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THE CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE OF THE ROMANIAN BANKING SYSTEM DURING THE COVID-19 PANDEMIC

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Abstract. The present paper explores the CSR informational asymmetry of the Romanian banking sector during the COVID-19 pandemic, using multiple case studies. The research results outline that the CSR activity was not properly exploited by the banks during the pandemic, strengthening the increasing visibility of the economic performance as part of the corporate social responsibility approach. The research methodology was organised in a three-step process: a content analysis, computation of a CSR scorecard based on Global Reporting Initiative guidelines and testing the effect of the CSR disclosure on the banks' resilience during pandemic. The regression analysis positively relates the CSR score to the banks' performance, suggesting that 29.8% variation in total net assets is explained by the independent variable CSR_score. The main findings of the paper are significant in the banks' transition to digital banking, assisting decision makers from banks in implementing appropriate CSR disclosure mechanisms.

Keywords: corporate social responsibility, bank, pandemic, resilience, disclosure.

JEL Classification: G21, M14.

Introduction

The COVID-19 pandemic has seriously tested the organisational resilience of the banking system, which is a key sector for the financial health of the national economy. Recently, this resilience draw attention of both practitioners and academia. Several research papers outlined the Romanian banks' assistance to vulnerable groups of clients and CSR involvements during the COVID-19 pandemic using the clients' perception (Drugă, 2020; Marcu & Zbuchea, 2021; Marcu et al., 2022) or the banks' disclosure mechanisms (Baicu et al., 2020). However, very few studies investigated the resilience of banks during the pandemic (Dinu & Bunea, 2022; Sitea & Țîmblari, 2022) or the resilience of banks through CSR (Sinitin & Socol, 2021; Iuga, 2022). The present paper explores this gap in the current literature, by analysing the role of CSR disclosure for the bank's resilience in the pandemic context and testing the relationship between the banks' net assets and a CSR score. The authors' original contribution is related to assessing the CSR disclosure of the Romanian banking system, processing the data collected from the content analysis and calculating a CSR score in accordance with the Global Reporting Initiative (GRI) Guidelines which suits best the theoretical approach of the paper. The amplitude of the CSR disclosure will be examined by using a mixed methodology based on multiple case studies and econometric model to test the effect of the CSR disclosure on the banks' resilience during pandemic.

Even if corporate social responsibility has been a familiar part of bank's activities prior to the health crisis, the pandemic required a rapid improvement of the CSR strategies from efforts to create a positive image for their stakeholders to efforts to maintain their financial performance through CSR. The impact of COVID-19 restrictions was severe for both retail and corporate clients, digital banking becoming an effective tool that served the customers' needs in terms of financial and health security (Aivaz, 2021a). The bank's role as financial intermediary in the community was emphasized like never before, creating the premises for an irreversible restructure process of the financial sector.

The bank's response to the pandemic can be seen in a double perspective, referring to both social and financial resilience.

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The aim of our research is to assess the level of CSR disclosure and to test the influence of the CSR disclosure on the Romanian banks' resilience during pandemic in terms of net assets. Sitea and Țîmblari (2022) analysed the bank's competitiveness in the COVID-19 pandemic context, outlining five key indicators (total assets, market share, net profit, number of employees and number of branches), without considering the CSR disclosure in their analysis. In a similar approach, Dinu and Bunea (2021) have explored the Romanian banking system profitability in financial terms, by using risk exposure and competition as main driving forces, while Cao and Chou (2022) have emphasized the role of regulatory capital for the banks' resilience during the COVID-19 crisis. The present paper is in line with the studies that relate corporate social responsibility with financial performance of companies (Mita et al., 2018; Sinitin & Socol, 2021; Matei et al., 2021; Iuga, 2022), highlighting the CSR importance to achieve positive reactions from clients, while considering the COVID-19 pandemic a significant external shock to test the sector resilience.

