The effects of CSR of banks on customer attitudes in developing countries

Tamar Dzimistarishvili
Gvantsa Patsatsia

Main field of study – Leadership and Organisation
Degree of Master of Arts (60 credits) with a Major in Leadership and Organisation
Master Thesis with a focus on Leadership and Organisation for Sustainability (OL646E), 15 credits
Spring 2016
Supervisor: Jonas Lundsten
Contents

1. Introduction ......................................................................................................................................... 1
   1.1 CSR in organizations ......................................................................................................................... 1
   1.2 Importance of CSR activities to build corporate image and reputation .............................................. 2
   1.3 CSR in developing countries ............................................................................................................ 2
   1.4 Stakeholders ..................................................................................................................................... 4
   1.5 Banks in developing countries - CSR perspective ........................................................................... 6
   1.6 Research problem ............................................................................................................................. 6
   1.7 Research questions .......................................................................................................................... 8

2. Conceptual Framework ............................................................................................................................ 9
   2.1 Bank CSR responsibilities as competitive advantage ......................................................................... 9
   2.2 Demographic categories ................................................................................................................. 9
      2.2.1 Age ............................................................................................................................................ 9
      2.2.2 Gender ................................................................................................................................... 10
      2.2.3 Education ................................................................................................................................. 11
      2.2.4 Income .................................................................................................................................... 11
      2.2.5 Type of employment .................................................................................................................. 11

3. Methodology ......................................................................................................................................... 13
   3.1 Ontological and Epistemological assumptions ................................................................................. 13
   3.2 Inference ......................................................................................................................................... 13
   3.3 Research Design and Role of Theory .............................................................................................. 14
   3.4 Validity and reliability ..................................................................................................................... 14
      3.4.1 Assumptions of the authors ...................................................................................................... 14
      3.4.2 The reliability of research ...................................................................................................... 15
      3.4.2 Validity of research .................................................................................................................. 15
   3.5 Ethical Considerations ..................................................................................................................... 16

4. Methods .............................................................................................................................................. 17
   4.1 Data creation and collection ............................................................................................................. 17
      4.1.1 Literature review ...................................................................................................................... 17
      4.1.2 Empirical data - Survey Creation ............................................................................................. 17
      4.1.3 Survey ..................................................................................................................................... 18
   4.2 Statistical analysis ............................................................................................................................. 20

5. Analysis ............................................................................................................................................... 21
   5.1 Banks in Georgia ............................................................................................................................. 21
1. Introduction

In this chapter the concept of CSR in general, its peculiarities in developing countries and its importance for the building of the image of the company will be presented, as well as the overview of the banks in general and the banks in the country, the case of which will be researched – Georgia, which is the native country of the authors of thesis, one of the developing, post-soviet countries, in which the banks play crucial role in the financial system of country and overall economy. The research problem and the research question will be presented at the end of the chapter.

1.1 CSR in organizations

The term "corporate social responsibility" appeared in the 1960s and has remained a term used by many, to cover a lot of legal and moral responsibility (De George, 2010). Since then, CSR concept is getting increasing interest from researchers and corporations. The issue at question is of what constitutes the main goal of business - the maximization of the profit or more than that - by maximizing profit make good for society itself? Do corporations have other responsibilities beyond the profit maximization? These questions were discussed intensely in the past couple of decades. M. Friedman believed that the only “social responsibility of business is to increase its profits”, that society benefits most when businesses focus on maximizing their financial success. But there were others, thinking differently.

The companies, that think, that their role in society is not only in gaining profit, but contributing with their work or charity to well-being of the society, giving back to the society could be considered to have corporate social responsibility (Werther & Chandler, 2011). CSR is about organizations going beyond legal obligations to manage the impact they have on society and environment (Werther & Chandler, 2011). According to European Commission, CSR is defined as “the responsibility of enterprises for their impacts on society” for objective of “smart, sustainable and inclusive growth” (European Commission, 2010). Moreover, European Union is promoting CSR in EU and support enterprises to follow international guidelines and practices of CSR implementation in their activity.

Nowadays, being business organization means not only making profit, but also being and acting as a corporate citizen, which means they are responsible not only to their own shareholders, but broader array of stakeholders - such as society (Werther & Chandler, 2011). Moreover, aiming to make short term profit and thus being careless to consequences means having unsustainable business model in the long term (Werther & Chandler, 2011).

Sustainability has a very complex specter, with many items interacting with one another, such as wealth creation, exploitation, regulation, ethics, waste environment, technology social change, climate, pollution, energy, resources, poverty, governance (Teodorescu, Bosun, & Teodorescu, 2014) All of these items are parts of sustainability; all of them are sources and resources belonging to corporate social responsibility actions that can be objectives of corporations’ projects (Teodorescu, Bosun, & Teodorescu, 2014).

According to Elkington out of seven sustainability revolutions, corporate social responsibility is one of the most crucial ones, therefore the better the system of corporate governance, the greater the chance that businesses build sustainable capitalism (Henriques & Richardson, 2005). Moreover, corporate sustainability issues spin not only around the process and product design, but also around corporations and their value chains (Henriques & Richardson, 2005). According to Brundtland Report (WCED, 1987), sustainability is defined as “development that meets the needs of the present world, without compromising the ability of future generations to meet their own need”. Also, in the definition of (UNCTAD, 1996), sustainability integrates achievement of eco-efficiency (environmental) and eco-justice (inter and intra-generational social justice) over the short and long term (UNCTAD, 1996). Thus, being socially responsible is new reality that corporations need to adopt in order to meet the
requirement of sustainable development of the world and implement socially responsibility issues in their decision making process and strategy.

1.2 Importance of CSR activities to build corporate image and reputation

There are number of definitions of corporate image, which has been changing through years. According to Lemmink et al. (2003), corporate image is described as the associations created from personal experience, word-of-mouth, advertising and promotion (Lemmink, Schuijf, & Streukens, 2003). Corporate image reflects customers’ perception of an organization, which results from one’s experience, or impressions of the company and ultimately contributes toward “a total picture of the organization” (Andreassen, 2001). Nowadays, it is agreed, that corporate image is key to sustainable competitive advantage and it became integral in developing effective competitive strategy for companies (Barich & Kotler, 1991) (Melewar & Karaosmanoglu, 2006).

Managing a corporate image requires an understanding of how a corporate image is formed and how it is measured (Balmer, 2008). Furthermore, to modify a corporate image, it is crucial to attain knowledge and understanding of current images and what they are based on (Dowling, 1986). In this competitive world, a clear market positioning and a unique corporate image is the key (Salamon & Young, 2002).

Corporate image is important in case of financial corporations, especially for banks. Banking industry experienced transformation during past years due to the changes happening on global market (Poolthong & Mandhachitara, 2009). Also, recent world economic crisis and financial scandals, caused by - questionable accounting, management practices, unethical behavior in lending, including sub-prime mortgage loans - damaged corporations’ images and long term reputations in banking system. As a result, society’s confidence and trust was decreased and increased social conscience of different stakeholders of banks: regulators, shareholders, employees and customers, demanding better tools for evaluation of business practices (KPMG, 2008). In this context and also for competitive purposes, it is crucial for banking institutions to manage their corporate image to recover confidence and trust in customers and in society.

For maintaining corporate image, inclusion of CSR activities and initiatives are obtaining more and more attention and importance. CSR refers to company’s activities, which includes social, environmental and economic concerns in business operations and interactions with stakeholders (Marrewijk, 2003). In this context, group of researchers consider that banks may need to adopt a strategy of maintaining a well-calculated balance between the social, environmental and economic aspects of their services to satisfy the needs of banking clients (Rugimbana, Quazi, & Keating, 2008). And hence, build and maintain solid trust between customers and society to create corporate image and reputation which sustain for long term period.

1.3 CSR in developing countries

The businesses do not operate in closed environment; their activities affect the economic, environmental and social systems. Social issues existing have exceeded the capacities of the governments, especially in developing countries. Therefore attention is given to CSR as the main component of sustainable and stable development both in developed and developing countries (Jamali & Keshishian, Uneasy alliances: Lessons learned from partnerships, 2009).

According to Baskin ‘there is not a vast difference in the approach to reported corporate responsibility between leading companies in high income OECD countries and their emerging-market peers.’ Nevertheless CSR is less embedded in corporate strategies and less rooted in politics in developing countries, rather than in developed countries (Baskin, 2006)
The corporations are aware that it is in their interests to address the issues of concern of local communities when they operate in developed countries, where the communities have large resources and can organize themselves, thus increasing the costs on corporations. With the globalization the civil societies, environmental and corporate “watchdog groups” go global and cooperate with the civil societies in the developing countries, thus raising the awareness level of the local communities and the demand they place on the organizations operating in the developing countries (Kapelus, 2002).

Some authors suggest that the notion of CSR as it is accepted in western “northern” hemisphere should not be imposed on the developing countries, as the cultures and the practices differ. It shouldn't be implied, as it was during the colonial times, that the historic experiences of the western civilizations are universal and applicable to all societies and countries around the world. For example, unlike the developed countries, companies in developing countries are only required to comply with the local legislation (bribes, corruption, taxes), rather than go beyond (Khan & Lund-Thomsen, 2011).

In developing countries the so called ‘silent CSR’ practices are undertaken without any publicity or expectation of financial return upon social investment. Instead the managers’ personal values, rootedness in a particular community and feelings of moral or religious duty tend to be driving his/her engagement in CSR-related issues (Sachdeva & Panfil, 2008)(Jamali, Zanhour, & Keshishian, Peculiar strengths and relational attributes of SMEs in the context of CSR, 2007).

Another article suggests that the current CSR initiatives in developing countries have more philanthropic approach than strategic CSR, thus asserting the view of existing “silent CSR”. The authors believe that the reason for the emergence of philanthropic CSR are weak governments, low levels of safety and low levels of labor rules and regulations, arbitrary enforcement of government rules and policies, lack of public governance and transparency, etc. (Jamali, CSR in developing countries through an institutional lens, 2014).

CSR encompasses the relationship between the corporations and the societies within which they operate. It also includes the responsibilities that exist on both sides (Werther & Chandler, 2011). In 1991 Archie Carrols has suggested the pyramid model of CSR, in which the 4 responsibilities of the corporations were listed in the ascending order.

