



**AN EMPIRICAL RESEARCH FOR THE APPROACH  
AND UNDERSTANDING OF CORPORATE SOCIAL  
RESPONSIBILITY IN THE GREEK BANKING SECTOR**

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**Abstract:** Corporate Social Responsibility is referred to as a concept in which companies voluntarily join, as part of their business operations, activities of social and environmental nature beyond mandatory by law actions. They concern both the internal environment of the company (employees) and the external environment (shareholders, suppliers, partners, customers, local authorities, community where the company operates, etc.). This paper aims to investigate the banks' customers' opinion regarding the Corporate Social Responsibility programs. In order to achieve this we have conducted an empirical research in the city of Kavala, Greece. Results are presented and conclusions are indicated.

**Keywords:** Corporate Social Responsibility, banking sector, customers' perception.

## **1. Introduction**

The first reference of Corporate Social Responsibility (CSR) in Europe could be considered that it was mentioned in 1993 by the President of the European Commission, Jacques Delors, who appealed to European companies to participate in the fight against social exclusion. This appeal resulted in an increased mobilization and development of European business networks. A few years later, in March 2000, the Lisbon European Council made a call for the implementation of best practices in terms of lifelong learning, the work management, equal opportunities in the workplace, social inclusion of vulnerable groups and sustainable development. A year later, in July 2001, the European Commission adopted the Green Paper on promoting a European framework for CSR. This is the first organized effort that recognizes that CSR can contribute positively to the strategic goal agreed in Lisbon, which aims to make the EU the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. In March 2006, the European Commission (COM, 2006, 136 final, p.7) supported the creation of a European alliance calling it CSR. This alliance is general in nature and calls on European businesses, regardless of size and scope of their business, to express their support on a voluntary basis. The Commission also expressed the view that CSR can contribute to sustainable development, while enhancing Europe's capacity and European companies for innovation and competitiveness, results may therefore contribute to employability and job creation (Caroll, 1999).

In this paper, we indicate CSR policies in the banking sector in Greece and we study the banks' customers' perceptions regarding their banks' CSR policies. We present the biggest banks in Greece and we indicate the charitable programs and sponsoring that they offer in general during the last years in Greece. The present study empirically investigates the customers' perception regarding CSR policies of banks; we study if they have really understood the meaning of CSR. Specifically, it is estimated whether customers believe that banks really wish to help society and the environment or they just wish to improve their sales and increase their profits.

## **2. CSR and Banks in Greece**

Because of the globalized environment and rapid changes, economic crisis helped to establish the social responsibility more easily and in the banking sector; most banks perceive the environmental and social issues as an opportunity that will allow them to reap economic benefits and deter them from future risks as well. The value of CSR is recognized by the Greek banking industry increasingly; banks that function in Greece integrate the concept of

social responsibility in their strategic choices, as reported in a recent study of Greek Banks Association. CSR is not a single program that implements a bank but is connected to the management style, values and principles that govern the overall operation of the bank, like any business. In this direction, banks have extensive social contribution programs supporting important educational, cultural, sporting, environmental initiatives and implementing many sponsorship activities for vulnerable groups and charitable nonprofit organizations. The effects of CSR are divided into two major categories. In actions in the house, i.e. staff and those that relate to the external environment, i.e. the society in which they operate. The actions of the staff, related to the actions that need to make a business - bank, to improve the working conditions of workers (education programs offered by companies to their employees, extras health care programs, etc.). Actions relating to the external business environment are divided into four major categories, social, cultural, sports and environmental. These actions are the programs related to awareness of employees to the community, donations in cash and kind, volunteer programs, recycling, establishment of cultural institutions, participation in programs to strengthen the Greek language, scholarships, investments in renewable energy, promotion of electronic banking with obvious corresponding environmental benefits and more.

Despite the perceived weaknesses and problems of the past, the banking sector implements CSR policies that can become the power to encourage integration and implementation of responsible strategies in all aspects of Greek economy. This must be used as a vehicle for economic uplift through sustainable investment and development opportunities for investment in new lucrative sectors of the economy. The charitable programs and sponsoring that the biggest Greek banks offer are indicated.

