the banking system in Romania, developed as a result of the system crises and the financial accountability needs through a correct personal/family budget management, contributing to a better awareness of the CSR landmarks in the purchasing and consumption behaviour.

The detailed analysis of the coding process included in this paper synthesizes one of the key features of the corporate social responsibility in the Romanian banking system, which focuses on the internal stakeholders (the employees) efforts to attract external stakeholders (the potential clients). This form of guiding the CSR activity towards aggregating the individual and the organizational efforts for a common goal is based on the employees' identification with the organizational values promoted by the bank, the volunteering culture and creating an optimal relationship between employees and prospective clients, as a new form of banking marketing.

These conditions are also reinforced by the intense visibility actions of the CSR campaigns developed in order to maintain or to regain the bank's image on the market. Moreover, a banking practice increasingly used in the current period is to provide project grants for non-governmental organizations or informal groups that also require the support of the general public through voting mechanisms and the creation of online platforms dedicated to the community. In this way, the CSR actions are promoted and placed in the mind of potential clients, who are trained in the competition of projects proposed by the participants, becoming co-participants to their success. The visibility items can be quantified by the number of unique visitors per online platform / web page / Facebook page, the number of social media relevant articles, the number of views, the number of users of the online platforms created, the number of hits, posts and statistics.

All the banks included in the analyzed sample develop long-term partnerships with non-governmental organizations through actions with social or environmental impact, outlining a bidirectional relationship that emphasizes the cooperation in achieving common goals, the mutual support in achieving the proposed social causes and organizing linear events in order to ensure continuity over several editions. The NGOs are perceived by the bank in terms of potential influence on the final beneficiaries, being considered an easy 'tool' of gaining the public recognition by joining the vision and the proposed projects. The non-governmental sector can be considered a link between the community and the banking institutions, contributing to meeting social or environmental needs.

In the recent period, an integrated approach to the bank-NGOs relationship has been attempted by creating foundations attached to the financial group that better integrates the social responsibility functions of the represented institutions. A new trend in the CSR evolution in the Romanian banking sector is the involvement of non-governmental organizations in project competitions in order to obtain the funding needed to cover the society needs. In this way, two major effects are outlined: (1) increasing the visibility of

the banking institutions among NGOs and general public (through beneficiaries), and (2) using the NGOs as a mask in organizing the CSR actions through less time, efforts and energy. On the other hand, the banks have become increasingly stricter in their funding decisions, making a number of selection criteria that NGOs have to respect and focusing on the long-term sustainability of the proposed projects.

Another output of the present paper assumes that the corporate social responsibility in the Romanian banking system constantly appeals to the emotions of the beneficiaries by integrating testimonials into the CSR sections of the websites that increase the public's attachment to the bank. Taking into account this approach, it can be resumed that engaging in sports or educational competitions increase the opportunities of the target groups by conveying some behavioural changes and strengthening the leadership spirit. Creating trust and developing the initiative lead to achieve personal and professional success, testing in the same time the decision-making capacity and respecting the established principles. Among the InVivo codes used to translate the CSR experiences into the affective sense are: "impressed", "dreams", "desires", "fulfilments", "emotions", "pride", "gratitude", "ambition", "charity", etc.

6. Conclusion

The present paper brings some important contributions to the existing literature on Romanian CSR in the banking sector. First of all, it focuses on the People dimension as an important tool to develop de CSR understanding, offering a theoretically oriented direction related to the 'triple bottom line' concept. Thus, focusing on the social nature of the CSR actions, which received little attention in the CSR disclosure practice, the main results can guide the CSR decision makers in order to include all the relevant stakeholders in the CSR communicated outputs and to action in accordance with their needs. Due to the fact that some CSR features are understudied, the employees are often considered marginal stakeholders and the reporting sections directed to them, even if they exist, are poor emphasized on the official websites. The paper establish a new headway in the CSR development in Romanian banking sector, putting the efforts dedicated to the employees at the right scale, as both beneficiaries of the social responsibility actions and key-actors that participate to the CSR activity through volunteering.