At the base of the pyramid is the economic responsibility, followed by the legal, ethical and discretionary/philanthropic responsibilities. The economic responsibility is the base of the pyramid, the organizations have to seek to be profitable and economically stable, before they embrace the second responsibility stage - legal. The legal responsibility means that the organizations have to comply with all the existing rules and regulations in the country. The ethical responsibility suggests that the organizations operate according to the ethical expectations of the society, not to do harm or discriminate, etc. (Jamali, CSR in developing countries through an institutional lens, 2014). In Carroll’s pyramid of CSR, the philanthropic responsibility is placed at the top (Carroll, 1991). When

---

Figure 1. Adapted from Archie Carroll's Pyramid of CSR responsibilities (1991) (Carroll, 1991)
organizations have fulfilled their economic, legal and ethical responsibilities they reach the stage of philanthropic responsibilities.

As it was mentioned previously many researchers have argued that the CSR in developing countries is different from the one in developed countries. In 2008 Dr Wayne Visser, the Director of the think tank Kaleidoscope Futures and Founder of CSR International, in his book “CSR in Developing Countries” proposed the new, adapted for developing countries, CSR pyramid model of Carrol, in which the economical responsibility is still the base of the pyramid, but the discretionary/philanthropic responsibility is placed as second one, thus being placed before legal and ethical. The economic responsibility is still at the base of the pyramid as the economic contribution of businesses in developing countries are regarded as very important by both society and governments. The philanthropic responsibility is on the second place, the reason why the philanthropic activities of the companies in developing countries seem to be dominant, according to Visser, can be explained by the cultural, traditional and religious backgrounds of the societies as well as the need to supplement the lacks of government. The philanthropic responsibility is followed by the legal responsibility. According to Visser the legal responsibilities have lower priority than in developed countries, “the legal infrastructure is poorly developed, and often lacks independence, resources, and administrative efficiency.” Legal responsibility is then followed by ethical responsibility, which is placed at the top of pyramid, as it has the least influence on the CSR agenda of the companies in developing countries (Visser, 2008).

![Figure 2. Adapted from Visser’s Pyramid of CSR for developing countries (Visser, 2008)](image)

1.4 Stakeholders

Society exists as a mix of different organizational forms, where each depends on others to provide the complete patchwork of exchange interactions (Werther & Chandler, 2011). For example: corporations, NGOs, government, companies, businesses, etc. interact with each other in negative or positive way, but all are connected to some way (Werther & Chandler, 2011). In recent times corporations need to be knowledgeable about stakeholders’ perspectives and levels of their understanding (Munro, 2013). Freeman defined stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman R. E., 1984). Researchers claim, that for avoiding unfair and lack of consent relationship between stakeholders and organization, trustworthiness is key. When a stakeholder has contributed an investment to the firm, and that investment has been accepted, the firm owes a duty to the stakeholder to maximize benefit (or minimize harm) to that stakeholder (Greenwood, 2007). Under investment is conceptualized
something that is beneficial to firm's operations, which can include labor, financial capital, and a location to operate, etc (Munro, 2013). Edelman Trust Barometer (2016) reports for more than five years in a row that NGOs are the most trusted institution, while banks and financial services as the least trusted industries globally. Though, statistical data shows that, trust index is increased last five years in the banks and financial services. This means that trust might be increased over time, as a consequence of organizations desire to shift toward “social purpose”. To sum up, stakeholder perspective and understanding their needs are very important for CSR activities and initiatives.

Below is presented(Figure 3) a Stakeholder Model by Werther and Chandler which divides stakeholders in three main groups: organizational stakeholders (internal) and economic and societal stakeholders (external) (Werther & Chandler, 2011). All these three layers sit within the larger context of a globalization and technology that raises the importance of CSR for businesses today (Werther & Chandler, 2011).

![Figure 3. A Stakeholder Model](image)

As it is obvious, company’s employees are in the first place, which is followed by economic stakeholders and then societal stakeholders. The firm’s economic stakeholders are the most important between external stakeholders. A firm’s customers are primary stakeholders of the organization and they are main means by which firm is communicating with its society (Werther & Chandler, 2011). Nevertheless, whether the organization is nonprofit, business or government, without the economic interface, “it loses its mechanism of accountability” (Werther & Chandler, 2011).

Stakeholders according to Epstein go through 4 stages: Awareness, when the stakeholders know the company exists, the companies will communicate with stakeholders their mission and vision; Knowledge, at this stage the stakeholders understand companies mission and value and need more information – customers want to know if the products of the organization are according to their needs, employees want to understand the system and structure of company, etc; Admiration – when the stakeholders have obtained the information on the company the trust needs to be established, this is when the stakeholders commit to the company; Action - at this stage companies collaborate deeper
with their stakeholders, their engagement with company is growing, customers recommend company to others, employees are committed and willing to work and do as much as possible, investors recommend the stock (Epstein & Buhovac, 2014).

1.5 Banks in developing countries - CSR perspective

According to Levine (1977), the institutional role of banks in the national economy is a crucial variable in the process of financial deepening and economic growth (Levine, 1997). Banks act as financial intermediaries in our society: they price and value financial assets, they monitor borrowers, they manage financial risks and they organize the payment system (Greenbaum, Thakor, & Boot, 2007). By performing those roles banks have huge impact on society and also they may have impact on sustainable development of the country itself. Nowadays, socially responsible banking is becoming well established notion in financial industry (Scholtens, Corporate Social Responsibility in the International Banking Industry, 2009). In many OECD countries, specialized banks offer savings accounts to the public, while promising that the savings will be used to finance environmentally sound projects or for operations of entrepreneurs who find it hard to get access to finance from institutions that are more conventional (Scholtens, Corporate Social Responsibility in the International Banking Industry, 2009). Banks increasingly are involved with financing economic activity that aims at sustainable development and offer microcredit to the poor and deprived (Hermes, Lensink, & Mehrteab, 2005). So, more and more banks are implementing corporate social responsibility in their activity, such as: reporting about CSR activity, having ISO 14001 certificates, incorporating sustainability aspect in their financial services, etc, which is the evidence that international banks’ commitment is increased toward society where they operate (Scholtens, Corporate Social Responsibility in the International Banking Industry, 2009).

The banks are playing important role in developing countries economy, which are usually growing rapidly and are growth basements for banks (Beck Thorsten, 2010). In spite of the fact that this sector of economy is progressive in developing countries, when it comes to corporate social responsibility, it doesn’t have the same rate of advancement (Belu, 2009)(Kolk, 2010). CSR is multidimensional and includes social, environmental and ethical issues, although vast majority of commercial banks in developing countries perform well in case of social issues, rather than performing environmental management, codes and responsible products (Scholtens, Corporate Social Responsibility in the International Banking Industry, 2009). According to research done to investigate CSR policies of banks in developing countries, CSR policies of commercial banks depend on different factors, such as: bank characteristics: size and return (Weber, Scholz, & Michalik, 2008), country characteristics (capital income, degree of trade openness, financial development, etc) (Kaufmann, Kraay, & Mastruzzi, 2008) and also, government stimulation to encourage or regulate reporting of sustainable efforts and results of banks and participate in international agreement (Scholtens & Hu, Corporate Social Responsibility Policies of Commercial Banks in Developing Countries, 2014).

1.6 Research problem

The debate on the necessity of the CSR for the businesses has started years ago and is still going on. According to Milton Friedman, one of the prominent economists of the 20th century

“*There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud*” (Friedman, 1970).
He believed that the main purpose of the business should be to “make as much money for their stockholders as possible.

The differing opinions exist however. According to Dave Packard, the co-founder of Hewlett Packard and one of the most successful businessman of the 20th century

“many people assume, wrongly, that a company exists simply to make money. While this is an important result of a company’s existence, we have to go deeper and find the real reasons for our being. As we investigate this, we inevitably come to the conclusion that a group of people get together and exist as an institution that we call a company so that they are able to accomplish something collectively that they could not accomplish separately – they make a contribution to society, a phrase which sounds trite but is fundamental.” (Handy, 2002)

According to Charles Handy the prominent management philosopher of our time businesses should move beyond the goals of maximizing profits for their shareholders and prioritizing them above all stakeholders (Handy, 2002).

The value of CSR has not been discovered from the get go. Many companies have engaged in the CSR activities not on the voluntary grounds. Public responses to issues highlighted by the mass media have made them reconsider their actions. For example, the abusive labor reports of Nike Indonesian suppliers by the New York Times have led to massive consumer boycotts of the company produced goods. Pharmaceutical companies are asked to respond to HIV/Aids pandemic in Africa etc. Nevertheless for the CSR initiatives to be successful and bring value to the shareholders of the company the CSR should be planned and connected with the company’s strategy and coordinated to achieve maximum impact on the society and the social issues that the company addresses (Porter & Kramer, 2006). In order to survive global challenges and recessions, to be able to avoid cut-offs, when CSR is merely a philanthropic add-on to business, it should be positioned within the core of business strategy and development (Raynard & Forstater, 2002).

According to Gangone and Ganescu, CSR is the financial or non-financial and direct or non-direct empathy shown towards stakeholders by the organizations. Identifying the stakeholders and identifying their commitment to CSR is important for any business (Gangone & Ganescu, 2014). Correct management of organizations stakeholders will enhance the reputation of the company through positive responses to stakeholder concerns, will increase the ability to recruit and retain staff; will improve the risk management and improve the capacity to learn and innovate (Raynard & Forstater, 2002).

Large amount of research has been conducted on various aspects of CSR in developed countries and largely less in developing countries. Whether it is beneficial or not for the companies to include CSR initiatives in their operations to increase the value for their shareholders and to gain competitive advantage has been underexplored. As it was mentioned earlier, authors researching CSR in developing markets conclude that the CSR activities in developing countries mostly are philanthropic in their nature and are carried out to supplement the gaps and lacks of the governments, or are derived from the cultural or religious traditions of the country in question. Nevertheless the impact of such activities on the consumers and customers of the businesses in developing countries have not been researched.

As the banks constitute the core of every economy, most of households in many countries are in one way or another connected with banks, some view them as the evil of society, some as relief and assistance in doing business. It would be interesting and relevant to see what attracts the consumers to the banks, is it only the interest rates and services or do people pay attention to the philanthropic or environmental activities carried out by the companies. To study the subject we have decided to do the case study of Georgian banks. We will research the customer attitudes towards the CSR initiatives
implemented by the banks, the type of CSR activities they prefer, the short or long term social impact they expect from these initiatives.

1.7 Research questions

**RQ1**: Are the CSR responsibilities of banks in developing countries, as important for current and potential customers as other attributes of the bank?