The paper is organised as follows: introduction, theoretical framework of the research, research methodology (content analysis using the information contained in the CSR annual reports, computation of a CSR disclosure score for the selected Romanian banks using the GRI (Global Reporting Initiative) indicators as scoring criteria for the CSR disclosure level, a test of the correlation between CSR score and the bank's financial performance), results and discussion section and final section of conclusions intending to guide the bank's managers to improve the CSR strategies after the COVID-19 pandemic.

1. Literature review

The corporate social responsibility concept has its roots in a mixture of social, environmental and global determinants that generated a profound reflection towards responsible, conscious social well-being. The organisations have understood the significant benefits offered by CSR reports, where they inform readers about the social, environmental and governance issues derived from their operational activity (Idowu & Papasolomou, 2007).

According to Iuga (2022), the CSR approach of the banking system seems to be closer to the stakeholder theory formulated by Freeman (1984), due to the banks' extreme sensitivity to the positive/negative reactions of different stakeholders. The author defines stakeholders as any group or individual that is influenced or can influence the achievement of the corporate goals. In line with this definition, Clarkson (1995) divided the stakeholders into primary (shareholders, employees, suppliers, clients, investors, governments, community) and secondary groups (media, local organizations, international organizations), while Birindelli et al. (2013) classify them into internal and external stakeholders.

A similar hypothesis was outlined by Ruiz et al. (2009), suggesting that the lack of confidence in the financial system generates different forms of pressure from stakeholders and make the stakeholder theory more suitable to the banking sector features. Focusing on the same relationship between banks and the stakeholder theory, trust was identified as key determinant for reputation, leading to intensified CSR efforts to increase the market share. While Barić (2017) argues that there is a positive relationship between a company's reputation and its successful CSR disclosure, Dinu et al. (2022) revealed a limited use of online media to communicate the CSR activity by the Romanian organizations.

The second theoretical pillar of the present study is the *triple bottom line* (TBL) approach developed by Elkington (1997) and initiated by Carroll (1979) through the multidimensional pyramid, formula that stress the role of social consciousness manifested with persistence by companies over the years. The moral concern of corporations is gradually integrated into three representative dimensions (economic, social, and environmental), whose overlap suggests a new way of reporting for the complex concept of CSR.

The *triple bottom line* concept derives from the paradigm of sustainable development as defined in several strategic documents formulated by international institutions, integrating alongside the values for shareholders, those related to social and environmental sustainability. Although both TBL and sustainable development concepts are based on the same three basic components, economic – social – environment, TBL provides a balance between them (Elkington, 1997; Savitz & Weber, 2006; Epstein et al., 2008). Contrariwise, sustainability suggests an inequality between dimensions, including the economic dimension in the social one, which is part of the environment (Fraser, 2005).

According to Carroll's vision (1979), the economic dimension is located at the base of the multidimensional pyramid and refers to primary responsibilities of the companies for surviving on the market. This category includes the production of goods/services in accordance with the clients' needs or getting a fair remuneration for the owners (profit). Studies related to analysing the relationship between corporate social responsibility and financial performance suggested mixed results (Aivaz, 2021b). The literature has been mainly focused on developed markets and the external shocks were not considered. The present paper is devoted to the understanding of CSR disclosure level during the COVID-19 pandemic, being focused on the Romanian banking system. The results are rather suitable to the Central and Eastern European (CEE) countries, which have a short CSR tradition and evolved differently due to their particular social, economic and legal conditions.

The resilience of the banking sector was seriously tested during the COVID-19 pandemic, being negatively influenced by the strong economic uncertainty (Altig et al., 2020) and the fragile global supply chain (Paul et al., 2021). The non-performing loan (NPL) ratios analysis for the U.S. banking system (Cao & Chou, 2022) suggests a downward trend for the mentioned indicator before the COVID-19 outbreak, which was overturned during the pandemic period. Berger and Demirgüç-Kunt (2021) have demonstrated the importance of the prudential policy for the high resilience of the banking sector to the COVID-19 shock, avoiding a major double crisis in both banking and health sectors.

