CORPORATE SOCIAL RESPONSIBILITY IN THE FINANCIAL SECTOR

Dóra Diána Horváth

PhD student, University of Miskolc
szvhdora@uni-miskolc.hu

SUMMARY

In my research I shall examine the current level of the CSR activities and strategies of the Hungarian financial sector based on the analysed data. I expect to prove that banks consider CSR as a factor of strategic importance and their scope of used CSR tools could be broaden. I shall present that Hungarian CSR practices of banking sector differs from other sectors’ CSR activities and from the internationally applied strategies.

The concept of corporate social responsibility is not new in the banking sector, but nowadays, it becomes highly topical since the crisis has significantly highlighted the need for integration of moral principles in the banking business. Knowledge of business practice indicates the fact that the acceptance of moral principles in business is not integrated into management decisions of companies.

Management of a banking organization should have appropriate policy in place for establishing positive organizational culture and social responsible mindset of staff members. If commitment for becoming a social responsible banking organization between management and staff, and accountability and creditability can be demonstrated through effective and efficient internal audit, customers and the community will be benefited with risks reduced and quality enhanced. Banks should involve their employees in CSR activities, because they will be more committed for the organization.

INTRODUCTION

In my research I examine the CSR activities of financial sectors (banks, insurance companies, investment funds and real estate).

It is to assume that the more conscious, more innovative application of CSR strategies may influence the social reputation of the companies positively. So it is worth for the companies to invest in CSR activities, because it is profitable in the long run. For verifying this assumption it is important to analyse the efficiency, impact of CSR on business performance.

Each company differs in how it implements corporate social responsibility, if at all. The differences depend on such factors as the specific company’s size, the particular industry involved, the firm’s business culture, stakeholder demands, and how historically progressive the company is in engaging CSR. Some companies focus on a single area, which is regarded as the most important for them or where they have the highest impact or vulnerability - human rights, for example, or the environment - while others aim to integrate CSR in all aspects of their operations. For successful implementation, it is crucial that the CSR principles are part of the corporations values and strategic planning, and that both management and employees
are committed to them. Furthermore, it is important that the CSR strategy is aligned with the company’s specific corporate objectives and core competencies. (Tsoutsoura, 2004.)

On the basis of studies finding a positive correlation between social responsibilities and corporate productivity, it can be stated that a socially responsible attitude of a company can be considered a long-term and strategic investment which results in competitive advantages in a favourable corporate environment and will finally lead to economic returns. In addition, it will create a “win-win” type situation from which the company and its environment, as well as society, will profit. By a favourable corporate environment we mean that corporate people promote and give a positive evaluation to CSR initiatives. There may be considerable divergences between certain countries and regions in this respect. It is not surprising that companies committed to CSR try to have a positive impact on their environment as well by, for example, increasing customer awareness and promoting the development of a regulatory system for the promotion of CSR.

Companies have to behave in a responsible way, but the reason for doing so should not be profitability. However, it is not a problem if there are forms of social activities which comply or can be made to comply with business interests. It is crucially important that a company should be trustworthy, as this model is based on trust. The new business model seems to ensure real competitive advantages if the corporation environment develops. However, later it can appear in the form of a basic expectation, resulting in a competitive disadvantage for companies thinking in a different way. (Waddock - Graves, 1997)

**MOTIVATION AND EXPLANATION OF THE TOPIC SELECTION**

Management without caring needs and expectations of stakeholders in a community will not be competitive compared with those who do in the 21st century. Demand for accountability and transparency from both public and private sectors has become soaring. In the olden days, management was seeking for survival and profits. Nowadays, management concerns managing financial and non-financial results with awareness of risk and maintenance of transparency. As a result, corporate social performance (CSP) has possessed equal importance of corporate financial performance (CFP). (Yeung, 2011)

The term “Stakeholder” has been put into today’s management vocabulary. In fact, it provides a full picture for management to map their „ought to be” – „obligations” as well as their „need to be” – „customers’ requirements”. Having a stakeholder map, it can widen the horizon of marketers in the sense of making them realize the importance of social responsibility; and the need of fulfilling requirements of customers and the society. Stakeholders do not want to have any undesirable events found in the market. Issues that they are concerned are things that affect their health and safety. Products or services that consist of misleading messages in advertisements are especially the worry of the public. They want to get a real message from marketers, instead of marketing gimmicks. Hence, marketers should develop an awareness of social responsibility when devising marketing campaigns.
ROLE OF BANKS IN CORPORATE SOCIAL RESPONSIBILITY (CSR)