**RQ2**: Does the demographic category, to which the current and potential customer belongs to, affect his/her preference of certain type of CSR responsibility?
2. Conceptual Framework

In this chapter the conceptual framework behind the hypotheses of the present research will be set forth. The demographic categories will be listed and explained the reasons why each demographic category could be drawn to certain type of CSR responsibility more than to the other.

Number of studies has tried to examine the link between the company’s CSR initiatives and their market performances, but there is a lack of research on how the consumers perceive the socially responsible behavior of the companies, whether it has the effect on purchase-will of the consumers. In order to test whether the CSR initiatives of the banks are important for current and potential customers and it could change the consumer’s attitudes towards the banks or possibly even draw potential customers to the banks, the attitudes of the consumers will be researched through surveys. The five demographic factors will be used as the control measurements, in order to find out which group of consumers is affected by which kind of CSR activities. The factors being: age, gender, education, type of employment and income.

2.1 Bank CSR responsibilities as competitive advantage

In our age when mere production of the goods and provision of services is not enough to attract consumers to the company, when consumers become more aware of the environmental and social challenges that the world faces, the demand for the CSR initiatives from the companies is rising. In 1961 Robert J. Lavidge, the founding chairman of the American Marketing Association Foundation, recipient of awards for leadership and contribution to the field of marketing, in his article suggested that there is a hierarchy of effects in consumers purchasing behaviors. Consumers don’t change from disinterested individuals to purchasers in an instant, but go through seven stages. At the first stage the consumers are completely unaware of the existence of the product or service; on second stage they are merely aware of its existence; on third stage they know what the service or the product can offer; on fourth stage consumers “like” the product; on fifth stage consumers prefer one product over the other; on the sixth stage consumers are closer to purchase intent and the preference of the product is coupled with the intent of buying it and knowing that the purchase will be wise; the final stage is the actual purchase of the product. Based on these 7 stages the customer behavior can be put into three dimensions: cognitive – the intellectual dimension, referring to what customers think or believe; the affective stage refers to the emotions and feelings of the customer and the cognitive or motivational – refers to customer’s behavioral intentions and actions (Lavidge & Steiner, 1961). When the companies communicate their CSR initiatives it guides the consumers through the seven stages mentioned above and helps the consumers shape the CSR image of the company.

As we have stated in the introduction section of present thesis, the CSR is becoming more and more important in the world. It is becoming important for the consumers, what the company does for society and environment. Given that the banks advertise-communicate their initiatives on their services, their performance and other competitive attributes, alongside their CSR related initiatives, would the CSR initiatives be as important for customers as the rest of the features that the bank possess?

2.2 Demographic categories

2.2.1 Age

According to Kolhberg, the famous American psychologist, the individuals throughout their lives pass through three stages of moral development. The first stage is pre-conventional morality (mostly children under 9), when the morality of individual is shaped by the views of parents. The focus at the stage is at oneself, what benefits or punishments could the behavior cause the individual. The next stage is conventional, at this stage individuals choose certain types of behaviors to conform
to the rules of society, be perceived as a good girl/boy. And the final stage is post-conventional when the person takes into consideration values and opinions of different people and the universal ethical considerations for shaping of his/her morality (Kohlberg, 1981). For the purposes of the present research the age groups asked to fill the survey started from the age of 20, when we believe the individuals have reached the moral “maturity” to not be only concerned with needs of oneself, but include in their decision making the needs of the society and universal ethical considerations.

In 1972 Anderson and Cunningham have conducted a research to identify which consumers should the market address, when promoting social or environmental wellbeing, which consumers are the socially conscious consumers? (Anderson & Cunningham, 1972). The authors have gathered data through survey of 412 households in Austin, Texas. As the dependent variable the authors have used the eight-item Social Responsibility Scale developed by Berkowitz and Daniels, which is designed to test the individuals traditional social responsibility, his/her willingness to do good, even if there is no direct gain for oneself. As the independent variable the authors have used 6 demographic and socio-economic variables, such as the age of the head of household, his occupation etc. The research identified that the three variables have the biggest impact on the social consciousness of the individuals - age, socioeconomic status and occupation. According to authors the socially conscious consumer is a grown up person of relatively high socio-economic and occupational achievement, who is less dogmatic and less conservative. On the other hand, consumers with low social consciousness are the ones who are middle aged or older and who have low occupational or socio-economic attainments are more dogmatic and conservative (Anderson & Cunningham, 1972). Thus we believe that the age group of 20-30 and 30-40 will show bigger number of socially conscious consumers than the ones of 40-50 and 50+.

2.2.2 Gender

Carol Gilligan in 1982 even though countering Kohlberg for only using male subjects in his research, has further asserted the findings of Kohlberg, suggesting that the three stages of moral development do exist, although the moral development stages of men and women are different. Men seek justice and women seek to “care”. The relationships and caring for others is more important for women, whereas for men acting by the rules and doing the “right thing” is more relevant. Men ask themselves whether their action was right, women – whether their actions caused any harm? (Gilligan, 1982).

According to Andreoni and Vesterlund, women tend to be more altruistic even when it comes at higher price – when altruism is expensive; men are altruistic when it is cheap. Women tend to be equalitarian who support the equal sharing of things; men tend to be either completely selfish or selfless, without middle ground (Andreoni & Vesterlund, 2001). Thus it would be reasonable to conclude that women would be more eager to pay more for the services of the companies that do “social good” rather than men and be more interested in companies engaged in CSR initiatives.

The research conducted in 2016 in US has evidenced that having a daughter in the family of company CEOs make them more pro-social. The CSR rating is 9% higher in such companies, rather than in those where CEOs don’t have daughters. As parents internalize their children’s preferences the choices and decisions of CEOs tend to become more feminine, thus they value social good more and implement CSR initiatives into their company practices (Cronqvist & Frank, 2016).

As these and many other researches, whether psychological, ethical or market ones suggest, there are fundamental differences in core values of women and men. Women tend to be more utilitarian, wishing to “do good” for the benefit of society, men tend to be more just and rules abiding oriented. Therefore we suggest that in our research female respondents will constitute the majority of the bank’s current or potential customers interested in their CSR initiatives.
2.2.3 Education

Education is the key to sustainable development of the world as was suggested at the UN World Summit in Johannesburg (Nations, 2002). People with higher education are more aware of the environmental and societal challenges that the world faces. In their research Oberseder and Schlegelmilch have conducted 22 face-to-face interviews with respondents for their research on topic of “Why don’t consumers care about CSR?” out of all 22 respondents the ones with high school degree or vocational training had generally low or average interest and information about CSR policies of the companies and disregarded them when purchasing products. Respondents with higher education, had generally higher interest in CSR and considered company’s CSR policies when buying the products, some showed higher level of awareness of CSR in general (Oberseder & Schlegelmilch, 2011).

The other research, in which the graduate level students were asked to participate in the study, showed that most of the participants had a high degree of awareness about CSR, some of them were acquired during their studies. When asked about the CSR, the participants of the survey mentioned education, environment, and community issues as important CSR initiatives. The graduates appreciated CSR initiatives of the companies as a positive aspect of organizations preoccupations (Zaharia, 2011).

2.2.4 Income

In our everyday life, each of us might come across products which are produced with positive social, ethical and environmental considerations. Simple example might be products sold in grocery shops, where we can find the same products with different price and higher price on those products which have inscription - ecological. Generally, ethically branded and ecological products are often sold at premium prices and cost more than regular products. Hence, they are targeting consumers with high income - those who can afford high prices on products.

There are researches, saying that income amount does have an impact on customer attitude towards companies’ CSR. For example, one of the researches says, that customer groups with high income respond more positively to firm’s CSR practices than those with low income (Youn & Kim, 2008). Also, the survey conducted by Starr, indicates that income has a positive but limited effect on buying ethically (Starr, 2009).

2.2.5 Type of employment

There are number of studies on the differences and similarities of public and private sector organizations. One of the main factors leading to differences and similarities are values and norms. Organizational value can be defined as “values that play a role in organizational decision making and action”, while norms usually “state what is normally correct behavior in certain situations” (Van Der Wal, Huberts, Van Den Heuvel, & Kolthoff, 2006). In sum, norms and values guide the choice of action and provide the moral basis for evaluating what we do (Van Der Wal, Huberts, Van Den Heuvel, & Kolthoff, 2006). In order to define similarities and differences in public and private sector, researchers focus on the values that are shared throughout the organization: organizational values.

According Van Der Walet et al (2006) social values might be considered too broad for a public organizational context (Van Der Wal, Huberts, Van Den Heuvel, & Kolthoff, 2006). One of the example to proof this statement might be social codes presented by United Nations and Dutch public sector codes according to which two strong social values - “social justice” and “humaneness” are not included in their list of values important to public organizational context (Van Der Wal, Huberts, Van Den Heuvel, & Kolthoff, 2006).
Furthermore Van Der Walet et al (2006) state, that “Social responsibility” and “sustainability” are only private sector values and beside that “social responsibility” is considered as core organizational value of private sector(Van Der Wal, Huberts, Van Den Heuvel, & Kolthoff, 2006).

When discussing organizational value meanings, some argue that employees abandon individual moral and values as the basis of ethical judgment and replace them with organizationally based collective ethic (Jackall, 1988). Based on this we can assume, that employees might be influenced by the values possessed by organizations i.e. organizational values.

In sum, according to researches presented above, private sector organizations possess core social values in contrast to the public sector and since, those values might influence the employees we can assume the following: employees, working in private sector, might be more socially responsible, than those working in public sector.

Therefore, in the context of this research, based on literature reviewed above and also on our strong expectations, we state the following hypotheses:

**Hypothesis 1**: The CSR initiatives of the banks are as important for current and potential customers as other attributes of the banks;

**Hypothesis 2** – Economic responsibility attracts men, persons in the working age (20-60), persons with university degree (Bachelor’s degree, Master’s degree, PHD), privately employed, self-employed persons to a higher extent than it does for the other groups of current and potential customers.

**Hypothesis 3** – Social responsibility attracts females, pensioners and persons approaching pensioner age (50-60), unemployed persons (students, pensioners), persons with lower education to a higher extent than it does for the other groups of current and potential customers.

**Hypothesis 4** – Legal responsibility attracts, men, persons in the working age (20-60), persons with university degree (Bachelor’s degree, Master’s degree, PHD), privately employed, self-employed persons to a higher extent than it does for the other groups of current and potential customers.