In line with the findings of Zimmermann and Fliess (2017), the research identifies some patterns in the CSR disclosure mechanism which can be attached to the triad People-Profit-Planet. The authors identified four types of sustainability approach related to the banking sector: (1) social banking, which is related to the People dimension; (2) ecological banking, which is related to the Planet dimension; (3) donor banking, category that was included as a common subcategory in the present paper analysis and (4) pure banking, which mainly refers to the Profit dimension. Following the coding process, the findings support the conclusions of Zimmermann and Fliess (2017), which are also emphasizing the relationship between the banks and the social organizations, as an extensive way to favour the CSR construct in the analyzed sector.

The main assumption of this paper is that the Romanian banking sector attach to the 'triple bottom line' approach, exploring the People dimension in its strategic phases. Thus, the coding process has outlined an integrated CSR agenda that includes four encoded data related to the People dimension: social development, education, sports and culture. Moreover, the common elements of this analysis revealed the particular

relationship between the community needs and the banking marketing, as a new form of attracting new clients on the emotional basis.

Most of the CSR actions concerning social issues have been directed towards the community, in broad terms, and children / young people / teenagers, in particular. As well as the vulnerable groups, children are a constant concern for the banking sector, aiming to increase the social integration of those from disorganized families, to reduce the school absenteeism, to increase the access to education for disadvantaged children. The other subcategories of the People dimension (education, sports and culture) also focus on the young public as direct or indirect beneficiaries of the CSR actions, as most of the proposed activities are dedicated to teenagers who participate in various personal and professional development processes, sports competitions and cultural events.

Regardless of the main field, the competitions support excellence, positive examples and talents, developing the potential of the young generation and the quality improvement of the human capital. The target group consists of potential future employees and professionals who will have the role of supporting the national economic activity by appropriately valorising their competencies. Moreover, the development of the initiative among the future employees contributes to their identification with the values promoted by the bank, improving their motivation and their involvement in the corporate social responsibility actions through volunteering.

On the other hand, the concentration of the CSR actions on the young people leads to the conclusion that there is a hidden process of training the future employees under the appearance of CSR. Developing this hypothesis, the employee involvement in the decision-making process and the CSR development by identifying them with the vision and the values of financial institutions is a factor of progress for the bank by increasing the productivity and the efficiency of work. Moreover, the visibility of CSR actions in Romania is most often mistrusted by academics in the absence of clear benchmarks, regulations or standardization, strengthening the idea of a disproportionate corporate social responsibility.

The existing mutual relationships between the previously described features lead to the conclusion of a „soft” CSR that primarily focuses on gaining material benefits. Regarding the cooperation with the non-governmental sector, the analysis has revealed the existence of obvious advantages for the banks if they are involved in such partnerships. Under these circumstances, there is the question of the existence of an authentic CSR or a hybrid form of corporate social responsibility, which combines the social responsibility practices of the group with the marketization tendencies of the CSR actions in the Romanian banking sector.

The results also show a TBL oriented approach for the CSR disclosure practices in the analyzed sector, but far enough to an integrated reporting framework and clear measurement tools for the CSR performance. Despite the common background of the CEE states, these countries have achieved unequal development directions, due to the fast accession to the European Union and the urgent pressure to align to the *acquis communautaire* (De Schutter, 2008). The evidence of the CSR attributes in Bulgaria and Russia developed by Puncheva-Michelotti *et al.* (2010) introduce the human rights issues, which have also a specific place in the social development coding category. According to the authors, there are strong differences between Eastern and Western Europe in terms of human rights perceptions, while the human rights code category included in the present analysis for Romania is mainly related to the quality of life, safety standards, health and the fight against violence. In a study comparing the attitudes of students and managers

towards corporate social responsibility in Central and Eastern Europe (CEE) and Western Europe, Furrer *et al.* (2010) find a lack of homogeneity in the CEE structure, mentioning the position of Czech Republic which is more closer to the Western Europe or the high importance of the economic dimension in Russia or Lithuania than the social responsibility. Contrary to these findings, the present paper emphasize a reverse order for the Romanian banking sector, while the economic dimension is at the bottom of the pyramid and the social one is on the top. Many future research endeavours should apply on the existing differences in CSR perceptions between these states, comparing the main reasons to disclose more some social activities and to extend the sample at the international level, by including the corresponding financial groups in the analysis.

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