The growing literature on the impact of the pandemic on the banking sector (Çolak & Öztekin, 2021; Beck & Keil, 2022) have stressed the major role of regulatory reforms implemented after the global economic crisis in avoiding new systemic banking crisis in the COVID-19 framework (Berger & Demirgüç-Kunt, 2021). A KPMG (2020) study reveals that banks managed a highly effective transition to teleworking, and, after the crisis, *the normal* became *a new normal* due to the intensified digitalization process that determined the persistence of a hybrid model of working after the end of the COVID-19 restrictions' period (Marcu & Zbuchea, 2021). The COVID-19 pandemic has placed the Romanian banking sector in the middle of a digital transformation journey, becoming a great opportunity to innovate the product portfolio in accordance with the clients' needs. Paradoxically, the health crisis accelerated the digital banking, the supportive role of banks during the pandemic being a remarkable effort to rebuild trust after the financial crisis of 2008–2009.

The present paper explores the CSR disclosure level of the Romanian banks during the pandemic, being in line with the research studies that strengthen the CSR role in creating a positive image for their stakeholders. Voluntary disclosure has a positive impact on the quality of information reported and significantly decrease the information asymmetry (Tian & Chen, 2009). Krasodomska (2015) argues that the bank's activity is linked to the public trust, since the profit achieved by credit institutions is mediated by the resources entrusted by clients.

Mita et al. (2018) investigate the relationship between CSR and the bank's financial performance in five ASEAN countries by using the GRI G4 Guidelines index. Global Reporting Initiative (GRI) proposed in 1997 the development of an international system of voluntary reporting in the field of sustainability to harmonize the possibilities of presenting the CSR results. GRI proposes a tripartite reporting model according to the TBL theoretical approach, with the main indicators included in the Sustainability Reporting Framework. GRI Standard has become a genuine tool of CSR commitment assumed by organizations around the world, integrating several elements specific to other standards and international organizations (OECD, ISO 14000, SA 8000). Michelon et al. (2015) suggested that companies that follow the GRI reporting framework have higher levels of CSR commitment than those that do not follow this standard.

2. Methodology

Our research analysis is a cross sectional study covering the COVID-19 pandemic period, due to its high significance for testing the bank's resilience after an external shock.

The research hypothesis is: the level of CSR disclosure has a positive influence on the financial performance of the Romanian banks.

Following the research conducted by Mita et al. (2018) in ASEAN-5 (Indonesia, Singapore, Malaysia, Philippines, and Thailand) that identified a positive correlation between CSR disclosure and banks' financial performance, we organized our research in a three-step process.

First, a qualitative content analysis was developed to examine the CSR disclosure process by using multiple case studies (Baicu et al., 2020; Marcu & Zbuchea, 2021). The primary data was collected from the CSR sections of the official websites, sustainability reports or annual reports of the banks.

The second step in our research was to use the data derived from the content analysis to create a scoring criterion for CSR disclosure, aligned with the Global Reporting Initiative framework and the theoretical approach of the study. Whereas Iuga (2022) has used an econometric model to test the influence of the Romanian banks' CSR disclosure on their profitability by adhering to the Branco and Rodrigues (2008) scoring system, our approach has focused on the methodology used by Mita et al. (2018) in creating the CSR score based on the GRI Reporting Framework. Having as guideline for computing the CSR disclosure the GRI reports, our methodology research is in line with Hossain and Reaz (2007) approach, as they determined a significant increase in the banks' CSR reporting, stressing the importance of international reference frameworks, such as Global Reporting Initiative (GRI), as well as Michelon et al. (2015) who suggested that companies that follow the GRI reporting guidelines have higher levels of CSR commitment than those that do not follow this standard.

The final step of the process was to include the results obtained in an econometric model to test the influence of the CSR disclosure on the banks' resilience during pandemic in terms of net assets. First, a Pearson Correlation was used to test the correlation between CSR score and the bank's financial performance. Then, the main hypothesis of the paper was tested through a linear regression analysis, where variation in dependent variable (Net_assets) is explained by independent variable (CSR_score). The main outcomes of the paper validate the hypothesis that bank's resilience during a shock (in this case – COVID-19 pandemic), expressed in terms of net assets is influenced by the CSR disclosure.

