STUDY OF THE PRESENCE OF THE CORPORATE SOCIAL RESPONSIBILITY CHIEF OFFICER IN BANKING SYSTEM

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Abstract
We present a study regarding the banking system from Romania with the aim to identify corporations that have a position of „Corporate Social Responsibility Chief Officer” or „Corporate Social Responsibility Synonym: Citizenship/ Sustainability” included in the position title. To achieve this objective, we present some preliminary findings. Our first hypothesis was that there are a number of positions of Chief Officers of Corporate Social Responsibility in banking system. After this, in the second stage, we identified the position title associated with them. Third, we showed that the corporations with positions of Chief Officers of Corporate Social Responsibility are more likely to be included in the list of top banks in the world. Our study is relevant for future research in this area, because of the importance of such a position in corporations nowadays.

Keywords: chief officer of corporate social responsibility, sustainability, citizenship, banking, Romania
JEL Classification: G21, G39

Introduction
The banking system is one of the most important from an economy. This is the reason why we targeted our reflection on banking sector. Besides such an aspect, this kind of companies are one with overall responsibility for the organization. The most used position titles are represented by: chief executive officer, chief financial officer, chief marketing officer (Nath and Mahajan 2008). Matten and Moon 2008, p 405 had a considerable attention on corporate social responsibility position. So, it represented our starting point in developing this study.

Position titles in the organizations within the banking system are relevant to be observed, because they indicate the important issues for its strategic line, at a given moment in time.

However, we must keep in mind that if a position disappeared, it does not means that is no longer important, it means that the organization changed its structure and is not considered necessary to exist separately.

Literature Review and Methodology
The famous researcher Banerjee closed his book with the sintagm “put the people back” (Banerjee, 2007, pp. 171). For all of us, at the first reading of this sentence it seems weird, even oximoronical, when we talk about corporate social responsibility. But if we look at the title of his book “The good, the bad, the ugly”, then we agree with him and more exactly with his ideas on critics of corporate social responsibility practices. Other quite substantial criticism we find also at Turker, 2009 and Frynas, 2005. We consider that the corporate social responsibility lies in the win-win-win idea of the interaction between organisations – stakeholders - society. According to this, being responsible allows organizations to be profitable and also to contribute to the well being of all its stakeholders and of society they live in. Bearing in mind this, we start to think about the present study. Corporate social responsibility is really charming. It brings profits to all aspects, even if it can be observe better on medium and long term.

There are some relevant studies on corporate economical, social, environmental responsibility issues. Some authors like Ratanajongkol et al. (2006), Deegan and Gordon (1996) highlights that these indicators are undisclosed. Proper management of human resources, sustainable development progress, leading to the increase of the income through the increase of the productivity, which is focused on lowering costs. The social or environmental issues can have an influence on economic performance and therefore should be a dialogue with stakeholders to be in constant interaction with the way they develop their activity. Several studies explore the Corporate Social Responsibility Principles of companies in different sectors (Cornelius et al. 2007; Holder-Webb et al. 2009; Hou and Reber 2011; Snider et al. 2003). The process of analysis of these entities’ corporate social responsibility activity involved the content analysis methodology through different types of reports and documents available on the websites, especially Annual Reports, Annual Management Reports, Corporate Social Responsibility Reports, Corporate Governance Codes, Sustainability Reports, Comply or Explain Statement and others reports on their websites.

The European Commission considers the following principles of the strategy to promote social responsibility:
♦ recognition of its voluntary nature;
♦ credibility and transparency practices;
♦ balanced triple bottom line approach (the economic, social and environmental).

If we talk about strategies of corporate social responsibility (Fang et al, 2010), we refer at the proactive strategy, which is that when the organisations try to anticipate their needs, the strategy of accommodation (adaptation), which refers to the ethical behavior, the defensive strategy; which consists in the adoption of the legislation, the reactive strategy; which refers to economic and social aspects. The corporate social responsibility strategies, depending on length, are: short, medium, long term strategies. Medium and long term strategies are involving all stakeholders. The short-term strategies (Werther and Chandler, 2005) are represented by the vertical engagement (which refers to the inclusion of responsible practices in the social work of the organization, which starts at management level), a corporate social
The main areas of corporate social responsibility in Romania include art, culture, economics, education, environment, control, air quality, noise pollution prevention, waste management, hazardous substances, protection of the nature (biodiversity and genetically modified organisms), water management, forests. Are given incentives to companies investing in environmental protection, renewable energy sources, to help create "green jobs". A broader legislation was made on intranet and on internal reports, the advertising products or services, the Corporate Social Responsibility Ambassador, present in the multinational organisations, the public awareness, achieved through information on social responsibility actions.

The empirical contribution brought by this work is represented by the look on corporate social responsibility chief position, in accordance with a specific methodology, consisting of centralising all the information from the reports mentioned above.

Regarding the methodology, our research question is: “what percent of companies from banking sector has currently a Corporate Social Responsibility Chief Position disclosed on their websites or in Annual Reports, Management Reports, Corporate Governance Codes, Corporate Social Responsibility Reports, in Corporate Sustainability Reports, Comply or Explain Statement?” To address this question, a total number of 37 banking companies were analyzed. The criteria which were taken into account in the sample selection was to choose an industry sector and we turned our attention on banking sector. The argument for our choice is to ensure the homogeneity of the sample selected. We used the tool provided by the National Bank of Romania (www.bnr.ro) and we analyzed them. We considered the last reports which were published on their websites.

Results and Discussions

In our demarche, we looked up on the reports mentioned above. There are different names to refer to the Corporate Social Responsibility Reports and also their length varies (Table 1). This variety denotes the lack of agreement on disclosure of this information.

