Chapter 1
Assessing Corporate Social Responsibilities in the Banking Sector: As a Tool of Strategic Communication During the Global Financial Crisis

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ABSTRACT

The aim of the chapter is to evaluate the corporate social responsibilities in the banking sector during global financial crisis period. For this purpose, alternatives of corporate social responsibilities for Turkish deposit banks are taken into the consideration. Within this framework, a set of criteria and dimensions are defined by analyzing similar studies in the literature. Also, fuzzy DEMATEL approach is used to weight these dimensions and criteria. On the other side, some alternatives for the corporate social responsibilities is identified by supported literature. Moreover, fuzzy MOORA method is applied to rank these alternatives. The findings show that the transparency is the most important factor in the criterion set as. Another important conclusion is that environment has the best degree in the alternative set. Thus, it is recommended that banks should be very transparent and mainly focus on environmental issues especially in the crisis period to increase the image on the eyes of the consumers. Therefore, it can be possible to increase the sales in this way.

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INTRODUCTION

Volatility in the market increased very much especially after the globalization. Because globalization eliminates the barriers with respect to the financial issues between the countries, most of the countries make international trade regarding American dollar. Therefore, any increase in this currency has a negative effect on the economies. In other words, countries are subject to the currency risk due to the globalization (Zengin & Yüksel, 2016a,b). Additionally, sudden increase or decrease in interest rates can also affect the economies negatively. If these risks cannot be managed effectively, it may cause financial crisis (Yüksel & Zengin, 2016a,b,c; Dinçer, Hacıoğlu & Yüksel, 2018a,b).

Financial crisis has a very destructive effect for many different parties (Yüksel, 2016a,b,c). A lot of companies went bankrupt and millions of people became unemployed (Yüksel and Adalı, 2017). In the last years, many different financial crises were occurred (Oktar & Yüksel, 2015a,b). Some of these crises occurred only in one country. In spite of this situation, it was also seen that some crises also affected other countries as well (Yüksel, Zengin & Kartal, 2016a,b). In this circumstance, 1994 Turkey crisis had negative effects on this country whereas 1998 South Asian crisis had a negative influence on 5 different countries (Dinçer, Yüksel, Pınarbaşı & Çetiner, 2019). In addition to them, there are also some global crises which affected a lot of different countries at the same time, such as 1929 Great Depression and 2008 Global Mortgage Crisis (Dinçer, Yüksel & Şenel, 2018; Tunay et al., 2019).

Banks are one of the most significant institutions during financial crises due to some different aspects (Dinçer & Yüksel, 2018a; Yüksel & Özsarı, 2016; Yüksel et al., 2018). The main reason behind this situation is that banks have a very significant role for the economies (Yüksel, Dinçer & Hacıoglu, 2015). If banks have problems, this issue has a very destructive effects to the economies of the countries because banks provide financial funds for the investment of the companies (Dinçer, Yüksel & Martínez, 2019). In other words, when financial crises affect the performance of the banks negatively, it can also affect macroeconomic conditions of the countries in a very negative manner (Dinçer, Yüksel, Adalı & Aydıno, 2019; Oktar & Yüksel, 2016).

In the crisis period, banks have to take some actions in order to minimize the negative effects of the financial crises. Within this framework, it is understood that focusing of corporate social responsibilities and using effective communication channels are very significant in order to minimize the harmful effects of the crisis (Yüksel, 2017a,b,c; Yüksel, Eroğlu & Özşarık, 2016). While making these kinds of activities, it can be possible to increase the trust of the people and countries for the banks (Yüksel, Mukhtarov & Mammadov, 2016; Yüksel and Zengin, 2017). Hence, this situation can be very helpful for the banks in the financial crisis period (Dinçer, Yüksel, Eti & Tula, 2019; Yüksel, Canöz & Özşarık, 2017). Thus, it can also be an opportunity to prevent negative issues of the financial crises for the economies of the countries.

In this study, it is aimed to evaluate the corporate social responsibilities in the banking sector during global financial crisis period. In this circumstance, alternatives of corporate social responsibilities for Turkish deposit banks are examined. In this scope, a set of criteria are selected with the help of similar studies in the literature. Fuzzy DEMATEL approach is taken into consideration to measure the significance of these criteria. In addition, fuzzy MOORA method is applied to rank the alternatives regarding corporate social responsibilities. According to the analysis results, it can be possible to give some recommendations for banking sector about the strategic communication priorities with the best tools of corporate social responsibilities in the crisis period. Therefore, it is believed that this study makes an important contribution to the literature by analyzing a significant subject with an original methodology.