3. Results and discussion

3.1. CSR practices during COVID-19 pandemic

The qualitative content analysis developed as the first step in our research revealed very interesting insights regarding how the Romanian banks report and communicate their CSR activities.

The research was conducted only for credit institutions which are Romanian legal entities. There were excluded the branches of foreign credit institutions due to the references to the corresponding financial groups and few distinctions between parent-group and the branches of foreign credit institutions. This will be subject to future research, extending the analysis to the international financial groups.

The best performer both in financial and CSR terms is Banca Transilvania, which supported its CSR disclosure mechanism through the legislation regarding compliance with ESG criteria or the Agenda for Sustainable Development 2030. From a voluntary approach, Banca Transilvania has reached a practice more and more standardized, with a shift of paradigm assumed throughout the whole group.

The COVID-19 pandemic has intensified the digitalization process, causing a growing number of cases of cyber-attacks, reason for which the bank implemented appropriate CSR actions by informing and educating customers in the field of information and money security. Responsibilities in the security problems are assigned to a dedicated direction, which is subordinate to Deputy General Director – CRO (Chief Risk Officer), with the following organizational components: (1) cyber security, (2) vulnerability management, (3) information governance and security, (4) management of digital identities.

In 2021, Banca Transilvania reduced the paper consumption by over 111 tons through several digitalization processes: PIN cards sent via SMS, notifications and account statements transmitted electronically, etc. From the short- and medium-term perspective, the main goals were focused on growth and promoting green lending, being strongly oriented towards sustainable development. The analysis of the investment loans granted of a value greater than lei 1 million in 2021, revealed that 14% of the value of these credits was directed for energy efficiency, 7% was targeted to energy efficient buildings, 6% to purchases of agricultural land or APIA credits, 4% to projects that respond to social needs, 3% towards eco-friendly car purchases or with higher pollution standards, 1% to others businesses with low impact on the environment through technology innovation.

The communication with clients was strong emphasized by Raiffeisen Bank, the credit institution offering training courses for the improvement of the customer experience skills of all employees, to a more professional and collaborative interaction with front-office employees, based on trust.

The water consumption has substantially decreased during the pandemic, since a large part of the Raiffeisen Bank team worked from home. During the critical period of emergency, some agencies were temporarily closed or had a reduced operational activity, as a strong preventive measure to protect the health of both employees and clients. Moreover, the bank offered on request the postponement of loan instalments, the renewed cards were sent by courier and the interests on personal and real estate loans were reduced.

In 2020, Raiffeisen Bank developed two financial education programs (*Financial education in Romanian schools* and *Money Bistro*) with the main goals to guide and educate future and current customers. In June 2020, the *Money Bistro* platform celebrated the *Financial Health Month*, when it was measured the *Financial Health Index* (ISF) and the community was trained to support a financially healthy life. The working environment was adjusted to protect the employees, including psychotherapy for mental health support. Approximately 85% of the Central Administration employees have worked from home and 20% of employees from the agencies' network have worked from home or offered call-center services. The community involvement was marked by sponsorships in the medical field, but also by traditional CSR programs in the following areas: education, sports, arts or urban ecology.

OTP Bank has acted with agility in the pandemic context, being proactive and implementing prevention measures to control the spread of the coronavirus. The employees worked from home, through rotation or with flexible working hours, while the banks maintained a close communication with them (103 weekly internal newsletters in 2020). The main areas of interest during the COVID-19 pandemic were the following: support for education and healthcare, safe offices, less resources consumption and less travel, teleworking, increased digitization, economic stimulus loans and debtor protection through moratorium.

Scores above the mean were also obtained by Idea Bank, BRD – Groupe Société Générale, Alpha Bank or Patria Bank. Idea Bank was involved in the community life through financial education programs, sports, culture or social causes. The campaign entitled *Idea Donors* was organised in two separate sessions, reaching 67 participants and 49 donors. The *Idea Education* project was one of the key lines of social involvement, Idea Bank supporting the introduction of an optional course of Financial Education dedicated to children. The bank was also involved in disseminating information about COVID-19, in partnership with the Red Cross Association.