*Piraeus Bank* (Piraeus Bank, 2013): In the last year, as part of the restructuring of the Greek banking system, Piraeus Bank made four major business acts, significantly upgrading the position and presence of the Group's banking operations in Greece: In July 2012, the bank acquired the 'healthy' part of the Agricultural Bank, while in December it acquired General Bank. In March 2013, Piraeus Bank acquired the banking operations in Greece of Cyprus Bank, Cyprus Popular Bank and the Greek Bank. Finally, in April 2013, Piraeus Bank has agreed to acquire Millennium Bank of Greece; the transaction was completed in June 2013. Due to the relatively recent nature of these business initiatives of the bank, the issues related to CSR have not yet fully settled. Presently, valid programs and actions implemented by the bank in advance of mergers with the above mentioned banks. The bank is developing CSR activities focusing on the environment, culture and society. Environment: Piraeus bank is a pioneer in managing operational environmental impact in creating and promoting green banking products with an emphasis on renewable

energy and bioclimatic buildings. The bank runs the first green store Green Banking in the Balkans. More specifically, Piraeus bank supports investments in renewable energy sources, saving energy and green building, farming, green chemistry products, green transport, waste management - waste - water. Society: Working with charities driven by the triptych "Child, Family, Health" which is a strategic choice for targeted social assistance (assist families in Thrace; support young drug-addicts educating them and helping them reintegrate into society, supporting organizations that support the elders) etc. Culture: The Piraeus Bank Group Cultural Foundation organizes and manages a network of thematic museums studies, preserves and promotes the Greek heritage and cultural identity of our country.

*National Bank* (National Bank, 2013): Values governing the operation of the National Bank are as follows: respect for human rights, respect for the environment, social contribution and contribution to the arts, culture and education, independence (from the individual interests of customers, shareholders and third parties). Within the framework of CSR, the National Bank has developed activities in the field of action, people, culture and environment. More specifically: Man: The main objective of the sponsorship program of the National Bank is the social contribution. Further, indicative actions, donations and sponsorships in hospitals, support centers and associations concerning the child. Sports: Sponsorship contribution in organizing the World Games "Special Olympics Athens 2011". That is, continuation of co-sponsorship as an exclusive 'Sponsor' - the Greek Gymnastics Federation; continuation of the multiannual program for support, preparation and participation of individual athletes in the London Olympics (2012). Science - Research - Education: Funding for sponsored prizes, scholarships and research programs with Greek and foreign universities; supporting scientific work, especially conferences that cover the entire spectrum of science. Responsibility for the Environment: The bank offers every year a significant amount to support actions, stakeholders and environmental organizations in a structured program. Respecting Culture: Among the major sponsorships that began to be implemented in previous years, and those who started in 2011 and will be completed in the years to come, mainly include grants for archaeological excavations, with the National Museum of Contemporary Art for presentation of Fairs.

*Alpha bank* (ALPHABANK, 2013): The bank, as part of CSR, acts in the following sectors: Environmental Protection: Employee information and enhance their ecological consciousness, the smoking ban, saving energy and reducing pollutant emissions, water conservation, recycling paper. Care to enhance the ecological and social conscience of staff through voluntary participation in related programs. The bank cooperates with the Greek Society for the Protection of Nature and maintains the exclusive sponsor international

program to protect the Greek coasts 'Blue Flag'; contribution to society and culture. Since 2009, the last Sunday of May every year, has established itself as "Employee Volunteer Day Alpha Bank". On that date, in Greece and abroad (e.g., Serbia, 200 volunteers Alpha Bank Srbija with faith in the voluntary offer, they spent an afternoon with children without parental care), voluntary groups in all countries in which the bank operates, conduct social or environmental acts in collaboration with relevant agencies, promoting teamwork and cooperation, i.e. collection of food and other essential supplies, medicines. Also carries sponsorship programs through which it supports various entities for the organization and execution of cultural events mainly. Particularly important is the contribution to the sport, which continues after the Olympic Games in Athens, the presence of the "Sports Panorama Alfa Bank" sponsoring the Classic Marathon Athletics Federation and the National Athletic Teams.

