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## **SOCIAL RESPONSIBILITY AS a PART OF QUALITY MANAGEMENT OF BANKING SERVICES IN UKRAINE**

The current financial market characterized by increasing competition between banking institutions, the emergence of competitors in the face of other financial intermediaries, the introduction of new and modification of traditional banking services, the rapid development of information technology, increasing needs and customer requirements for quality banking services.

The market of banking services in Ukraine is an important part of national economy. From the effective development of this segment of the market depends on a stable functioning of the banking system. In the process of globalization and the growth of the national economy competition becomes increasingly stiff, and it is not only price competition, but above all, it is the competition of quality of goods and services. That competition in the banking services market is the driving force behind the creation of popular banking products. Quality criterion sale of banking products and services to customers is a priority. Therefore, a significant part of the success of the banks is to manage the quality of banking products and services.

We know that when the market is saturated with goods and services, the struggle for the client turns into a fight for the quality of services provided. The quality of banking services - a set of properties able to satisfy the needs or expectations of clients, subject carefully adjusted the mechanism and conditions for intra-bank interaction producer and consumer. From the quality of banking services is closely linked to the quality of service - the degree of ability to meet customer needs, meet and exceed his expectations - to tie the customer to a particular department and manager that it serves. Thus, quality management banking services - is a continuous process of influence on the mechanism of banking service taking into account the requirements of consumers and aims to maximum possible to meet them.

Note that foreign researchers have identified the factors which determine consumer perceptions of quality of service. On this basis, a method of assessing the quality of SERVQUAL was developed which can be applied successfully in banking. The technique is based on a comparison of the actual quality of the services on consumer expectations regarding service. When expectations exceed perceived level of service customers experience dissatisfaction and evaluate the service as poor quality. When quality of service exceeds expectations, perceived as the service is very good, the customer satisfied.

At the first stage of the research consumer expectations are found. They are subjective and based on consumer's ability to pay, experience, information received from advertising and other available sources.

At the second stage evaluates the perception of quality. Consumers are asked to evaluate the quality of service in a particular bank the following criteria:

- 1) Tangibility, materiality (tangibles) - opportunity to see the physical, material characteristics of the services (equipment, interior space, appearance of staff, advertising material);
- 2) Reliability – providing of the declared bank services on time and in full;
- 3) sensitivity (responsiveness) - sincere willingness of staff to help customers quickly and provide service;
- 4) persuasiveness (assurance) - competence and responsibility of staff, knowledge and professionalism, courtesy and friendliness, the ability to cause at the customers to trust to the company, confidence in the safety of services;
- 5) Empathy (empathy) - staff care about their clients, commitment to a clear understanding of their interests, ability to adjust to the customer and show careful attention to ensure an individual approach to consumer of banking services.

All of the criteria for assessing the quality of banking services are based on the principles of social responsibility of bank. Social responsibility is the foundation upon which the entire system of relations in society. In this case, it acts an essential element in the macro system-person-state-society. Social Responsibility banking institution has a significant impact on the rates, stability and quality of modern

society. The main features of social-oriented activities of the bank is focusing on human values, understanding the need for social responsibility. Profit of the bank should be formed on the basis of certain ethical principles. The client should be confident that the bank intends to stay long in the market and will not risk their funds and their minute in the pursuit of profit. The social aspect of the bank associated with the need to fully meet the needs of customers and set them as necessary services.

Banks that seek to provide socially-oriented services, actively operating in the US and developed European countries. As a result of the crisis, when 7 Americans and 2 million Europeans have lost their jobs, 10 million people were at risk of poverty, social banks have an important role for its existing and potential clients [4]

Indeed, European banks came out of the social crisis of winning at 20% per annum for the period from 2007 to 2010. That is, crisis transforms social banks in important players in the financial market. In crisis conditions, many see social banks less selfish, and those institutions that care for the overall progress of society more than other banks. Currently, the requirements of today are to provide better banking services in terms of social responsibility. This trend of banks was named social banking.