BRD – Groupe Société Générale continued to support the pillars of the CSR strategy: culture, education, science and technology, volunteering and solidarity, sports and environment. The message send by the analysed credit institution was simple and clear: economic, cultural and social activities can be organised in compliance with health rules or can be reinvented in the pandemic framework. During this period, almost all cultural, educational, technological, or volunteer activities provided by BRD – Groupe Société Générale continued and took place both offline and online.

Patria Bank aims to achieve a high degree of satisfaction for all stakeholders, providing an adjusted model of CSR based on the principle of the 4Cs – *Company*, *Customers*, *Community*, *Context*. The first category includes: management, shareholders, bank strategy and institutional partners. The bank's management is involved in all the 4Cs and transparent information is provided to the shareholders. A careful monitoring of the activity, performance and results represent a continuous concern of the bank management.

Regarding the clients, a constant concern for the bank is to develop optimal collaborative relationships and services at higher quality standards. The internal community of Patria Bank is formed by the employees, the human resource's philosophy being integral part of the organizational culture. In this respect, Patria Bank was constantly implementing programs of training, investing in technology and in financial solutions able to simplify the interaction. The *Context* component can be seen in a double perspective: the environment and the market. The bank respects the environment by complying with the rules applicable and, moreover, by actions to raise the employee's awareness in the direction of a responsible use of resources. Regarding the market, Patria Bank has developed an open collaborative relationship, based on ethical principles and professional ethics, being aware that a good collaboration leads to the market development as a whole.

The main CSR fields disclosed by Alpha Bank were environment, culture and arts, education, society and sports. The Alpha Bank business model indicates as inputs and outputs the following types of capital: the financial capital, the human capital, the manufactured capital, the intellectual capital, the natural capital and the social capital. The value creation is based on the code of ethics, activities, and corporate social responsibility, with a special focus on market, people, environment and society.

During the COVID-19 pandemic, the bank had a proactive approach, the business continuity plan was activated to ensure a quick response to any events that could disrupt the operations. To face the unprecedented circumstances of the pandemic and to reduce the risks associated with COVID-19 in the workplace, the critical operations' personnel has been separated into smaller teams and assigned to alternative office locations. In addition, teleworking processes have been implemented to prevent staff exposure, digital workflows or communication solutions such as Microsoft Teams being implemented.

Intesa Sanpaolo Bank Romania belongs to the Intesa Sanpaolo Group. The bank has adopted and implemented actions with impact in the community. The corporate social responsibility has been integrated into the business model both through regulations received from the parent-bank and through a self-regulation carried out based on the directions drawn by relevant organizations in Romania and determined by the needs identified at the national level.

The bank has a well-developed strategy dedicated to social responsibility, focused on three major areas: social, educational, and environmental, for each of which specific actions are designed, depending on the needs identified. For 2020, Intesa Sanpaolo Bank Romania has paid particular attention to social aspects, with a focus on the medical system by helping to treat patients affected by the new coronavirus. At the same time, the bank annually develops projects with an educational impact dedicated to children, while the responsible consumption of resources (water, electricity, fuel, or printing) is still considered a sensitive problem.

While Baicu et al. (2020) have categorized the CSR practices implemented by the Romanian banks into four main groups (measures for individual customers, measures for staff, measures for SMEs, CSR actions in the context of the COVID 19 pandemic), we have made the GRI Framework the main differentiator to address the research hypothesis. The content analysis has also outlined the intensified digitization process, but we must mention that the banks' have mainly continued the traditional financial education programs without a necessary adjustment to the COVID-19 context. The customer needs are not referring only to the financial education to adapt to the *new normal*, but also appropriate digital skills. This result confirms the conclusions of Baicu et al. (2020), who identifies a substantial risk of financial exclusion of the less digital skilled clients.