**Hypothesis 5** – Ethical responsibility attracts females, pensioners and persons approaching pensioner age (50-60), unemployed persons (students, pensioners), persons with lower education to a higher extent than it does for the other groups of current and potential customers.
3. Methodology

According to 6 & Bellamy, research methodology is defined as “understanding of how to proceed from the findings of empirical research to make inferences about the truth or at least about the adequacy of theories” (6 & Bellamy, 2012). As understanding of methodology helps to create good research design, it allows researchers to deliver the goods in right way. On the other hand, good design is important to draw defensible conclusions about the things researchers observe, including the causes coming from the way people think about the world (6 & Bellamy, 2012).

In order to show our methodological framework, we are presenting the following chapter. It contains: our philosophical assumptions about reality, role of theory in our research, description of elements of research design. Also, within this chapter we present brief description of data collection and data analyses, however detailed one will be presented in the following chapter.

3.1 Ontological and Epistemological assumptions

Understanding philosophical arguments is important to conceptualize the kind of warrant that researchers might claim, especially when theories need to be confirmed (6 & Bellamy, 2012). Ontology is defined as sub-discipline of philosophy which is concerned with the question of what exists, and what status we are ascribing, especially to unobservable, abstract things (6 & Bellamy, 2012). However epistemology is the sub-discipline of philosophy concerned with the truth status of knowledge that can be achieved either by observation or by inference (6 & Bellamy, 2012). In regards to epistemology, the research focuses on knowledge about the social reality - effect of CSR initiatives of the banks on attitudes of various demographic groups of current and potential customers, towards the banks in developing countries. We believe that the knowledge can be obtained by establishing the link to reality, by using concepts and their measurements. We use our theoretical knowledge to define our statements - hypotheses and test them via empirical observations. We think, that the way we view knowledge is appropriate for positivist position.

According to Blaikie (2003), to understand what is the relationship between data and phenomenon, depends on the way and assumptions we view the nature of social reality i.e. depends on our ontological assumptions (Blaikie, 2003). We think that reality we are going to research, exists on its own. The banks and customers exist and there is financial market, where one is a seller and other is the buyer. The market is present on its own, independently of the people who sell or buy the banking products. We think that, research topic is observable through the survey we are going to conduct via social media.

So, we claim that our epistemological and ontological assumptions are based on positivism. As, according to 6 & Bellamy (2012), it is defined as kind of empiricism, with basic idea, that all knowledge comes from experience - that is, from what we observe, i.e. things we can detect with all our senses or with the instruments we possess to extend and enhance them (6 & Bellamy, 2012).

3.2 Inference

The inference is the “(1) the process of making claims about one set of phenomena that cannot be directly observed (2) on the basis of what we know about a set of things that we have observed where (3) the choice of research instruments depends on a theory of how those instruments work” (6 & Bellamy, 2012). There are three types of inferences descriptive, explanatory and interpretive. Explanatory inference is undertaken to answer questions like “Why x has done y? Or what caused x to behave like this?”. When in the case of present thesis we try to understand the motivations of customers for choosing banks and giving preference to one bank over the other, when we want to understand what demographic factors affect the perception of CSR and which demographic groups are
most attracted to the banks with CSR initiatives, according to Bellamy (2012) we have explanatory inference in our research (6 & Bellamy, 2012).

### 3.3 Research Design and Role of Theory

As we are interested within case analysis and our main unit is case itself (6 & Bellamy, 2012), the current research is based on empirically based observational research design – case based research. We took Georgia – developing country (Fund, 2016) as a case in our research. For the purposes of present thesis we will supplement the case based research with variable oriented research to answer research questions most accurately and to test our hypotheses. According to 6&Bellamy (2012) VOR aims “to determine the relationship of particular factors to various outcomes” (6 & Bellamy, 2012). In Variable-oriented research the statistical analyses is usually conducted and relationships between two factors are tested, having two types of variables - dependent and independent. “The outcomes will be treated as dependent variables (DVs) and the factors we believe are causing them as independent variables (Ns)” (6 & Bellamy, 2012). As we seek to find the relationship between the CSR initiatives of the banks and the attitude of different demographic groups of current and potential customers towards the banks, the dependent variable in our research is the customer attitude, whereas the independent variable the following five demographic factor: age, gender, education, field of occupation and income, which will influence the dependent variable.

Based on the theoretical framework discussed in the previous chapter of the present thesis the hypothesis has been formulated based on research which has been conducted by other researchers previously. According to 6&Bellamy (2012) deductive research builds upon previous research and its aim is to test the hypotheses drawn in the research (6 & Bellamy, 2012). Therefore our research design is that of deductive.

The primary data for the thesis will be gathered through the online surveys disseminated through the social media, specifically - through Facebook. We believe the distribution of survey through Facebook will give us the close to complete picture of the existing reality of customer attitudes, as large population of the country of Georgia use internet and Facebook is the most used social media in the country. It is the source for information gaining for many citizens. The other factor is the fact that at the moment we are not in the country and it is impossible to disseminate the surveys personally among the citizens of the country. The data will later be analyzed statistically, even though it is impossible to collect answers from everyone in the country the statistical analysis will give us the possibility to generalize the findings of the research to the larger population.

### 3.4 Validity and reliability

#### 3.4.1 Assumptions of the authors

The authors of present thesis come from the country, which is chosen as the study case for present thesis, and among the residents of which the survey was distributed. Georgia, along with other post-soviet countries is considered developing economy according to the World Economic Outlook 2016 of the International Monetary fund (Fund, 2016). With average 2.8 percent rise in the economy in the last two years and nominal GDP per capital of 8500 GEL, the country has come a long way from the crumbling economy, state institutions and social awareness of the 90s, with two wars and the fall of the Soviet Union behind it. Having studied for a year on the Sustainable development program, it feels as if the majority of concepts of sustainability are based upon those of the developed western countries. All the countries differ in their languages, culture, traditions and socially accepted norms and ethics. What is right for one country, does not necessarily mean it is right for the other.
We wanted to study the CSR and sustainability of developing country, where awareness on the subject of sustainability is quite low, based upon our own experiences. How people understand sustainability, what is done to ensure sustainable future of the generations, whether the companies take it upon themselves to initiate actions to support society and state, were the questions that we asked ourselves. As, one of the authors has previously worked in one of the largest banks in Georgia and as the banking sector is one of the largest, most developed and most influential in all the countries, especially in developing ones, as large portion of the businesses rely on the banks loans, and as it’s mentioned above, Georgia is considered as developing country(Fund, 2016), we decided to study the banks in Georgia, as the means to identify the tendencies in the CSR field in the developing countries. The authors have devised a survey, which was shared on the social networking web page- Facebook and asked people to answer the questions in the survey, without them having to identify themselves as, in Georgia, as in other eastern European countries, societies are characterized with high in group collectivism (House, 2004), the “keeping of the face” is very important, and answers would not be sincere if they were asked to identify themselves for the filling of the survey questions, most of them would try to come up with “correct” answers(Paletz, Miron-Spektor, & Lin, 2014).

3.4.2 The reliability of research
The reliability of the research is the degree to which the measurements of the results of the research are trustworthy. If the same research has been conducted by other researchers using the same data and the same procedures to code or measure the data and analyze the data, they would be led to the exact same results as the original researchers (6 & Bellamy, 2012). As our data and research is quantitative and for the analysis of the data we use the statistical analysis programme, there is not much leeway left for the researchers of present thesis for human or personal error.

3.4.2 Validity of research
As for the validity of research it is the degree to which the statements in the research reflect the truth (6 & Bellamy, 2012). Present research has been conducted through an online survey, posted on a social media page, with the sample size of 224 responses gathered. The questions in the survey were constructed in such a way, as to not confuse the respondents on the subject of the research. Thus, when asking the respondents on their views of CSR initiatives, instead of using wording of “CSR responsibilities of the banks”, the question was broken down to 4 questions, each asking about the specific part of CSR responsibilities as shown in Carroll’s CSR pyramid and remodeled for developing countries by Visser. Furthermore, in each question the explanation of the mentioned type of the CSR responsibility was explained. For examples: Is the economic CSR responsibility important to you? (Bank’s contribution to the economic development of the country, through creation of jobs, paying taxes giving loans etc.).

Based on all the above mentioned we believe that the construct validity of our questionnaire can assume a high degree of confidence in that, through this survey we have been able to “really capture what we intend to capture” (6 & Bellamy, 2012). As for the conclusion validity, since the present research is quantitative in essence and the data gathered through the survey will be analyzed using the statistical analysis programme, there is little chance of the error in the precision and the soundness of the outcomes reached by the end of the research.

The purpose of the research is to find the causal relationships between the demographic factors of the customers and their attitude towards the CSR activities of the banks. The demographic factors will be used as the independent variables and the four types of the CSR responsibilities as the dependent variables to find whether one types of demographic group is keener on showing interest to CSR activities of the banks, over the other one, and to prove or reject the hypotheses we have drawn in the present research. After analysis of the causal relationship between these variables, with the Fisher’s exact test, in case the p-value in the results will show a number <0.05(Sauro & Lewis, 2012),this will mean that there is the statistically significant relationship between dependent and
independent variables. The results of the present thesis could be generalized to developing countries and markets. Thus the internal and external validity of the research are warranted (6 & Bellamy, 2012).

3.5 Ethical Considerations

The term ethical comes from the Greek ethos and means communities’ shared customs or individual’s character, good or bad. Research process needs to be reported ethically, which means respect sources, preserve and acknowledge the data that run against the results and meet all the obligations of the research (Booth et al, 2003). If we ignore ethical issues, we start to go down on slippery slope, where “doing the good job” is all the matters (Silverman, 2015).

We take into consideration ethical issues of research. We respect sources we have used in our research and hence, we think plagiarism is theft and follow the rules to use information from different sources in our research by mentioning the original source.

Anonymity of respondents - we need to protect the identity of the people we are going to research and also, make sure that they understand our research. We need to respect the people’s willingness to be anonymous during the survey.

Bargains in research - informed consent means that we don’t pressure people into agreeing to participate in our study (Silverman, 2015). We didn’t pay money to respondents to participate in our research and their contribution was based on volunteering.

Researchers need to establish mutual trust between them and people studied (Silverman, 2015). For this reason, we put research description as the introduction of survey, as we believe that the more respondents might know about research, the bigger their trust might be towards the research. We think that the research subject has the right to know that they are being researched, the right to be informed about the nature of the research and the right to withdraw at any time. The right to informed means, that potential research subject should be given a detailed but non-technical account of the nature and aims of the research (Silverman, 2015).
4. Methods

In this chapter the methods that have been chosen for the gathering and analysis of the data will be presented and argued for. The methods chosen for the present thesis are designed to help answer the research question and prove or reject the hypotheses.