An important component of the economic system is represented by the financial institutions. They have an important role owing to their function of attracting financial resources from the economy and their redistribution to businesses that are looking for financial resources to finance new projects or projects in development. In addition, financial institutions are able to catalyse the introduction of rules on sustainable development. Similar to other companies, banking and financial institutions have a certain conduct in dealing with the local community, labour and the environment, and their relationships can be used as key tools in imposing principles of sustainability to the borrowers. (Matei, 2013)

Taking deposits, granting loans and providing complementary services are the core business of banks. No matter what kinds of countries, what kinds of culture, and what kinds of banking products and investors, banks need to be responsible for their customers in a social responsible way.

“Businesses not only must deal with hard-number economic realities, but they also have to address the perceptions and beliefs of their customers. Thus, organizations must adjust to the changing outlook of the consumers who buy what they try to sell. It’s not certain, however, what form this adjustment should take.” (McEwen, 2008)

In order to fulfill the dimensions of CSR as mentioned above, Murphy (1999) identified some of the key steps to evaluate ethics in product / service management. First of all, marketers need to have an intention to identify and judge ethical behavior. Secondly, they need to establish proper channels to implement a particular marketing program with formal ethical analysis of products/services. Consequences of marketing programs shall be clearly identified, and unethical practices shall be properly managed with staff commitment. Examples of implementing ethical marketing programs can be provision of sufficient product instructions as well as appropriate warning labels for the products that they introduce and maintain in the marketplace. Protecting environment, product safety and hygiene are hot issues in today’s marketplace. Lastly, marketing organizations, including marketing staff of banking and finance organizations should have ethical standards for developing and introducing new products. Specific ethical policies should be put in place to shape ethical behavior of staff.

All in all, CSR in banking industries should comprise the above-mentioned elements: risk assessment, effective and efficient internal audit process with value added to stakeholders. Hence, in order to maintain competitiveness in the market and responsible to customers, bankers need to understand the economic situation, re-focus marketing strategy with prudent risk management system, identify the concerns of customers, implement fair operation procedures to protect customers and the community as a whole.

The concept of corporate social responsibility is not new in the banking sector, but nowadays, it becomes highly topical since the crisis has significantly highlighted the need for integration of moral principles in the banking business. Knowledge of business practice indicates the fact that the acceptance of moral principles in business is not integrated into management decision of companies. It also cannot be accepted that self-regulatory instruments of companies such as CSR will be effective. The existing experience with the implementation of CSR and ethical principles in the banking sector leads to the opinion that
the social responsibility of banks and ethics in banking sector are perceived as an appropriate marketing tool for public communication and are not integrated into policies of individual commercial banks. Experience with the crisis demonstrated that there is a lack of moral principles of managers’ decisions. (Lenka, 2011)

The international financial crisis was a signal of alarm which resulted in a change of the vision of the social responsibility linked to the granting of credit to individuals. Due to the crisis forms of manifestation it led to the emergence of the concept of responsible lending. Not understanding the financial mechanisms of crediting by the population, together with the lack of accountability on the part of banks led to the emergence of a crisis generated by the loans obtained without a careful evaluation of the possibility of redemption, as was the case with the credits obtained with the ID card. As a result of these realities, most banks that have launched social responsibility programs, have at least a financial education program, which aims to disseminate among the population, especially young people, the advantages of using banking products. An interesting category of CSR programs is represented by the activities involving employees of the companies, as the ones from the banking sector, which involves employees as volunteers in various programs supported by banks.

THEORETICAL BACKGROUND

Carroll’s CSR Pyramid

One of the best known and most widely accepted definition of CSR is by Carroll, who say that corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organisations. The CSR pyramid distinguishes various layers of responsibilities. The foundation is economic responsibility. At the same time, however, companies also need to comply with legal norms. Ethical responsibility equals the obligation to conduct in a fair way and to do the right thing, going beyond mere compliance with rules. It can also mean discretionary or philanthropic responsibility (Carroll, 1991).

The banking sector responded relatively late to the challenges of CSR. First it considered environmental, then social issues (Vigano –Nicolai, 2009). CSR as an instrument of the business sector serves to increase and legitimise the sector’s economic performance and also appears as the embodiment of the fundamental principles of business ethics (Scholtens, 2006).