The content analysis revealed that the CSR actions during the COVID-19 pandemic are in line with the CSR dimensions provided by the GRI Reporting Framework, supporting the financial resilience of the banks in time of crisis (Table 1). The CSR actions disclosed by the banks, even from the social and environmental dimensions, are strongly related to the very bottom line (Profit) of the CSR approach developed by Elkington (1997) due to the implications of teleworking or increased digitization process for the banks' financial performance. This original result justifies both the option for choosing the GRI Framework for the methodological approach and reinforce the practical need to explore further the relationship between the CSR disclosure level and bank's performance using the econometric model proposed.

Table 1. CSR dimensions of the Romanian banking sector during the COVID-19 pandemic (source: authors' processing)

CSR dimensions according to the GRI	CSR actions during COVID-19 pandemic	
Economic dimension	– intensified the digitalization process – postponement of loan instalments – economic stimulus loans and debtor protection through moratorium.	FINANCIAL RESILIENCE
Environmental dimension	– green lending – less resources consumption (water, energy, paper, etc.) – less travel	
Social dimension	– financial education programs – training courses for employees – teleworking – sponsorships in medical field	

3.2. Scoring the CSR disclosure level and bank's performance

The present research uses the scoring criteria developed by Mita et al. (2018) to calculate the CSR disclosure level achieved by the Romanian banks. The score was measured by using the GRI G4 Financial Services Sector Disclosures and assessing scores resulted from the content analysis previously performed. The mentioned document is dedicated to the following financial sector categories: retail banking, commercial and corporate banking, asset management and insurance. The specific standard disclosures are divided into three main dimensions: *Economic*, *Environmental* and *Social*, where the last category comprises several subcategories: (1) *Labor Practices and Decent work*, (2) *Human Rights*, (3) *Society*, (4) *Product Responsibility*.

Based on the content analysis on CSR sections of the bank's websites, sustainability reports or annual reports for the selected GRI criteria a total score was calculated for each bank considered in the analysis. For each item, a score from 0 to 2 was assigned: 0 – the indicator item was not disclosed, 1 – the indicator item was disclosed, but not in accordance with the GRI Reporting Guidelines, 2 – indicator item was disclosed in accordance with the GRI Reporting Guidelines.

The final sample (Table 2) consists in 26 credit institutions, divided into two main categories: (1) credit institutions with majority domestic capital, and (2) credit institutions with majority foreign capital. The first section was also divided into two main groups: (i) state-owned credit institutions, and (ii) credit institutions with majority private capital.

According to the GRI G4 Sector Disclosures – Financial Services, the economic category includes the following aspects: market share, indirect economic impacts, economic performance, and procurement practices. This section refers specifically to direct economic value generated by financial institutions and redistributed, community investments as defined by GRI, community partnerships and management costs related to the mentioned activities.

The environmental category focuses on energy, water, materials, emissions, biodiversity, effluents and waste, products, services, transport, compliance, overall, supplier environmental evaluation and environmental dissatisfaction mechanisms. One of the major environmental impacts of financial institutions is the high level of direct greenhouse gas emissions (GHG). Banks should estimate the GHG emissions associated with their business travel (travel on behalf of the bank, the use of the banks' fleet, courier services). The primary types of waste for most credit institutions are paper and IT products and banks should report their policies corresponding to total weight of waste by type.

Global Reporting Initiative emphasize four main aspects in the social field those financial institutions should disclose, including labor practices and decent work, which focus on safety practices for workforce, fighting violence at work or reducing threats which might occur. GRI Guidelines explicitly include human rights clauses, outlining sensitive issues like non-discrimination, child/forced/compulsory labor, freedom of association, dissatisfaction mechanisms, collective negociation, etc.

One key aspect of Society sub-category is defined as *Local Communities*, mentioning disclosure requirements of CSR initiatives addressing disadvantaged people (e.g., improved financial inclusion measures). Strategic lines of actions regarding the product portfolio involve clients through identifying social/environmental risks and opportunities, proper implementation and compliance with the social/environmental requirements, or monitoring risks.