*EFG Eurobank Ergasias* (Eurobank EFG, 2013): Supports programs relating to education is a priority for all Eurobank's groups. Already, in three countries, where the group has a presence, major initiatives in the field of education have been developed in the recent years. Under this program, the Group awards every year high-school graduates who achieve the highest grades in national exams. Each award is accompanied by an amount of 1000 euro. In Greece, the "Great Moment for Education", a program that began in 2003 and continues to run, has awarded a total of 10,663 young men and women so far. The "Great time for Culture", the involvement of the Eurobank in the support and promotion of culture is a tradition since its founding in 1994. Sunday morning in Concert: On Sunday mornings in room "Christos Lambrakis" concerts with popular projects to familiarize children and young people with the wonderful world of music. It offers free tickets for all performances in schools of the province. Actions culture abroad: In Serbia, the bank continued to support the Atelje 212 in 2011, one of the major theaters of the country. Sports: renewing their collaboration until 2014, Eurobank announced the continuation of a highly successful sponsorship of the Greek National Basketball Team. Solidarity: The Group contributes each year with donations and volunteer work, the work of a significant number of non-profit organizations and foundations, which are activated mainly on issues related to children and health (e.g., concentration and offer school supplies to needy children in large families region of Attica). Strengthened in 2011 the form of corporate volunteering, programs and organizations chosen by the employees themselves was introduced (e.g., the strengthening of the Center for the Homeless of Athens, offering drugs to "Medecins du Monde" etc.). Environment: Eurobank has remained since 2004, the first and only banking group in Greece and one of the few in Europe that has been certified by the International Standard ISO 14001 for Environmental Management System. The Bank won the National Award in the section entitled "Green Procurement" in

2009 and the National Award in the section entitled “Resource Efficiency” in 2010. Greater recognition of the Bank, however, came with the European Environmental Management Award which was awarded in 2011 in the section entitled “Participation of stakeholders in improving their environmental performance” where stood first among all the major private sector companies that participated in the contest. The action “100 parks and cultural venues” protects the four green islands of the country. In Bulgaria, Postbank since 2008, has implemented a program for the maintenance of the lake Pancharevo outskirts of Sofia, titled “Crystal Purity of Pancharevo Lake”.

*Post Bank* (Post Bank, 2013): Once established, the Postal Savings Bank, helped significantly to development and realization of the idea. Loans to utilities such as water supply, road construction, etc. are recorded to its activities. The bank continues the charitable activity to finance NPDD, IKA, PPC, OA, OAS and OTE. In the above, loans to groups with major social problems, such as earthquake victims can be added. Today, the bank has become S.A. and according to the law, up to 3% of its annual profits will be available for charitable, educational and development purposes. For this reason, they have allocated funds to Foundation of the Hellenic World in hospitals to purchase medical equipment and tools to Municipalities enhancing programs like Help Elderly at Home, sports clubs, cultural associations and churches in Greece (soup kitchen for needy, charitable bazaar, etc). It supported many athletes on their way to the Olympic Games in London, mostly of cycling, rowing and athletics. It must be noted that on 30/09/2013, the Boards of Directors of Eurobank and New Postbank, decided to begin the process of a merger between the two banks.

*Attiki Bank* (Attiki Bank, 2013): It has developed programs and sponsorships in order to assist in the development and progress of society-sports, culture, education, charitable initiatives, environmental protection and sponsorship conferences. The Attica Bank, strengthens institutions with activities, humanitarian, aimed primarily at protecting children. Sports: Attica Bank, supports various sporting clubs, mountaineering etc. Education: It has held grants to universities and institutions to carry out conferences and events, scholarships in university students as well as scholarships for graduate programs, strengthened all public and municipal libraries in Greece. Charitable Initiatives and Environmental Protection: Showed interest in the victims of the quake regions, prefectures of Achaia and Ilia, after the disasters and fires. Specifically, opened accounts for the families of firefighters who lost their lives in the fires, and it took special measures to facilitate transactions with the bank by extending their debts and reduce interest rates. In 2011, activities of the Foundation for Mediterranean Studies Culture: Gives various cultural events, published in History - Pictorial entitled “Illustrated History of the Greek

Nation". Sponsorship Conference: Attica Bank subsidizes annually conferences organized by various sectors of business activity.

*Panhellenic Bank* (Panhellenic Bank, 2013): The bank acts as a custodian and coordinator of a network of 16 cooperative banks and one commercial bank. Most of these banks focus on the triptych Society - Culture -Environment. Society: Offer food to needy families, strengthening Greek police providing special equipment, annual awards honors, donations in special schools, provision and/or personal computers in schools at remote areas, support to unemployed partners, organizing educational seminars and continuous updating their workforce. Culture - Sports: General measures of cultural content mainly at local level sponsor in national exhibitions, events to support institutions of society, collective exhibitions of paintings of children, newspaper edition club donor aid sports clubs. Environment: Grant products photovoltaic systems and buying green appliances (green loans), plant more trees, strengthening local associations and club sponsorships.