The 2008 financial crisis drew attention to the necessity of CSR in this sector also, increasing the need for trust, as well as accountability and transparency that lead to it. Besides the role of an intermediary which channels savings into investments, traditionally considered as themain social function of financial institutions, besides efficient allocation and risk management, the need for ethical and responsible conduct has led to financial and investment processes pointing beyond the protection of the legitimate interests of depositors and owners (Tzu-Kuan Chiu, 2013).

Banks’ stakeholders include the owners, borrowers, depositors, managers, employees and regulators. Compared to many other sectors, a key characteristic of the banking sector is that it
affects a large number and a great variety of people. This results in considerably more complex information asymmetry. Another feature of the system is that in order to ensure the stability of the banking sector, it is characterised by much stricter regulation (Yamak et al., 2005). Since the banking sector differs from other economic sectors, its CSR practices are also different. Here there is more emphasis on responsibility in the areas of bank lending, investment and asset management operations, where combating bribery and money laundering are particularly important issues, being the key elements of anticorruption efforts, which is a crucial part of the banks’ CSR activities (Vigano– Nicolai, 2009).

Although banks have smaller direct impact on the environment, their indirect environmental and social responsibility may increase if they grant credit to companies which pollute the environment, produce unsafe products or violate human rights (Idowu – Filho, 2009). This way banks act as mediators of sorts, which may cause significant damages (Thompson – Cowton, 2004). The indirect impact may arise not only in relation to the users of banking services, but also the suppliers. As the management element of the responsible supplier chain, integrating environmental and social aspects into supplier policies has been adopted to finances as well.

![Carroll’s CSR Pyramid](http://research-methodology.net/carrolls-csr-pyramid-and-its-applications-to-small-and-medium-sized-businesses/)

**Figure 1.** Carroll’s CSR Pyramid

Applying Carroll’s CSR model to the financial sector, the levels of responsibility in terms of the banks are the following (Carroll, 1991):

**Economic responsibility.** This is the traditional reason for having banks, in other words to increase the owners’ welfare, ensure profitability and growth. One of the means of this is financial innovation. Since individual and corporate financial interests are constantly changing, banks create new opportunities for risk management and the effective mediation of resources. This involves developing new products, redefining the existing ones
and creating new channels. Interaction with stakeholders has a crucial role in determining these new products (Decker – Sale, 2009).

**Legal responsibility.** Regulation is determined by statutes, and its aim is to minimise risk and ensure safety and confidence in the financial system. In practice, statutes are supplemented by the compliance with the guidance of various supervisory bodies and trade associations, which is signified by the compliance function (Decker – Sale, 2009). Such statutes include Recommendation No. 11/2006 or 6/2013 (III.11) of the Hungarian Financial Supervisory Authority in Hungary; Compliance and the Compliance function in banks, the Guidelines on Internal Governance (GL 44, September 2011) or the Guidelines on Certain Aspects of the MiFID compliance function requirements in the European Union; and the Foreign Account Tax Compliance Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the UK Bribery Act, 2010 (Wieland, 2013) at an international level.

**Ethical responsibility.** Ethical norms can be interpreted through individual conscience and the expectations of external stakeholders. The motto of the London Stock Exchange “My word is my bond” embodies the basic ethical principles of honesty and sincerity, which together with trust, are traditionally linked to the financial sector (Decker – Sale, 2009). The codes of ethics that embody voluntary constraints also include the basic principles of integrity, fair conduct, respect and transparency in the financial sector. The ethical values and expectations of stakeholders are most apparent in the stakeholder dialogue, which puts communicative ethics into practice. Decker and Sale (2009) draw attention to the fact that the compliance approach, which is aimed at compliance with statutes, often does not favour the establishment of ethical business practices and business culture.

**Discretionary (philanthropic) responsibility.** It cannot be interpreted through external expectations; it is a voluntary activity, however, it has become common practice among banks, contributing to the better reputation of the financial sector (Decker – Sale, 2009). In the years following the crisis, there was an apparent shift in social expectations towards the general domains of CSR in the banking sector and its preferences. There is a need for the endorsement of social expectations in CSR that are more directly linked to the bank’s business activities and clientele. (Lentner, 2011) As far as stakeholders are concerned, the key expectations of clients include secure products and appropriate information provision. Employees want a safe workplace that is free from discrimination, and the respect of human dignity, while competitors expect fair competition. Banks not only need to watch the direct environmental impacts of their own operations, but also the impacts of their lending activities (Thompson and Cowton, 2004). From a social aspect, there has been a new development in recent years, namely helping the poor. One example is the micro-loan programme through low-income banking (Tzu-Kuan Chiu, 2013). The backdrop to this is the UN’s Principles for Responsible Investment, which stresses the importance of “inclusive finance” for vulnerable groups which otherwise could not afford financial products and services (PRIs 2011).
CSR Communication Tools