According to the SPSS analysis (Table 3), the mean value for CSR score was 5.04, suggesting a low CSR disclosure

Table 2. Credit institutions, Romanian legal entities – Net assets in lei mill., 2021 (source: https://www.bnr.ro/Regular-publications-2504.aspx)

Credit institutions	Net assets
1. Credit institutions with majority domestic capital	
1.1. State-owned credit institutions	
CEC Bank	50 661,1
Banca de Export-Import a României – Eximbank	14 704,7
Banca Românească	7 959,2
1.2. Credit institutions with majority private capital	
Banca Transilvania	125 071,3
Idea Bank	2 850,7
Banca Centrală Cooperatistă Creditcoop	1 699,0
Techventures Bank	737,4
2. Credit institutions with majority foreign capital	
Banca Comercială Română	89 090,5
BRD – Groupe Société Générale	67 015,3
Raiffeisen Bank	59 157,4
UniCredit Bank	50 175,5
Alpha Bank	18 820,9
OTP Bank	18 464,2
Garanti Bank	11 359,4
Libra Internet Bank	9 590,8
Banca Comercială Intesa SanPaolo	6 986,1
First Bank	6 941,5
Vista Bank	4 455,1
Credit Europe Bank	4 332,1
Patria Bank	3 826,1
Crédit Agricole Bank	2 781,3
ProCredit Bank	2 420,6
BCR Banca pentru Locuinţe	1 306,6
Porsche Bank	945,2
Banca Română de Credite şi Investiţii	385,7
Aedificium Banca pentru Locuinţe	265,2

score of the Romanian banking sector. Only three banks from the sample (Banca Transilvania, Raiffeisen Bank and OTP Bank) considered applied GRI Non-financial Indicators to disclose corporate social responsibility.

The regression model used in the present paper was simple regression, since only one predictor (CSR_score) was used. Linear regression analysis was used to identify the proportion of variation explained to the criterion (Net_assets) based on the knowledge of a predictor (CSR_score). According to the Table 4, a Pearson Correlation was used to test the relationship between CSR disclosure (CSR_score) and bank's performance (Net_assets), outlining a medium positive correlation (r = 0.546, 0,5 < r < 0,75, p = 0.002). The research hypothesis was validated.

Table 3. Descriptive statistics (source: authors' processing, SPSS)

Net_assets	Mean	Std. Deviation	N
Net_assets	21615.496	32174.9698	26
CSR_score	5.04	3.779	26

Table 4. Correlations (source: authors' processing, SPSS)

		Net_assets	CSR_score
Pearson Correlation	Net_assets	1.000	.546
	CSR_score	.546	1.000
Sig.(1-tailed)	Net_assets	.	.002
	CSR_score	.002	.
N	Net_assets	26	26
	CSR_score	26	26

Table 5. Model Summary[b] (source: authors' processing, SPSS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.546[a]	.298	.269	27516.8731

a. Predictors: (Constant), CSR_score
b. Dependent Variable: Net_assets

Table 5 shows coefficient of determination (R square) 0.298, which means 29.8% variation in dependent variable (Net_assets) is explained by independent variable (CSR_score).

The analysis included in the Table 6 suggests that the significance value is 0.004, which is below 0.05. and, therefore, indicates that the regression model statistically significantly predicts the dependent variable (Net_assets).

The regression equation using coefficient table (Table 7) is the following:

Net_assets = –1798.224 + 4646.998 CSR_score (1)

Since the constant is not significantly different from zero (Sig.=0.845), the regression equation becomes:

Net_assets = 4646.998 CSR_score (2)

Using the T-test method, we can conclude that at the p = 0.05 level of significance, there exists enough evidence to conclude that the CSR score based on the GRI Guidelines is useful as predictor of the banks' resilience during pandemic, expressed in terms of net assets. This result is in line with the findings of Iuga (2022) on 12 Romanian commercial banks through a regression analysis based on the Ordinary Least square (OLS) method. The author has used a scoring system organised on four main dimentions (environment, human resources, quality of products and relationships with clients, and community involvement) to find that the level of CSR disclosure of the Romanian banks is a factor influencing the bank profitability, without being an exclusive one.

