

Brin Pavlo

*Professor of Management and Taxation Department
National Technical University, "Kharkov Polytechnic Institute"*

pavelbrin@ukr.net

Mohamad Nehme

*PhD Student of Management and Taxation Department
National Technical University, "Kharkov Polytechnic Institute"*

mohammadnehme@gmail.com

CORPORATE SOCIAL RESPONSIBILITY PILLARS IN THE UKRAINIAN BANK INDUSTRY

Introduction. The concept of Corporate Social Responsibility (CSR) has been evolved since the midst of the twenty's century by many practical and academical approaches and theories. Over the recent year the relation between CSR and banking industry performance became an interesting topic for various shareholder and economics scholars. The economic recession that occurred in the year 2008 had uncountable negative impacts on the social and economic situation in a lot of countries especially in Ukraine, followed by further aggravated unstable security and political conditions that happened in the country during the year 2014. Today, the Ukrainian economy is on the path to recovery, where financial and banking institutions have a prominent role in the development of macro and micro-economies. The banking sector in Ukraine has a financial and nonfinancial role in supporting other productive sectors in the country. The principles of CSR stipulated by many global organizations and international forums like the United Nations Global Compact (UNGC) and International Standard Organization ISO constitute a major incentive for the banking sector to contribute to the development of the country's social, economic and environmental affairs.

Actual Scientific Researchers and Issue Analysis. The performance of CSR approaches in the Ukrainian bank industry have been investigated by many scholars in the economic and business sphere. Alexander Kostyuk and Victor Barros have mentioned that CSR has gained more attention and become increasingly critical strategy to face the new global challenges. He added that the reason that led to this attention toward CSR is that the banking sector was considered accountable for the social and economic consequences after the financial crises in 2008. Such reason has motivated the banking sector to adopt CSR strategies [1]. Pavlo Brin and Mohamad Nehme have suggested that in order to implement a CSR approach for a company, it have to choose the best CSR model [2]. Yaroslav Mozghovyi and Iuliia Ratnykova have investigated in the Ukrainian banking sector, through the conducted statistical analysis they concluded there should be a clear image about the relation between CSR and

Corporate Financial Performance (CFP) [3]. Wu and Shen mentioned that in order to link CSR and bank performance two main methods have to be used: (1) analyzing empirical data for the banking sector, and (2) finding the driving methods for banks in order to engage in social activities [4]. Other authors regarded that currently the Ukrainian banking system is shaping its own model and integrating CSR in its business process, but in order to measure the performance of CSR in the banking sector, the Global reporting Initiative (GRI) could represent an efficient indicator to implement an efficient CSR approach [5].

The purpose of this papers is to prove that adopting CSR approaches by the banking sector in Ukraine will not only improve its operational performance, but it will also increase its reputation and competitiveness strength in the global financial markets.

Materials and methods. Through these papers a real evidence has been resented for the Ukrainian Bank Joint Stock Company Alfa Bank which adopted an official CSR approaches and considered as an active member CSR Ukraine and in UNGC Ukraine. It is important to note that the CSR Organization in Ukraine and the UNGC Office in Ukraine are the two formal organization that record and audit the companies that adopt CSR approaches. The audit of these two organizations is based on the GRI standards [6]. So, every company or bank registered and active in one of these two organizations is considered as adopting an official CSR approach. No doubt that most of the banks in Ukraine are integrating in social and environmental activities, but it is important to follow the CSR framework of GRI organization, since it occurs balance between the financial performance of the company and between the social and environmental performance of it. Ten years ago, Alfa Bank decided to adopt a sustainable CSR approach which was established by Archie B. Carroll. The strength Of Carroll CSR pyramid is that it takes into account four main responsibilities for CSR approaches, economic, legal, ethical and philanthropic. The benefits of such approach are that it reveals a good citizen image for the bank and it improve its reputation, but such approach must not implement unless an external study for the social and economic situation is made [7]. Alfa Bank have worked on five main CSR pillars and material aspect through implementing its CSR approach. The pillars are Corporate Governance, Economic Development, Community Development, Human Development and Environmental Protection.

The corporate governance pillar is considered as the founding stone of CSR strategy, since it ensures the principles of integrity and embed strong compliance culture in all business practices. Corporate governance is to show full transparency with the legal and governmental bodies. Such pillar is to adopt any fraud or money laundry operations, and to ensure that the banking sector is operating according to the demand and supply rules only. Economic development is a value creation for stakeholders, the areas of economic development are the economic contribution, product portfolio market presence,

supply chain and procurement practices. The report also depicts community development, focusing on health and social support, culture, children development, sponsoring activities to reduce poverty and hunger, and to promote children's in schools for adopting a healthy life styles, or to grants scholarships for talented students. Human development pillar stands out as another priority for Alfa Bank in terms of employees well being and education. Employees get extensive training and are sponsored to pursue their higher education. Moreover, the employees are rewarded financially and morally according to their commitment to the standard of CSR and according to productive and social performance in the Bank. Environmental Protection was strategically initiated in with the establishment of Go Green program which encourage employees to recycle their solid waste, in 2015 Alfa Bank received a certificate acknowledgment for being leading institution in quantifying greenhouse emissions.

Conclusion. CSR report genuinely depicts how the bank works responsibly. It is not only about the philanthropic aspects, but about initiating true value, especially in terms of economic value. The Bank long term objectives are to encourage more players to engage in social responsibility, thus ensuring a better future for generations to come. Its success in spreading further awareness on the uptake of CSR will continue to expand through communication. CSR have to be considered as a source of competitive advantage in the bank industry. Alfa bank is building customer loyalty, brand value, employee motivation and highly competitive power in the banking industry through adopting an official CSR approach. Further studies could be developed to measure the effect of CSR activities on the whole economic side of the country.

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