The communication tools of corporate social responsibility can be categorized based on the quantitative research of Ipsos-Insight, The Worldwide Qualitative Research Company in 2002-2003:

The use of logos is the simplest and the most common means of communication of CSR activities because it has simple application if the report had already learned of the society. The short labels are easier to understand, however, require greater attention to the target people and preliminary campaign is needed before use.

The advantage of information papers is that the person may decide to read it or not. It is costly, less efficient and pollutes the environment, which is not compatible with socially responsible behaviour. Only specific events, conferences connected should be used.

The advertisements are very effective CSR communication tools as it is widely available for the target group, but only for short, simple information suitable for broadcasting. The social ad is the most common way of CSR communication, which is preferable for the media.

The report of a truly independent body, which is known and recognized in society, may be the most reliable means of communication.

The journalist report gives an opportunity to provide more detailed information, but the credibility of the report depends on the individual, so media meeting or journalism forums may prove more effective tool.

The company report is equally important for all stakeholders and gives a free opportunity to further express of the CSR activities. (Ásványi, 2010)

Extending this list some more categories can complete the CSR communication tools of Ipsos Insight (Ásványi, 2009):

Thematic reports are publications, which refer to the performance of a business on a specific issue.

CSR awards provide a platform for unified communications. Companies are presented as an example. They communicate truthful information. CSR actions are evaluated by an independent body. They could include special initiatives, which are organized in the company.

CSR conferences aimed to support the domestic spread of CSR thinking and development of good practices. CSR events include specific initiatives or campaigns organized by the company to support or enhance knowledge on a specific issue or cause.

The number of CSR related sites is growing steadily in our country, which is a positive trend. These sites focus on CSR communication and its delivery to the society: alternate.hu, csr.lap.hu, www.bpcsr.com, www.cshrirlevel.hu, www.csrhungary.eu, www.csrpiac.hu, www.csrservices.hu. It is important to mention the blogs and forums growing up today which don’t give fully credible information but indicate that the society does address the issue and people are interested in corporate social responsibility. These methods may refer to a unique activity on a specific issue or to more constructive, wider and long term consultations: csr.blog.hu, csrblog.blogspot.com.

The aim of CSR-related applications is to encourage the valuable news on promoting CSR, strengthen the press echo of CSR action and show the positive examples.
The corporate website is a tool that increasingly is used by businesses for communicating CSR issues. They usually have a specific section in their website where they set out their policies for the economic, social and cultural issues. It can also include reports, publications and CSR-relates conferences, events, websites but also updated information.

The study “Communicating corporate social responsibility” (CSR Europe, 2000a) and “The first ever European survey of consumers’ attitude on corporate social responsibility” (CSR Europe, 2000b) provide further communication tools: codes of conduct and communication on product packaging.

There are two other CSR communication tools which can help companies to be able to communicate their CSR initiatives. Presentations and conference calls also give opportunity to the publication of CSR activities. The company can show what it does exactly for responsibility. The company magazine helps to inform the employees about the CSR initiatives of the company.

INTERNATIONAL HISTORY OF THE TOPIC

World Bank

One of the well-known international financial institutions is the World Bank, which aims notonly at financing investment projects, but also at the introduction of principles relating to the protection of the environment or of the population’s health and safety. Therefore, in 2007, the World Bank has implemented Environmental, Health, and Safety Guidelines – EHS Guidelines. These guidelines provide the measures achievable with existing technologies and levels of performance. Areas subject to these guidelines are: the environment, health and safety, the health and safety of communities, building and laying up. Besides these, there are sectoral guidelines applicable for the following sectors: agriculture, forestry, industry, chemical industry, oil and gas, infrastructure, processing industry, energy and mining.