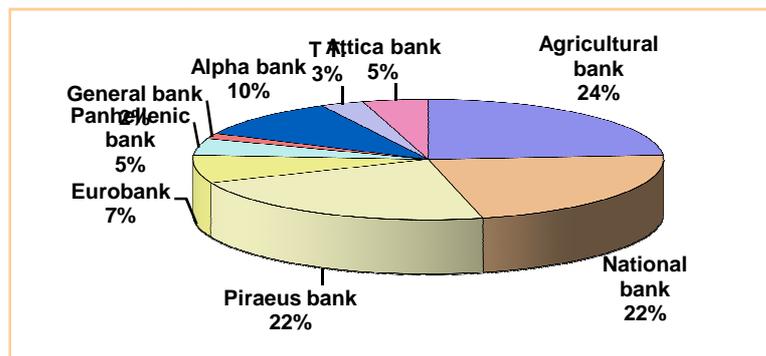
### **3. Empirical Research**

The study was conducted in Greece from June to August 2013 by the Department of Accountancy and Finance of the Eastern Macedonia and Thrace Institute of Technology. The aim of the study is to capture the opinion of bank clients regarding CSR; whether banks really wish to help and improve society and the environment or they just wish to increase their sales and profits. The data were collected using a structured questionnaire containing 34 questions. The questionnaires were distributed randomly to people who were asked to complete them anonymously and return them back. It must be noted that at the begging of the questionnaire the definition of the CSR was given, as well as examples of it in the banking sector, in order for the respondents to understand the meaning of it. The 34 questions were divided in to two sections. Section 1 consisted of six questions related to demographic data. Section 2 consisted of twenty eight questions regarding the perception of banks' clients of the CSR. The questions were of closed type, meaning the respondents had to choose specific answers. The collected data were analysed using descriptive statistics and the program SPSS v17.1

The number of respondents was 67 from Kavala region; 38 of the respondents were women and 29 men. Furthermore, 10 of the sample are 18 to 25, 18 are 26 to 35 years old, 16 are 36 to 45, 12 are 46 to 55 and 11 are more than 56 years old. The majority of our sample have academic education (52.2%) and 37.3% have secondary education. Regarding the occupation of our sample, 38 are employees, 12 are freelances, 9 are unemployed, 4 are retired, 1 is farmer and 3 do domestic tasks. Regarding the monthly income of our sample, the

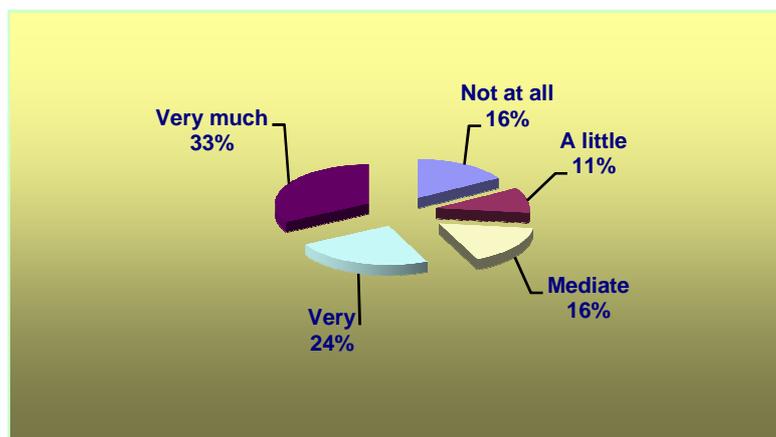
majority of them have monthly income 501-1000€ (54%), less than 500€ (19%), 12% have income 1001-1500€, 8% have income 1501-2000€ and 7% have income more than 2001€ per month. Figure 1 presents the primary bank of our sample, since most of them are clients of more than one bank. So, 16 are clients of Agricultural bank, 15 of the National Bank and 15 of Piraeus bank which represents the reality.

**Figure 1: Primary Bank**



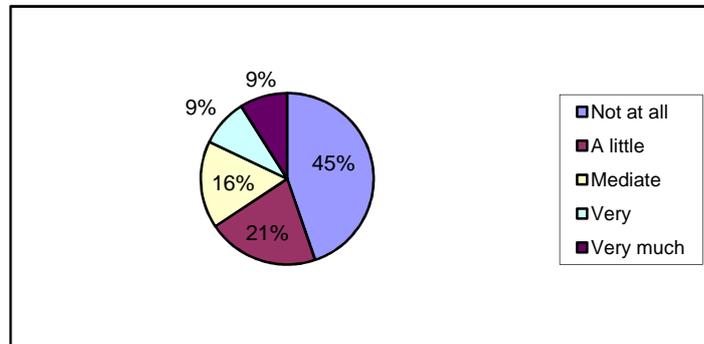
The respondents (18 of them) admitted that they did not know or knew a little about the meaning of CSR before replying the questionnaire. However, 16 knew enough of the meaning of CSR and 22 knew it very well, as it is shown in Figure 2.