4.1 Data creation and collection

4.1.1 Literature review

For the purposes of the present thesis, the secondary data was collected through the review of available literature on different topics. In introduction section we reviewed literature about CSR. We started by presenting general information about the importance of CSR in organizations in connection to sustainable development and its role in building corporate image and reputation, ending up by the statement, that CSR is new concept, that the corporations need to adopt in order to satisfy clients and also, meet current sustainable development goals of the world. Since, our topic is focused on banks in developing countries, we also reviewed literature about CSR in developing countries to find out the general picture of current situation of CSR issues in this particular market and whether it is in any way similar or different from the developed country markets. Next subchapter is dedicated to review of the banking sector peculiarities in the developing countries. As banks don’t exist in isolation, in contrary they have various stakeholders to whom they are responsible, we decided to talk about stakeholders in general and their importance in CSR activities. Based on the information obtained from the literature review, we derived our research purpose.

In order to define hypothesis, we reviewed literature in the section of conceptual framework. As long as, our research is focused on, the effects of CSR initiatives on different demographic groups, we are presenting findings about customer attitudes and five demographic groups, such as: age, gender, education, income and field of activity.

All the articles used for literature review to define the research problem and hypothesis was sought in the online database of scientific articles of the library of Malmo University and also, we used scholarly literature of Google Scholar web search engine in addition.

Furthermore, web based document review will be used to check the current picture of CSR activities of Georgian Banks, in order to have larger picture of the tendencies in the country at question, in regards to CSR. The official pages of the banks, as well as Facebook pages will be selected for review.

4.1.2 Empirical data - Survey Creation

Any kind of social research needs to make decision, on how to select data from whatever the source or sources may be (Blaikie, 2003). During the data collection, it is important to make the choice either to take the whole population or select a sample from the population (Blaikie, 2003). A population is defined as an aggregation of all units and cases that conform to some designated set of criteria, as for the sample, it is defined as a selection of elements from a population and used to make statements about the whole population (Blaikie, 2003). In case of our research we define our population as those of the current or potential clients of the banks, who are using social network - Facebook in Georgia. As the number of internet users in the capital city of Tbilisi in which half of the population of the country lives, is 68%, in the whole country it is 48% (IDFI). In addition to this, Facebook pages of the banks have high numbers of subscribers (300 000 -550 000) and country population being about three and a half million people(National Statistics Office, 2015),we believe the sample of the data we are going to measure, represents the population, we intend to make the statements about. It is often impossible to study the whole population as it involves large expenses, indefinite time for the research etc., therefore
the sample group is selected and through statistical analysis of the results the findings could be generalized to the whole population.

Though survey is criticized for the fact that its sample doesn’t adequately represent the whole population (Ritter & Sue, 2007), considering that the whole population of the Georgia is slightly less than four million, we believe the survey answers collected through the Facebook will give us the picture of existing situation.

Research always requires choosing and determining certain number of items or people to answer the research question. This is called sampling, as mentioned above. In order to use the results from a sample to draw conclusions about a population, we used non probability techniques, such as accidental (or convenience) sampling. We posted survey questionnaire in social network - Facebook and kept it open till we reached the proper number of respondents for each category. In general, we have five demographic groups: age, gender, education, field of occupation and income. When trying to identify the sample group of our present thesis, we have conducted the research about the use of internet and more specifically - social networks in Georgia. As stated above, 48% of the whole population is using internet in Georgia and most of the internet users utilize Facebook, which was confirmed by the research conducted by IDFI (Institute for Development of Freedom Information)(IDFI). Also, according to Socialbakers, Facebook users consist 22.89% of the whole population of the country and this index has the tendency to increase actively year by year (Socialbakers, 2015). In addition to that, we conducted research to find out demographic statistics of Facebook users in Georgia. Unfortunately, there is no research about this topic. But we found out some information about Facebook users in general. Findings show that, in case of age - 25 to 34, at 29.7% of users, is the most common age demographic for Facebook(Zephoria Digital Marketing, 2016). As for the gender, there are approximately 10% more female users of Facebook than males(Zephoria Digital Marketing, 2016). In addition, we did research for other demographic groups, such as: education, field of occupation and income groups, but unfortunately there is no statistical data for them. We assumed that because of the high usage of Facebook network in Georgia, we would reach the sufficient number of categories in each group.

4.1.3 Survey

Data creation is the production of raw material for the research, surveys, questionnaires etc; collection is the capturing of what is important from the data created (6 & Bellamy, 2012). In order to confirm or reject the hypotheses presented in this paper, the primary data was collected through the online survey to find out whether appurtenance to one of the demographic categories have effect on the attitudes of current and potential consumers towards the CSR of the banks. As we are interested in developing countries, we chose Georgian market to investigate our research topic. Specifically, our research is focused on Georgian Banking system.

Banks in Georgia promote their activities through social media, as each of them owns an official page on various social media sites, such as: Twitter, Instagram and of course Facebook. As we mentioned above, the Facebook pages of the banks have high numbers of subscribers (300 000 -550 000). We distributed the survey through social platform Facebook. Since we were limited by time and our target respondents live in Georgia, the only way to get in touch with them was online survey. Also, it gave us opportunity to reach and distribute questionnaires to geographically dispersed respondents. In addition, it had low cost and high speed response compared to other types of research. In addition, as long as the respondents didn’t need to sign up with their name or mail to answer the survey, as we used free Google Online Survey application to create our survey, it was easier to keep anonymity of the respondents and they would feel more free and honest in choosing the answers they wished to choose, instead of feeling under social pressure of choosing the “right” one. Creation of the survey in the Google Forms application is free of charge, is quite simple and doesn't require special technical skills;
therefore our preference for the online survey creating application was obviously given to Google Forms (Ritter & Sue, 2007).

In order to meet the goals of research by using online survey, it is essential that questionnaire contain valid and reliable items asked about specific characteristics of the sample (Ritter & Sue, 2007).

As this study is quantitative, it has dependent and independent variables. We identified customers’ attitude towards the CSR initiatives of the banks as dependent variable, while demographic categories are independent variables. Response format for questions was close ended and multiple choice, organized by radio buttons. All the questions contained a set of response options from which respondents should select only one and options were presenting all possible answers that can be reasonably expected (Ritter & Sue, 2007). For a number of questions, all the possible options were mutually exclusive, so that respondents shouldn’t feel they match more than one response category at a time (Ritter & Sue, 2007) and also to have the same perception about constitution of adequate answer (Fowler, 2009). Also, close ended questions give us opportunity to interpret the meaning of answers when the alternatives are given to respondents (Schuman & Presser, 1981), however when open ended questions are asked many respondents give the rare answer that are not analytically useful and conversely, providing constrained number of answer options increases the likelihood that there will be enough people giving particular answer that might be analytically interesting (Fowler, 2009). And of course, when conducting computer based survey, it is easier for respondents to give the answers by checking a provided answer, than respond in a narrative way (Fowler, 2009).

The questionnaire contained fourteen questions to answer the research question as it was stated at the beginning. There are four general categories of questions that might appear on an evaluation survey: factual questions, questions about behavior, attitude questions and demographic questions (Ritter & Sue, 2007). Our questionnaire contained some of them.

First, we have asked five demographic questions to respondents about their age, gender, education, type of employment and income amount. Questions for demographic information was asked to investigate to which demographic group each respondent belonged to in order to find out whether appurtenance to one of the demographic categories have effect on the attitudes of current and potential consumers towards the CSR of the banks. Demographic questions were measured in nominal and ordinal scale. Questions about, gender, education and type of employment were measured in nominal scale, as they don’t have any intrinsic order (Blaikie, 2003). As for the age and income question, they were measured in ratio scale, since intervals and ratios are meaningful between the values (Fowler, 2009).

Demographic questions were followed by factual questions about banking service. Respondents were asked the following questions: “Do they use banking service”, “What type of banking service they use”, “Which bank’s service do they use” and “Why did they choose that particular bank(s)”. Some of these questions don’t directly respond the research questions. We put them in the questionnaire in order to discover some patterns of customer’s choice and what is the reason of those choices. We believe this type of information will help us to make proper conclusions at the end. Also, it will be more accurate if we will make conclusions in connection to the broad picture of the banking market. All the questions were measured in nominal scale.

The next set of questions of the survey questionnaire was represented by attitude questions. As stated by Ritter & Sue (2007), measuring attitudes means to ask people about their feeling towards something. We asked attitude questions to find out current and potential customers’ attitude towards the banking system in general and CSR initiatives of the banks. Customers’ attitude towards the CSR initiatives of the banks was asked in four questions. We created CSR questions on the basis of Carroll’s (revised by Visser for developing countries) pyramid and it contained questions about social, economic, legal and ethical initiatives of the banks. We think the plain question about CSR initiatives would be confusing for respondents, however our intention was to provide clear questions, which would avoid us to mismatching between respondents interpretation of items and our, as researchers intended meaning
(Ritter & Sue, 2007). As a result, it might cause unreliable responses and significant threat to internal validity of the research (Ritter & Sue, 2007). By asking level of importance of CSR initiatives of the banks we used 5 point Likert scale to measure attitude questions ranging from “1=very important” to “5=not at all important”(Blaikie, 2003). We selected five point Likert scale measurement by including “neutral” option in the middle of the responses to give the respondents certain freedom in expressing their neutral attitudes, otherwise they might skip these question or refuse to answer the survey (Ritter & Sue, 2007).

4.2 Statistical analysis

As the research aims to find the relationship and influence of the demographic factors on the attitudes of the CSR in the population, as the research is quantitative and conducted through the online survey, the statistical programme has been chosen for the analysis of the data. Our sample size consists of 224 respondents, all of them having answered 14 questions with multiple answers therefore it would take a lot of time to analyze all this data manually, especially for untrained persons.

The data from all of the 14 questions was transformed into the variables in the programme. Few questions which had multiple choice answers were divided into yes and no questions, as statistical programme does not allow entering the data from multiple choice questions under one variable, therefore the overall number of variables increased to 27. We have decided to use the statistical analysis - chi square, as our data is mostly nominal. The problem with chi square test though is that, in order to analyze the data the researchers should make sure that the number of responses in each category of the variable is no less than 5, which is quite hard to attain and as we had few questions where number of responses were less than the abovementioned number. Therefore we have chosen to use Fisher’s exact test, which uses exact probabilities instead of approximations as it is done with the chi-square distributions of T-distributions. The Fisher Exact Test computes the p-values by finding the probabilities of all possible combinations of 2x2 tables that have the same marginal totals that are equal to or more extreme than the ones observed (Sauro & Lewis, 2012).