Social banking is under a provision of banking and financial services to develop the potential of everyone now and in the future. Socially banking focus is on meeting the existing needs in the real economy and society; also take into account their social, cultural, environmental and economic sustainability. Formation of profit is not the main purpose of activity, but often a prerequisite for the necessary flexibility to achieve its main goal by continuously changing conditions. That is while the main goal of other banks was to put profit maximization; social banks realize so called triple principle «People Planet Profit»

*Based on the model of the triune up, John. Elkinhton (John Elkington) in 1997 developed a model of the triple goals of sustainable development for the business model or the "3 R": People (People), Earth (Planet), Profit (Profit). In this model:*

*People - a social component of sustainability, which focuses on people and aims to preserve the stability of the social and cultural systems, including reducing the number of devastating conflicts in society;*

*Planet - is, from an environmental point of view, physical and biological integrity of natural systems, which is necessary to ensure sustainable development. Of particular importance here is the sustainability of ecosystems that affect global stability of the entire biosphere as a model the emphasis is on preserving the capacity for self-healing and dynamic adaptation of such systems to change. The model prevents the influence of factors that reduce this ability, such as the degradation of natural resources, pollution and loss of biodiversity;*

*Income symbolizes economic approach to the concept of sustainable development criteria in terms of maximizing the total income while maintaining the total capital, provides that income. This approach implies the optimal use of limited resources and use nature- environmental, energy- and resource-saving technologies in the stages of extraction and processing of raw materials, creation of environmentally acceptable products, minimization, recycling and disposal of waste.*

Social Bank carefully selects clients and projects in which to invest their money. This - the bank for society; his work is eliminated competitive approach, used by most banks.

We can distinguish three social features of banks that make them unique in the world of finance:

1. Responsibility. Social banks know their customers personally. They worried about mutual responsibility and expect the borrower to use credit responsibly and granted the benefit;

2. Transparency. Unlike most other banks, social banks know what the money that they lend to customers. Also, a bank provides comprehensive reports for all of its depositors as to where their money is invested. This means that investors not only receive interest on your deposit, but also know exactly where "work" the money invested.

3. Sustainability. Despite the fact that other banks are interested in short-term profits, social banks pay attention to long-term profit. They focused on the development of society, the environment and individuals; invest in small projects that will be "snowball" for larger positive effects over time.

The creation and expansion of the banks' socio-oriented type has several advantages including the first: the possibility of establishing partnerships between banks, government agencies, international organizations and the public; the rising cost of intangible assets; improving access to capital, interest and loyalty of investors (investment funds); improvement and development of social protection of the population; increased financial literacy and its integration in the financial services market; orientation of banking products to solve social problems (loyal terms of mortgage and consumer loans etc.). introduction of fair business principles (respect for property rights, protection of fair competition, fighting corruption, conflict of interest, abstaining from unethical activities in the fields).

In our opinion, the creation of social banks in Ukraine is possible, but unlikely it will not happen soon. Currently domestic banks have actively implemented retirement programs, microcredit for individuals, savings programs for children, etc., which although cannot be called 100 percent socially-oriented (as interest on them is not much smaller than conventional programs), but at least have made the first steps aimed at the general public welfare.

The success of socio-economic transformation in the country is largely dependent on the banking system of skillful synchronize its efforts to influence other parts of the economic mechanism.

The banking system is able to effectively assist the state in implementing basic social functions using:

- increase the affordability of housing for citizens through the mechanisms of the mortgage, the use of financial instruments to encourage the development of the housing market in general;
- creating opportunities to improve the quality of life with the use of consumer credit;

- create opportunities for citizens to improve their professional values through the use of educational loans;
- Increasing the responsibility of citizens for their welfare through the development of personal savings.

Improve access to financial services will increase the vertical mobility in society, accelerate the renewal of elites, promote the development of human capital. Having received, such as mortgage or education loans, a citizen has an opportunity to raise their welfare and status (so-called "social elevator"). Human capital, in turn, is the basis of innovative economic development.

Thus, paying special attention not only paper operations, but also relations with segments of the market, the bank will raise its rating, and thus attract more customers. Implementation of social responsibility as part of the quality management system of banking products and services will help accelerate the process of adaptation to international quality standards, ensure efficiency and competitiveness of domestic banks.

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