**Figure 2: Did you Know the Meaning of CSR?**



It is remarkable that 30 did not know the CSR program of their bank and only 12 knew it very and very much (Figure 3).

**Figure 3: Knowledge of the Bank’s CSR Program**



There is a balance at the interest of the course of the CSR program of the respondents’ primary bank, since 22 didn’t know at all or a little, 22 knew it mediate and 23 very and very much. The majority have positive opinion regarding CSR, since 48 have responded very and very much at the relative question. Almost all, 50 respondents, believe that CSR programs are important. More than half believe that CSR programs are remarkable (43 respondents), useful (46 respondents) and necessary (45 respondents). Almost half believe that they have nothing to gain from the CSR, since 29 respond not at all or a little, 21 mediate and 17 very and very much. The majority believes that they contribute to society via CSR (35.8% mediate and 41.8% very and very much), but quite enough (22.4%) are not convinced. The majority believes that banks use CSR for their reputation and image (76.1% respondents) and to attract customers (79.1% respondents). It is notable that respondents are not convinced about the interest of the banks for the society and the environment as it is shown in Table 1.

**Table 1 Perception of Bank Clients for the Bank’s Interest in Society/Environment**

	Do you believe that banks use CSR out of interest for the society?	Do you believe that banks use CSR out of interest for the environment?
Not at all	14	14
A little	12	13
Mediate	24	22
Very	10	10
Very much	7	8

Bank clients are not very satisfied with the CSR program of their bank and they believe that it is not ideal (see, Table 2). However, they are satisfied with the services of their bank regardless of CSR (68.7% respondents). Most of them believe that they did not choose the bank with the best CSR program (73.1% respondents), but they would not change their bank because of the CSR program. They stress this out since they reply that they would continue to be clients of their bank even without a CSR program (see Table 3).

**Table 2 Satisfaction with the CSR Program**

	Are you satisfied with the CSR program of your bank?	Do you believe that the CSR program of your bank is ideal?
Not at all	14	13
A little	9	11
Mediate	27	32
Very	12	5
Very much	5	6

**Table 3: Satisfaction with the CSR program**

	Would you change your bank because of the CSR program?	Would you continue to be a client of your bank even if it abolishes the CSR?
Not at all	18	5
A little	13	10
Mediate	20	16
Very	12	22
Very much	4	14

#### 4. Conclusions

From the analysis of the results, some important conclusions are raised. Age groups between 18 and 45 knew the meaning of CSR and showed more interest for the program of their bank. Most of the respondents learnt the meaning of CSR through the questionnaire. The majority believes that the CSR programs are important, useful and necessary for the society and the environment. Banks are interested in their profitability, so they use CSR fir their image and reputation. Most of the clients are not quite satisfied with the CSR program or are not quite familiar with it, but they are satisfied with the services of their

bank. So, they would not change their bank easily, especially because of the CSR program. The responsibility for healthy development of society and protection of the environment concerns everybody. The means to be used depend on the CSR policy of a company. Thus, the awaking of the CSR of all companies irrespective of their economic status and the continuous action for the benefit of society and the planet is necessary.

In the future this research study could be expanded in all regions of Greece and in the area of Balkan countries as well.

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## **EMPIRIJSKA ISTRAŽIVANJA PRISTUPA I SHVATANJA KORPORATIVNE DRUŠTVENE ODGOVORNOSTI U GRČKOM BANKARSKOM SEKTORU**

**Rezime:** Korporativna društvena odgovornost podrazmueva koncept za koji se kompanije dobrovoljno opredeljuju, kao deo svog poslovanja, aktivnosti socijalne i ekološke prirode, izvan obavezujućih pravnih aktivnosti. Oni se tiču kako unutrašnjeg okruženja kompanije (zaposlenih) tako i spoljašnjeg ambijenta (akcionari, dobavljači, partneri, potrošači, lokalna vlast, zajednica u kojoj kompanija posluje, itd). Ovaj rad ima za cilj da istraži mišljenje klijenata banaka vezano za programe korporativne društvene odgovornosti. Da bi se ovo postiglo sprovedli smo empirijsko istraživanje u gradu Kavala, Grčka. Predstavljeni su rezultati i istaknuti zaključci.

**Ključne reči:** Korporativna društvena odgovornost, bankarski sektor, percepcije klijenata.