The results of the analyses have proven to have statistical significance in some instances, thus confirming our hypotheses and no statistical significance at all in others, thus rejecting the hypotheses. Nevertheless the percentiles of the responses has given us the possibility to draw conclusions on certain aspects and phenomena, which even though proven not to be statistically significant, nevertheless provide some insight on the overall picture of the customer’s attitudes and intentions. The results and the conclusions drawn upon them will be presented in the next two chapters.
5. Analysis

In this part of the thesis the findings of the survey will be elaborated. The hypotheses will be answered based on the findings elaborated in each sub-chapter corresponding to the demographic categories, that we believe affect the perception of CSR in the population.

5.1 Banks in Georgia

The performers in the banking system of Georgia, (the country in which the research for present thesis has been conducted), are quite diverse, there are a couple of “behemoths”, the customers of which are probably majority of the population of the country, few foreign investment funded banks, and several micro-finance organizations.

The CSR initiatives of the banks are usually provided in the section of the web pages of the banks, which are entirely in English and aimed to foreign investors. The main direction of the initiatives is aimed to charity endeavors, environmental activities and provision of equal and beneficial opportunities for the employed, i.e. internal stakeholders. The few major banks and their initiatives will be listed in the abstracts following.

5.1.1 The Bank of Georgia

In 1994, Bank of Georgia was established on the basis of the national communist bank “Binsostbank” that existed before. It is the leading bank in Georgia with market share of 33.4% (based on total assets), 32.0% (based on total loans) and 33.0% (based on client deposits). As of 2015 it is serving approximately 2 million bank accounts out of 3.5 million citizens of Georgia. (Bank of Georgia, 2015).

Their vision states, that “it is to set new standards of banking through our knowledge, experience and foresight.” And their mission is to «support our customers, investors, employees and society in building of a successful future through our expertise, dedication and constant innovation». Even though their vision and mission speak of the setting of standards and supporting the customers and employees, their initiatives at CSR are provided only in English and only on the webpage aimed at investors. The CSR responsibility of the bank includes initiatives in social, employee and environmental matters.

The initiatives in social matters envision integration of sustainable finance principles into its credit risk management procedures, for the management of the banks environmental and social impact. The bank has the Environmental and Social Risk Management Procedures, which are part of Environmental and Social Risk Management System (ESMS) of the bank, led by the appointed coordinator and manager. The ESMS will be integrated into bank’s credit operations and will encourage the clients of the bank to achieve high environmental and social standards, through the framework that the bank has created. The bank requires annual reports and visits of the bank employees to the high risk and category A projects, to ensure compliance with environmental and social standards. The bank plans to provide business and financial trainings to SMEs, upon which the majority of Georgia’s economy rests. The bank provides loans to many environmentally and socially important causes. Has established Bank of Georgia University and provides grants to top 10 students. Also listed in the social matters is the Child deposit, the charity initiatives and foundation established to help children with disabilities and mortgage loans of the bank.

In employee matters the bank states that it tries to attract the top talents from the recent business school graduates, by participating in jobs fairs and direct contacts with universities and business schools. Bank provides the trainings for its employees and interns to enhance their professional capacities and for their professional growth, the employees are granted priority when applying to middle and top management positions.

In environmental matters the bank mentions the Environmental and Social Risk Management Procedures, with which it tries to decrease the direct or indirect environmental impact. At the same
time the web page states that the bank does not believe that the direct environmental impact of the bank can be big, but they have implemented measures to reduce carbon footprint, by reducing electricity, water, paper and fuel consumption, giving as example the substitution of usual light bulbs with energy-saving ones, which decreased the costs for electric energy with four-five thousand GEL a month. The biggest environmental impact according to bank is created by its real-estate business “M³”, but the business follows the high environmental standards established by IFC. Another of the businesses of the bank is the medical company EVEX, the environmental impact of which is mostly from the medical waste, the management of which is outsourced to company specializing in it (Bank of Georgia, 2015).

5.1.2 TBC Bank

TBC Bank was founded in 1992, with only 500 USD, now the bank is the second largest bank in the country serving 1.7 million customers, with 561 million USD in equity and 2.9 millions in assets. As it was in the case of Bank of Georgia the TBC Bank provides the information about its CSR only in English and on their web page directed at investors. At first glance the CSR strategy of the TBC Bank is much less elaborated on their web page than it was the case with Bank of Georgia. The bank focuses its CSR strategy into four main areas: workplace, marketplace, environment and community.

For workplace strategy the bank provides the trainings for its employees; tuition funding for MBA for middle management workers; the full social package, with insurance, full paternity and maternity leave and pension scheme; TBC academy provides free of charge business and banking workshops and trainings for its employees; TBC Fund exists for aiding the employees with large families.

The bank claims it was the first in the region to offer “value-added services to its SME clients that include networking, educational and consulting opportunities provided free of charge.”

The environmental and community strategies are envisioned under the ESMS of the bank created in cooperation with BRD, IFC, DEG, ADB, and FMO. The provisions of the ESMS manage the environmental and social risks of the bank’s operations, based on the EBRD’s Environmental and Social Risk assessment. IFC’ web-based ES toolkit etc(TBC Bank, 2016).

The data given on these two web pages could be considered outdated in the sense that on 12th of September 2016 TBC Bank has entered into an agreement with Societe Generale Group on the purchase of its 93.64% stake at Bank Republic, previously owned by the French Societe Generale group, thus becoming the largest bank in Georgia. Bank Republic was the only bank with information about its CSR activities in Georgian, most of which were philanthropic (Bank Republic).

5.1.3 Liberty Bank

Liberty Bank was established in 2002 under the name of “People’s Bank of Georgia”, successor of the state-owned "AGroMrets Bank” and was later renamed into “Liberty Bank”. It is the third biggest bank in Georgia at the moment. The bank serves approximately 1.6 million clients and 72 thousand legal entities. The bank manages the pension funds and IDP social allowances of the government. The CSR activities are listed on the main web page of the bank, both in Georgian and English, though the description of the activities is only available in Georgia. All the activities are within the social responsibility scope of CSR, the charity funds, blood donations, children house charities, disaster relief initiatives etc (Liberty Bank, 2016).

The banking sector in Georgia I the last year has experienced drastic changes. Some banks have purchased other bank’s stakes (News On Ge, 2016 ), others stakes have been acquired by foreign investor group are rebranding them (Marketer, 2016), therefore at the moment there are no other influential players, that customers trust and have had long lasting relations with, in the banking sector of Georgia.
5.2 Survey results analysis

5.2.1 Importance of CSR for the customers

In order to understand what importance do the customers put on the CSR initiatives of banks and how important is it in their choice of bank, we have devised a multi choice question in survey, asking them what was the reason for their choice of specific bank, the choices for the question read as follows:

a) Acceptable and competitively advantageous banking products  
   b) Service  
   c) The image of the bank  
   d) Trust towards the bank  
   e) The CSR initiatives and activities of the bank  
   f) Other (comments)

We wanted to see how many people would choose the CSR initiatives out of the given options and what demographic categories they would belong to. The chi square test we have conducted didn’t show in any instance the statistical significance, in any of the demographic categories; therefore we weren’t able to identify a demographic group for whom the CSR initiatives of the bank would be important. As for the percentages, out of 224 people the CSR of the banks was chosen only by 30 people, the lowest index out of all the others. 89 respondents have chosen banks acceptable conditions, 88 have chosen the service, the image of the bank is important for 57 people, the existing trust towards the banks is important for 71 customers and only for 30 persons the CSR initiatives are important. Therefore our first hypothesis has been rejected.

5.2.2 Age

The overall number of the participants of the survey was 224. The age categories we have used were the following: 20-30, 31-40, 41-50, 51-60 and 60+. The choice of the initial age in the age categories was dictated by the fact that, in order to use most of the bank credit products, citizens of Georgia have to be at least 20 years old, therefore at this age all the banking products are becoming available for citizens. As for the upper margins of the age, we knew that the population that uses the internet and especially social networks are usually under 40 years old (Zephoria Digital Marketing, 2016). Nevertheless we wanted to include all categories of ages possible and to see the points of view of older persons. To see what choices would people between 40 and 50, 50 and sixty and 60+ would make, even if the statistically significant results would not be achieved, due to low number of respondents in these categories. If we had only put three categories of 20-30, 31-40 and 41+ many voices of those between 40 and sixty and above would be lost and generalized.

According to our predictions the number of the respondents was highest in the category of 20-30, constituted 52% of the all respondents, second biggest group was 31-40, which constituted 33% of all respondents, the other 3 categories together constituted the 12%, with only 4 persons above the age of 61.

We have used the fisher’s exact test for the analysis of our data, in order to find out if there is a relationship between the independent and dependent variable. The Age was considered as the independent variable and the CSR questions - dependent. In order for the results to be considered statistically significant the value should be below 0.05(Sauro & Lewis, 2012). The results of the test have only shown that there is no dependency between the age of the customers and their response to CSR activities of the banks.
5.2.3 Gender

We had three choices given in the question on the gender of the survey participant – female, male and other. Out of 224 participants, 161 were women and 63 were men and zero ticks for the other option. The disproportionate ratio between the male and female respondents could be explained by few factors. First of all, as previous researches have shown, females usually are more avid users of the social networking sites, second reason could be that the authors of the present thesis are females themselves and even though the questionnaire was dispersed among not only friends of the authors but friends, of friends and few Facebook groups, the majority of females in the respondents could possibly be result of this. Also many researches have shown that females are much more compassionate, motivated “to help”, thus it was much more likely that on the request to fill out of the survey, the females would respond more actively than males.

The hypotheses have been tested for the relationship between the gender of the person and his/her response to the CSR initiatives of the banks. The social initiatives of the banks have shown to have bigger effect on women rather than on man, the fisher’s score was that of 0.006, in other categories females usually answered yes much more often than men, but the difference in the percentages was not enough to constitute statistical significance.