<table>
<thead>
<tr>
<th>No</th>
<th>Type of report</th>
<th>Maximum length (pages)</th>
<th>Minimum length (pages)</th>
<th>Mean length (pages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Citizenship Report</td>
<td>86</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>2</td>
<td>Corporate Social Responsibility Report</td>
<td>180</td>
<td>38</td>
<td>109</td>
</tr>
<tr>
<td>3</td>
<td>Sustainability Report</td>
<td>92</td>
<td>92</td>
<td>92</td>
</tr>
<tr>
<td>4</td>
<td>Summary</td>
<td>7</td>
<td>5</td>
<td>6</td>
</tr>
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(Source: the author, based on the empirical study)

In Romania, the implementation of the corporate social responsibility practices by the private sector has been strengthened after European Union accession and was driven mainly by the involvement of the multinational companies that have transferred the practices from the headquarters to local organizations. Regarding the length of a Corporate Social Responsibility Report it varies from 47 to 60 pages. In our country initiatives related to sustainable development and corporate social responsibility are in its early stages. The social responsibility behavior was evaluated initially in Romania, based on commercial and image considerations, not in terms of sustainable development and stakeholders’ needs. In the last years have seen an increase in implementation of the responsible practices, which are associated with long-term success. In Romania, the environmental legislation refers to climate change, pollution control, air quality, noise pollution prevention, waste management, hazardous substances, protection of the nature (biodiversity and genetically modified organisms), water management, forests. Are given incentives to companies investing in environmental protection, renewable energy sources, to help create "green jobs". A broader legislation was implemented also to ensure health and safety at work and to ensure the employees professional development, to reduce discrimination and promote equal opportunities, access to employment and social inclusion of people with disabilities. In 2011, when drafting the National Strategy for Promotion of Corporate Social Responsibility, the public authorities have recognised the importance of the increasing awareness and support the development of social responsibility in Romania, identifying and setting targets in line with the European Union.

The conducted study in our country could shows significant differences in comparision with other countries, which can be explained by voluntary appearance or may be attributed to the experience in adoption of the corporate social responsibility principles. Corporate Social Responsibility (CSR) is still in its infancy in our country, but there are still some reasons to opt for corporate social responsibility reporting, which will be detailed in the next chapters. The main areas of corporate social responsibility in Romania include art, culture, economics, education, environment, religion and sport.
Table 2. The Main Categories of Corporate Social Responsibility Activities

<table>
<thead>
<tr>
<th>No</th>
<th>Category of CSR Activities</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Art, culture</td>
</tr>
<tr>
<td>2</td>
<td>Economics</td>
</tr>
<tr>
<td>3</td>
<td>Education</td>
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<tr>
<td>4</td>
<td>Environment</td>
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<td>5</td>
<td>Religion</td>
</tr>
<tr>
<td>6</td>
<td>Sport</td>
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</tbody>
</table>

*(Source: the author, based on the empirical study)*

We present a study regarding the banking system from Romania with the aim to identify corporations that have a position of „Corporate Social Responsibility Chief Officer“ or „Corporate Social Responsibility Synonym: Citizenship/ Sustainability“ included in the position title. To achieve this objective, we present some preliminary findings. Our first hypothesis was that there are a number of positions of chief officers of corporate social responsibility in banking system. After this, in the second stage, we identified the position title associated with them.

**Figure 1. Bank Institutions from Romania**

Like we can easily observe from the graphic below, there are 28 bank institutions in our country (commercial banks), which represent a percent of 74% from total and 9 branches of foreign credit institutions, which represent a percent of 24% from total.

**Figure 2. The Presence of the Corporate Social Responsibility Chief Officer in Banking Institutions from Romania**

Like we can easily observe from the graphic below, there are 28 bank institutions in our country (commercial banks), which represent a percent of 74% from total and 9 branches of foreign credit institutions, which represent a percent of 24% from total.
Regarding the presence of the Corporate Social Responsibility Chief Officer, like we can easily observe from the graphic below, there are only 3 bank institutions in our country (2 commercial banks and one branch of foreign credit institutions in our country), which have such a position, more exactly ATE Bank, BRD Groupe Societe Generale and ING Group, which represent a percent of 8% from total and 34 banks that do not have such a position, which represent a percent of 92% from total.

**Figure 3. Corporate Social Responsibility Position in other Department**

![Corporate Social Responsibility Position in other Department](image)

*Source: The authors’ own projection, based on the empirical research*

Regarding the presence of the corporate social responsibility position in different departments, such as communication department corporate governance and human resources department, and so on, like we can easily observe from the graphic below, there are only 5 bank institutions in our country (4 commercial banks and one branch of foreign credit institutions in our country), which have such a position, more exactly ATE Bank, BRD Groupe Societe Generale, BCR Erste Group, Intesa Sao Paolo and ING Group, which represent a percent of 14% from total and 32 banks that do not have such a position, which represent a percent of 86% from total.

Third, we showed that the corporations with positions of chief officers of corporate social responsibility are more likely to be included in the list of top banks in the world. These bank rankings are compiled from the consolidated balance sheet information available at this date. [http://www.accuity.com/useful-links/bank-rankings/](http://www.accuity.com/useful-links/bank-rankings/)

**Conclusions**

Our study is relevant for future research in this area, because of the importance of such a position in corporations nowadays. The results of the study present the existing situation in our country, in terms of social responsibility, results, which allow us to draw some preliminary conclusions. In the study we undertook, we found that most of the companies that are part of our sample are not transparent and does not accord to much importance to corporate social responsibility issues. The approached subject is vast and therefore there are some limitations, since it can not be covered in its exhaustivity. This leaves open questions that can be improved and disseminated in future research.

**References**