International Finance Corporation (IFC)

Of the international financial institutions, an important activity in this field is compiled by the International Finance Corporation (IFC). This does not involve only the financing of economic entities from developing countries, but also the implementation of policies aimed to protect the environment and respect human rights. IFC’s involvement started in 1989 with the development of the procedure concerning the evaluation of projects in terms of environmental impact, named Safety Policy, based on the World Bank’s policy. The year 2006 was marked by a new step in the field of sustainable development through the adoption of IFC’s Sustainability Framework. IFC’s Sustainability Framework is made up of eight performance standards that IFC clients must fulfill. By implementing these standards, the IFC’s clients will minimize, and even eliminate, some negative effects on the environment, labour or local communities. Also the fulfillment of these standards of
performance ensures to those companies’ competitive advantages and the discovery of new opportunities for development. These standards were developed taking into account the commitments of the IFC3:

- IFC’s mission is the fight against poverty, this can be achieved through the promotion of sustainable growth and sustainable investments;
- IFC is considering avoiding disproportionate distribution of the economic development costs, environmental destruction and unsustainable use of natural resources; this can be achieved through a strong commitment of companies towards stakeholders, so as to avoid or mitigate negative effects on people and the environment;
- climate change is a global challenge, and reducing emissions of greenhouse gases is a priority for IFC, which cooperates in this respect, with the private sector and offers innovative investment tools and consulting services to ensure friendly solutions;
- IFC supports low-carbon economic development, supporting access to clean energy services;
- in the future, IFC will also require its customers information on emission of greenhouse gases, which will allow the quantification of the carbon footprint of the IFC’s investment portfolio;
- IFC recognizes the responsibility of economic operators on the observance and protection of human rights;
- IFC believes that women have an important role in the process of economic growth and poverty reduction. In this sense, IFC plans to create opportunities for women and eliminate gender discrimination through investments and advisory activities.
- In order to help the partners and to unite the public perception about the way of assessment of investment projects, the following performance standards have been developed:

1. Assessment and management of environmental and social risks and impacts;
2. Labour and working conditions;
3. Resource efficiency and pollution prevention;
4. Community health, safety, and security;
5. Land acquisition and involuntary resettlement;
6. Biodiversity management and sustainable management of living natural resources;
7. Indigenous peoples;
8. Cultural heritage.

Depending on the obtained score, the investment’s projects are classified into three categories, reflecting the impact of the project on the environment and the community, namely: A (high impact), B (medium impact), C (low impact). (Matei, 2013)
Global Reporting Initiative (GRI)

Another important step in promotion of corporate social responsibility is the foundation of the Global Reporting Initiative (GRI). GRI was founded in 1997 by the US non-profit organizations—the Coalition for Environmentally Responsible Economies (CERES) and the Tellus Institute. GRI was created to develop and disseminate guidelines for reporting on sustainable development. Using guidelines developed by GRI, companies, institutions and other organizations have a pattern of social responsibility assessment and dissemination through the reporting of information to stakeholders regarding involvement and social performance. The guidelines consist of principles and indicators used in evaluating the performance of economic, social and environmental sustainability of an organization. At the same time, the guidelines create unified reporting results, which make easier the comparisons between different regions of a country or between different states. Besides the guidelines there were created sectoral lines, due to the diversity of companies and the specific problems of some fields, used in the calculation of specific indicators for sectors such as finance, media, telecommunications, the automotive industry. Rounding guidelines are not mandatory, but, lately, the interest of companies is on a steep slope reflected in the growing number of reports sent by corporations and SMEs. (Matei, 2013)

Figure 2. The Factors of CSR

Source: Malik, 2015

CSR OF THE FINANCIAL SECTOR IN HUNGARY

Chart 4 shows banking activities and CSR activities in relation to the typical CSR areas of the banking sector. Banking activity is interpreted in terms of the balance sheet total and the number of branches, while CSR activity shows whether the bank integrates CSR initiatives into its business activities or just applies the philanthropic aspect. The following CSR map is
Based on information available on the websites of Hungarian commercial banks.(Lentner, 2015)

In my opinion, the CSR approach can be expanded to other areas. During decision making, benefits and damages could be considered, which are yielded or caused by that particular decision outside of a given organisation and not influencing their profit in the short-term.

For example, faulty product development causing system-level failures may destroy the savings of certain household groups. The basic principles could be laid down in voluntary codes of ethics that go beyond the statutes in order to keep to the right directions. There should be more stress on guaranteeing compliance with the Codes Of Ethics in banking organisations.(Szegedi, 2010)

**Figure 3.** CSR and banking activities of the banking sector

*Source: Lentner, 2015*

**HYPOTHESES**

Based on the Hungarian and foreign literature I studied, I made my assumptions which are the following:
The members of the financial sector consider CSR as a factor of strategic importance. For them CSR means not only compliance with the obligatory recommendations and regulations but also commitment for the real social and environmental issues.