5.2.3 Education

In order to understand the role of education of the person in his/her perception of CSR we have listed 6 categories: high school, vocational training, student, bachelor’s degree, master’s degree and PHD. As the minimum age limit that we set was 20 years, and as majority of people in Georgia after they graduate from schools, go to study in the universities, the number of persons who had high school education only was very low - 8 persons out of 224. Under vocational training we meant, professional education as cook, electrician, carpenter etc. number of people in this category was also - 8. Students were 15, Bachelor degree holder 90, master degree holder 97 and PHD – 5. The university education in Georgia is considered as almost the only means of finding the jobs that could sustain a person and provide decent salaries, thus the numbers of persons in each category. Unlike the gender and age demographic factors, education factors seem to be more important in how people perceive and respond to the CSR initiatives of organizations. The hypothesis was partially confirmed in the part of the legal and ethic responsibilities. And unlike the age and gender there was no relationship between the social initiatives of the banks and the education level of consumers. According to numbers persons with higher education levels paid much less attention to social initiatives rather than legal and ethical ones.

5.2.5 Type of Employment

When determining how to divide the employment types for present category we have come up with 7 categories all in all: private and public sector, unemployed, student, self-employed and pensioner, category – other, was added for person who would want to further elaborate on their field of employment. Only one person chose the answer other, the person working for NGO, therefore his/her answer was included into the category – private sector, as the NGO’s are non-public (governmental) organizations and one answer would not give any statistical significance to the research. In private sector we meant any private organizations, be it for profit or non-profit, which operated outside of the government bodies, independently. The public sector on the other hand was determined to be any legal entity within the government structure, be it ministry, municipality, representation or other forms of government bodies – legal entities of public law for example.

The results of calculations of the answers of the present category even though interesting when looking at the numbers, have only shown the relationship between the type of employment of the person and his/her perception and attitude towards CSR activities, in the economic aspects of CSR. Brief overview of the numbers in the responses of persons in each category shows that persons...
with regular steady income – private and public sector employees- value all aspects of CSR on comparatively equal terms, but in economic aspects it seems that the unemployed persons are skeptic towards the economic input of the companies in the overall economy of the country.

**5.2.6 Income**

The wages in Georgia can vary from 300 (approx. 150 USD) Georgian laris (GEL) to thousands of GEL depending on the organization where person works and his/her position. The positions with the lowest wages up to 541 GEL are usually the consultant and cash desk workers in shops and markets. The medium amount of salary in private and public sector on the position of specialist usually ranges from 600-1000. The higher positions have salary from 1000-1500 and over 1500 GEL. Therefore we have come up with five categories – persons who have no income (do not work), those with salary up to 500 GEL, those with salary ranging from 500 to 1000 GEL, those with salary from 1000 to 15000 and those with salary over 1500 GEL (Georgia).

The statistically significant relationship between the amount of income of the person and his/her attitude towards the CSR initiatives of the banks has been found in the economic responsibilities category of the survey. The persons with higher income regard the importance of economic profitability of the company and its contribution to the overall economy of the country higher than those with lower income.

**Hypothesis 1:** The CSR initiatives of the banks are as important for current and potential customers as other attributes of the banks - rejected

**Hypothesis 2** – Economic responsibility attracts males, persons in the working age (20-60), persons with university degree (Bachelor’s degree, Master’s degree, PHD), privately employed persons, to a higher extent than it does for the other groups of current and potential customers – partly confirmed in the part of bachelor’s and master’s degree holders, both privately and publicly employed persons.

**Hypothesis 3**– Social responsibility attracts females, pensioners and persons approaching pensioner age (50-60), unemployed persons (students, pensioners), persons with lower education to a higher extent than it does for the other groups of current and potential customers– partly confirmed in the part of females, (no statistical significance, but 100% of pensioners had positive attitude towards social initiatives of banks).

**Hypothesis 4** – Legal responsibility attracts, men, persons in the working age (20-60), persons with university degree (Bachelor’s degree, Master’s degree, PHD), privately employed, to a higher extent than it does for the other groups of current and potential customers – partly confirmed in the part of bachelor’s and master’s degree holders.

**Hypothesis 5** – Ethical responsibility attracts females, pensioners and persons approaching pensioner age (50-60), unemployed persons (students, pensioners), persons with lower education to a higher extent than it does for the other groups of current and potential customers – partly confirmed in the part of persons with vocational training.
6. Discussion

In this chapter the results of the data analysis in the statistical programme will be connected with our assumptions and the data and theories we had provided in the conceptual framework part of present thesis. Some reflections will be given on the influence of current situation with the CSR in the banks of Georgia.

6.1 The Importance of CSR for current and potential customers in developing countries

The results of the statistical analysis have shown that people in developing countries, in this case in Georgia, put minimum to no importance on the CSR responsibilities of the banks, when they choose the bank they want to deal with. One of the reasons might be the low level of awareness on the issues of sustainability and CSR of the companies in developing countries. As the authors themselves are from the country, the case of which is studied in this thesis, and are aware of the relative degree of awareness on the issues of sustainability, the other four questions relating to the sustainability where divided into four CSR responsibility categories and brief explanations provided in the brackets for each of them. As for this question, we have also designated what the CSR would mean (economic, social and environmental efforts of banks), but in comparison with the competitively advantageous banking products, service, image and trust to the bank the CSR has been designated as the minor factor affecting the choice of potential customers.

The low level of awareness might be the result and fault of the banks themselves, as in the overview of the banking sector in the country at question, it was mentioned that on the web pages of most of them the CSR is listed only in the part of web page which is only in English and designated for foreign investors. Even though initiatives are quite diverse and interesting if the communication of these initiatives does not happen with the customers, the value for the bank in attracting the clients would be insignificant or close to non-existent.

6.2 Age categories and CSR

The results of the research have shown that there is no dependency between the age of the person and his/her attitude towards the banks that employ any kind of CSR initiatives. Nevertheless the percentiles of the answers of each age category have shown some peculiarities. For example people over 60 years of age, all of them, have not chosen the CSR of the banks, as incentives for the choice of the bank. In CSR economic responsibility part it is also evident that persons over the age of 50 have less regard for the economic significance of the well performing banks, for the economic wellbeing of the state. This might be explained by the fact that most of these people have spent the majority of their lives under the governance of Soviet Socialist governments, where not the banks and businesses created the wealth of the country, but the people themselves, through work and performance of five year plans (Protown.ru).

6.3 CSR and the gender of the potential or current customer of the bank

As the authors have expected before starting the research and doing the statistical analysis the females have proven to be more interested in the CSR initiatives of the banks in overall. The statistical significance has been shown in the part of the social responsibility of the banks. Thus females consider the social initiatives of the banks important, as it was stated before in present thesis women tend to be more oriented on helping others, doing good for the society and even eager to pay more for the benefit of the society. In addition to that even though the statistical significance has not been proven, the females have had more positive attitudes to other three types of CSR responsibilities as well. Thus we could assume that in the conditions, when the CSR strategies and initiatives are well communicated,
the female current customers could be more loyal to the banks and potential female customer drawn to the bank.

6.4 Level of education and CSR

The results in the level of education of current and potential customers have shown that, the persons with bachelor’s and master’s degree have more positive attitude towards banks with ethical and legal CSR initiatives. The PHDs have shown the least interest in the legal aspect of CSR, which is surprising. The reason might be that they understand better than the persons with lower levels of education the gaps in the legal system of the developing country, and do not pay much attention to the compliance with the existing rules and laws of the country. Another surprise was that the persons with the vocational training have shown the interest in the ethical responsibility part of CSR of the banks, but the explanation to this could be found again in the soviet past of the country. After the World War II the USSR, which was performing quite well economically, in comparison with developing countries, but was behind most of western countries in the spheres of social welfare, infrastructure, health and well-being of its citizens, has found the solution of its problems in higher education. Citizens were encouraged to receive higher education (Mikhailov, 2011). Even up to this day the parents in most families in Georgia ask of their children to enter the universities (Georgians being the collectivist society, the role of parents influence on their children is very high (House, 2004)) and thus majority in country have the higher education - bachelor’s degree or higher. The persons without higher education could feel disregarded from the larger society and even discriminated at instances, thus the importance that the persons with vocational training put on the ethical part of the CSR of the banks.

6.5 Field of occupation and CSR

In case of the category of field of occupation, the findings showed that current and potential customers, whether they were working in private or public sector, were sensitive towards the CSR of the banks. Even though, the previous researches have suggested that people working in private sector might be more socially responsible and hence informed and more critical to CSR, than people working in public sector. As for the unemployed persons, economic responsibility of the banks got skeptic attitude from them, otherwise unemployed current and potential customers showed the same positive attitude towards CSR of banks as employed customers. We think that employed people in Georgia are more familiar with economic contributions that banks make into the country’s economy, such as paying taxes, attract investment and generate income, invest in human capital, create jobs, establish local business linkages, spread international standards, support technology transfers, build physical and institutional infrastructure (Nelson, 2003) then unemployed people. This might be caused by the fact, that employed people are tax payers (paying income tax from their salaries) on their own and hence, are more informed about economic accountability of the companies and employees to the country’s economy.

6.6 Income size and CSR

Somewhat, the same pattern of results manifested itself in case of the following demographic group of current and potential customers – income group. The statistically significant relationship between the amount of income of the person and his/her attitude towards the CSR initiatives of the banks has been found in the economic responsibilities category of the survey, where fisher’s exact test showed P value of 0.020. Persons with high income have positive attitude towards the economic responsibility of the banks and view this part of CSR as most important, ignoring the rest of the responsibilities, such as: legal, social and ethical. This finding is enhanced and proven once more by
the results presented above, where employed people showed positive attitude towards all types of CSR of the banks and beside that economic responsibilities of the banks.

One of the reasons behind the positive attitude towards the economic responsibility of the banks from the current and potential customers with higher income could be the following - generally, developing countries suffer from high unemployment and widespread poverty (Visser, 2008), the same situation exists in Georgia. Consequently jobs with high income are not regular. Taking into consideration the importance of economic responsibilities of companies and its significant contribution into the stable growth of country’s economy stated above, also the fear of losing high income jobs, might “push” persons with high income to be more concerned about the stability of country’s economy and hence, they appreciate more economic responsibility of the banks than other responsibilities.
7. Conclusion

In this chapter the brief summary of the research will be presented, the answers to the research questions and some theories presented earlier in the thesis. Some suggestions for further research complementing present thesis will be stated.

The results of our research have shown, that in developing countries the importance of CSR in general is much less for the population, than other attributes of the banks, like competitive banking products (low interest rates for credits and high interest rates for savings) service, bank image and trust. The reason for this might be that in developing countries, where market is not stable, people have low income, the poverty and unemployment is quite a big problem, people tend to care about their immediate needs, rather than the overall good of the society and environment. As the result, there is a lack of awareness and even interest in current world issues that concern the developed countries nowadays. Therefore the people living in developing countries do not have the ability and will to plan in the long term, to choose wisely the sustainable product or service.