Conclusions

The present research has as starting point the irreversible transformation that banks went through as a result of the COVID-19 pandemic, both from the point of view of the way in which they provided financial services and from the point of view of the change in the role that they

Table 6. Analysis of variance – ANOVA[a] (source: authors' processing, SPSS)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7708437737.6	1	7708437737.6	10.180	.004[b]
	Residual	18172279263	24	757178302.62		
	Total	25880717001	25			

a. Dependent Variable: Net_assets
b. Predictors: (Constant), CSR_score

Table 7. Coefficients[a] (source: authors' processing, SPSS)

Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
							Tolerance	VIF
1	(Constant)	–1798.224	9108.821		–.197	.845		
	CRS score	4646.998	1456.426	.546	3.191	.004	1.000	1.000

a. Dependent variable: Net_assets

have had in the Romanian society and economy in the last three years. The scarcity of the studies carried out in the way in which CSR disclosure affects banks' performance using an international reporting framework was the motivation to conduct such research. The results of our research add to the existing studies and complete the picture of the level of CSR disclosure in Romania, but also the way in which it influences the performance of the banks.

First, the content analysis has demonstrated that the CSR activity of the Romanian banks must be seen from a double perspective, outlining its impact on various stakeholders and the impact on the bank itself through financial performance indicators. Another substantial finding from the qualitative analysis is related to the constraints faced by some categories of clients in accessing banking services. This may lead to a substantial risk of financial exclusion (Baicu et al., 2020) in the post-pandemic context, requiring an active involvement of the financial institutions to provide not only financial education, but also digital education to support these vulnerable clients.

As a second step of our study, we created a score (according to the methodology explained above) related to the GRI International Standards for the first time for the Romanian banking system, which quantifies the level of CSR disclosure of banks in Romania, using criteria designed and considered at international level. Our final sample consists of 26 credit institutions, divided into two main categories: (1) credit institutions with majority domestic capital, and (2) credit institutions with majority foreign capital. The results suggest that until now, the banks in Romania do not exploit to the maximum potential the way of communicating the results of the CSR activity, given that the banks with the highest level (Banca Transilvania, Raiffeisen Bank and OTP Bank) exceed 10 points.

These findings are in accordance with the results of Marcu and Zbuchea (2021), strengthening the high deficiencies of the CSR visibility in the Romanian banking system. Different results were achieved by Iuga (2022), suggesting that the CSR disclosure level is high enough. However, the study does not relate to the GRI Standards and author admits that there is an informational asymmetry between banks. Lack of formal and specific national and international regulations in this field allows more flexibility in CSR disclosure, offering the possibility to use the CSR guidelines in a more biased way (Michelon et al., 2015). Our findings may help regulators to develop a CSR reporting framework in order to increase the information transparency in the area.

The third direction in which we carried out the research was to identify if there is a link between the level of CSR disclosure and the performance of the banks in the Romanian banking system. After performing a regression in which we isolated as the only influencing factor the level of the score as the independent variable and the level of the net assets of the banks considered, as the dependent variable, the obtained results show that there is a moderate to strong influence of the level of CSR disclosure on the banks' performance and the type of the influence is positive. Mita et al. (2018) also find positive correlation by applying the scoring criteria to test the relationship between the the banks' CSR in ASEAN countries with their profitability by using return on equity indicator (ROE).

The results obtained are valuable for the management of the banks in the Romanian banking system because they prove that it is worth making efforts to increase the degree of CSR disclosure as the level of it has an influence on the different categories of stakeholders and, finally, on the performance of the banks.

This research has its limitations because takes into account only one independent variable, as we tried to isolate its influence, but the literature at the international level shows that there are several important factors that affect the level of performance of banks. The paper suggests the inclusion of the CSR disclosure as factor of influence for the banks' financial performance, without being an exclusive factor of influence (Berger & Demirgüç-Kunt, 2021; Dinu & Bunea, 2022; Sitea & Țîmblari, 2022). Our research highlights the importance of the sustainability in the current transformation of the banking sector after the COVID-19 outbreak, being the starting point for further research focused on creating a set of indicators that can be used in the decision-making act in the banking system and to complete the existing specialized literature.

Disclosure statement

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