CSR tools:
- Most members of the financial sector apply few kind of CSR-tools or methods, and they only wish to maintain the scope of used techniques and not broaden it.
- The CSR activities and strategies of the financial sector is primarily based on doing community activities. The reason for that is community activities can be carried out easily and are expected to have the most significant impact or added-value on the society and clients.
- Concentrating on fewer tools results in higher efficiency than if they would concentrate on many tools on a lower level.

There is a positive relation between the profitability of the financial sector and its applied CSR strategies (its social and environmental activity, the benefits provided for the local communities, the level of the CSR’ strategic significance).

The applied CSR strategies in the financial sector differ from other sectors’ CSR strategies, because every sector considers different forms effective.

The applied CSR strategies in the Hungarian financial sector differ from other countries’ CSR strategies, because Hungary adapts consciously to the national economic, social and environmental situation.

CSR activities of banks have a positive effect on employee organizational commitment and organizational performance, and they also become more committed to social, economical and environmental issues.

METHODOLOGY

Secondary Research

I would carry out a secondary research first, to get to know the theoretical background of the topic. I would study the national and international history and literature about the connection between CSR and the financial sector.

The appropriate national and foreign literature can provide a fundamental basis for defining the conceptual definitions and the specific dimensions of Corporate Social Responsibility.

I will collect indicators used currently and statistical data from databases and it is likely that my main source of information will be the home pages of banks. Banks publish annual Corporate Social Responsibility and Sustainability Reports that can be used for making qualitative and quantitative comparisons among certain banks.

Primary Research

Secondary research can help to reduce the area to be tested and to specify the problem statement and the related goals.
I would carry out an exploratory research based on primary and secondary data in a more formalized, structured way. I would use questionnaires and interviews.

**Questionnaires**

*(1) Sample and data collection*
I would draw my sample from the employees of banks and the clients of banks. The primary data of employees of banks and the clients will be collected while secondary data will be collected from articles, reports and website of the corporation.
In the questionnaire I would use a “7 Likert Scale” and tests/measures (written questions with yes/no answers)

*(2) Interviews*
Face-to-face interviews will be collected through primary data techniques. These will be structured interviews with prepared questions. Respondents will be either presently working in banking-related industries (or exposing to finance academics).
It is an opportunity to visit the banks and have the survey filled by the employees.

*(3) Analysis of data*
The data will be analyzed using correlation, regression and analysis of variance by SPSS (descriptive statistics, reliability analysis).

**EXPECTED RESULTS**

According to the data I will analyse, I can draw my conclusions related to the current level of the CSR activities and strategies of the Hungarian financial sector.
I expect to verify most of my hypotheses with proving that banks consider CSR as a factor of strategic importance and their scope of used CSR tools could and should be broaden.
It may also turn out that it is worth for the banks to apply CSR techniques in the long run, because CSR has positive effect on their profitability.
Banks also should involve their employees in CSR activities, because they will be more committed for the organization.
At last, but not least I would like to present that Hungarian CSR practices of banking sector differs from other sectors’ CSR activities and from the internationally applied strategies.

**CONCLUSIONS**

All in all, management of a banking organization should have appropriate policy in place for establishing positive organizational culture and social responsible mindset of staff members. If commitment for becoming a social responsible banking organization between management and staff, and accountability and creditability can be demonstrated through effective and
efficient internal audit, customers and the community will be benefited with risks reduced and quality enhanced.

An organization needs to have the followings in place in order to become a social responsible bank to meet customer requirements:

- Establishing a mindset of risk management, business ethics and corporate social responsibility through internal management of people and process;
- Understanding complex financial products through external management of economic situation and internal management of people and process for the benefit of investors, management and community;
- Protecting rights of customers with setting up channels for customers to address complaints through internal management of implementing strategy for financial crisis and external management for stakeholder consideration, accountability and creditability.

REFERENCES

ÁSVÁNYI, K. (2010): Corporate Social Responsibility and CSR Communication according to the Society
CSR EUROPE (2000a): The first ever European survey of consumers’ attitude on corporate social responsibility.
CSR Europe Publications.
LENKA, B. – JIRÍ, P. (2011): Corporate Social Responsibility in Commercial Banking – A Case Study from the Czech Republic