The results have also shown the surprisingly low interest in social part of CSR responsibilities, which is contrary to the theories of Visser, who alleged as mentioned earlier that the in developing countries, social responsibility is more important than legal or ethical. Maybe as he mentioned in his work, not only the developed and developing countries differ, but there are quite big cultural and traditional differences in developing countries themselves, as they are situated in historically and geographically quite various places. It would be interesting to conduct the same research in the future in another post-soviet country, in order to test if the results would be somewhat similar, taking into consideration the similar past that Georgia and another post-soviet country would share.

As it was mentioned in the part of the research, where the banking sector in Georgia was reviewed, the banks in Georgia advertise their CSR initiatives only in English and in part of their webpages, which are dedicate for potential investors. Banks being one of the institutions, with which majority of the citizens of the country have ties in one way or another (credit, salary, deposit, savings, pensions, etc) could play a large role in transforming the society to becoming more sustainability oriented and being able to plan in the long-term and see the large picture.

According to Werther and Chandler there are five stages of CSR learning - Defensive (to deny responsibility), Compliance (to do the minimum required), Managerial (to begin integrating CSR into management practices), Strategic (to embed CSR within the strategy planning process) and Civil (to promote CSR practices industry-wide)(Werther & Chandler, 2011). In this age of globalization, when many international organizations enter the markets in developing countries, the initiatives of the banks in increasing the awareness on sustainability issues and employing strategic CSR initiatives could put them on the civil CSR stage CSR learning stages, rather than on the compliance or managerial stages of CSR learning, when they would have to later find ways to comply with external market requirements and just follow other role models. In case the banks do employ CSR in their strategic operations and help improve the awareness of the customers, in the long-term perspective this could become their very important competitive advantage.

The hypotheses we have posed in the end of the conceptual framework part of present thesis have been partially confirmed, which should mean that partly the attitude towards banks employing CSR does depend on the demographic category that a person belongs to. Therefore the banks could address the persons with higher aptitude towards social, economical and environmental wellbeing of the country; these persons could later become the advocates for sustainable change and awareness rising in the society.
The research was conducted in the Post-Soviet country, the same research in other developing countries could give other results, which would also be interesting in shaping the overall picture of what is the current situation in these countries and how it is different from developed ones. Additionally this research was conducted remotely; the authors were not in the country where the survey was distributed at the time. The further research conducted in other developing countries could be complemented by the views and positions of the executives of the banks, on their strategies regarding CSR.
8. References


9. Appendix I

Pie charts of the respondent categories

Age
- 20-30: 7%
- 31-40: 5%
- 41-50: 2%
- 51-60: 33%
- 61+: 53%

Gender
- Male: 72%
- Female: 28%

Education
- Bachelor's Degree: 43%
- PHD: 7%
- High School: 41%
- Master's Degree: 4%
- Vocational Training: 3%
- Student: 2%
Field of Employment

- NGO: 13%
- Unemployed: 12%
- Self Employed: 27%
- Privete Sector: 22%
- Pensioner: 26%
- Public Sector: 0%
- Student: 0%

Income

- <500 GEL: 13%
- 1001-1500 GEL: 12%
- 1500< GEL: 27%
- 501-1000 GEL: 22%
- No Income: 26%
The percentages of positive (very important, important) and negative (not important, not important at all) answers by categories

<table>
<thead>
<tr>
<th>Age</th>
<th>CSR (p/n)</th>
<th>Economic (p/n)</th>
<th>Social (p/n)</th>
<th>Legal (p/n)</th>
<th>Ethical (p/n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 (118)</td>
<td>11.0%/89%</td>
<td>81.4%/18.3%</td>
<td>79.5%/20.5%</td>
<td>84.7%/15.3%</td>
<td>93.2%/6.8%</td>
</tr>
<tr>
<td>31-40 (74)</td>
<td>14.9%/85.1%</td>
<td>77.0%/23%</td>
<td>78.4%/21.6%</td>
<td>81.1%/18.9%</td>
<td>89.2%/10.8%</td>
</tr>
<tr>
<td>41-50 (16)</td>
<td>25%/75%</td>
<td>75%/25%</td>
<td>81.3%/18.8%</td>
<td>87.5%/12.5%</td>
<td>100%/0%</td>
</tr>
<tr>
<td>51-60 (12)</td>
<td>16.7%/83.3%</td>
<td>54.5%/45.5%</td>
<td>81.8%/18.2%</td>
<td>83.3%/16.7%</td>
<td>100%/0%</td>
</tr>
<tr>
<td>60+ (4)</td>
<td>0.0%/100%</td>
<td>50%/50%</td>
<td>75%/25%</td>
<td>75%/25%</td>
<td>100%/0%</td>
</tr>
<tr>
<td>Fisher’s test</td>
<td>.479</td>
<td>.156</td>
<td>.996</td>
<td>.871</td>
<td>.613</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>CSR (p/n)</th>
<th>Economic (p/n)</th>
<th>Social (p/n)</th>
<th>Legal (p/n)</th>
<th>Ethical (p/n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>6.3%/93.7%</td>
<td>71.4%/28.6%</td>
<td>66.7%/33.3%</td>
<td>77.8%/22.2%</td>
<td>88.9%/11.1%</td>
</tr>
<tr>
<td>Female</td>
<td>16.1%/83.9%</td>
<td>80.0%/20.0%</td>
<td>84.3%/15.7%</td>
<td>85.7%/14.3%</td>
<td>94.3%/5.7%</td>
</tr>
<tr>
<td>Fisher’s test</td>
<td>.079</td>
<td>.211</td>
<td>.006</td>
<td>.164</td>
<td>.161</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>CSR (p/n)</th>
<th>Economic (p/n)</th>
<th>Social (p/n)</th>
<th>Legal (p/n)</th>
<th>Ethical (p/n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school</td>
<td>0%/100%</td>
<td>50%/50%</td>
<td>50%/50%</td>
<td>62.5%/37.5%</td>
<td>75%/25%</td>
</tr>
<tr>
<td>Vocational training</td>
<td>0%/100%</td>
<td>50%/50%</td>
<td>75%/25%</td>
<td>62.5%/37.5%</td>
<td>100%/0%</td>
</tr>
<tr>
<td>Student</td>
<td>6.7%/93.3%</td>
<td>80%/20%</td>
<td>86.7%/13.3%</td>
<td>73.3%/26.7%</td>
<td>86.7%/13.3%</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>20.9%/79.1%</td>
<td>74.4%/25.6%</td>
<td>82%/18%</td>
<td>80.2%/19.8%</td>
<td>91%/9%</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>10.3%/89.7%</td>
<td>83.5%/16.5%</td>
<td>78.4%/21.6%</td>
<td>92.8%/7.2%</td>
<td>96.9%/3.1%</td>
</tr>
<tr>
<td>PHD</td>
<td>0%/100%</td>
<td>100%/0%</td>
<td>80%/20%</td>
<td>60%/40%</td>
<td>80%/20%</td>
</tr>
<tr>
<td>Fisher’s test</td>
<td>.202</td>
<td>.053</td>
<td>.281</td>
<td>.003</td>
<td>.049</td>
</tr>
<tr>
<td>Type of employment</td>
<td>CSR (p/n)</td>
<td>Economic (p/n)</td>
<td>Social (p/n)</td>
<td>Legal (p/n)</td>
<td>Ethical (p/n)</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------</td>
<td>---------------</td>
<td>-------------</td>
<td>-------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Private sector</td>
<td>10.3%/89.7%</td>
<td>83.6%/16.4%</td>
<td>79.3%/20.7%</td>
<td>87.1%/12.9%</td>
<td>93.1%/6.9%</td>
</tr>
<tr>
<td>Public sector</td>
<td>19.3%/80.7%</td>
<td>77.2%/22.8%</td>
<td>78.6%/21.4%</td>
<td>77.2%/22.8%</td>
<td>92.9%/7.1%</td>
</tr>
<tr>
<td>Temporarily unemployed</td>
<td>13.6%/86.4%</td>
<td>54.5%/45.5%</td>
<td>81.8%/18.2%</td>
<td>86.4%/13.6%</td>
<td>86.4%/13.6%</td>
</tr>
<tr>
<td>Student</td>
<td>12.5%/87.5%</td>
<td>81.3%/18.8%</td>
<td>81.3%/18.8%</td>
<td>87.5%/12.5%</td>
<td>100%/0%</td>
</tr>
<tr>
<td>Pensioner</td>
<td>0%/100%</td>
<td>50%/50%</td>
<td>100%/0%</td>
<td>50%/50%</td>
<td>100%/0%</td>
</tr>
<tr>
<td>Self-employed</td>
<td>25%/75%</td>
<td>57.1%/42.9%</td>
<td>75%/25%</td>
<td>85.7%/14.3%</td>
<td></td>
</tr>
<tr>
<td>Fisher’s test</td>
<td>.547</td>
<td>.030</td>
<td>.802</td>
<td>.268</td>
<td>.592</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>CSR (p/n)</th>
<th>Economic (p/n)</th>
<th>Social (p/n)</th>
<th>Legal (p/n)</th>
<th>Ethical (p/n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No income</td>
<td>16.7%/83.3%</td>
<td>63.3%/36.7%</td>
<td>90%/10%</td>
<td>80%/20%</td>
<td>90%/10%</td>
</tr>
<tr>
<td>&lt;500 GEL</td>
<td>7.7%/92.3%</td>
<td>65.4%/34.6%</td>
<td>80%/20%</td>
<td>80.8%/19.2%</td>
<td>100%/0%</td>
</tr>
<tr>
<td>501-1000 GEL</td>
<td>11.5%/88.5%</td>
<td>73.8%/26.2%</td>
<td>67.2%/32.8%</td>
<td>77%/23%</td>
<td>86.9%/13.1%</td>
</tr>
<tr>
<td>1001-1500 GEL</td>
<td>12.5%/87.5%</td>
<td>85.4%/14.6%</td>
<td>87.5%/12.5%</td>
<td>83.3%/16.7%</td>
<td>93.8%/6.3%</td>
</tr>
<tr>
<td>1500 + GEL</td>
<td>16.9%/83.1%</td>
<td>87.9%/12.1%</td>
<td>79.3%/20.7%</td>
<td>93.2%/16.5%</td>
<td>96.6%/3.4%</td>
</tr>
<tr>
<td>Fisher’s test</td>
<td>.781</td>
<td>.020</td>
<td>.059</td>
<td>.131</td>
<td>.161</td>
</tr>
</tbody>
</table>