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DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION IN BANKING INSTITUTIONS IN POLAND AND RWANDA – A COMPARATIVE ANALYSIS

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Purpose: The objective is to identify and characterize the determinants of the implementation of the CSR concept in banking institutions in Poland and Rwanda. This article examines both internal and external factors influencing CSR practices in these countries, offering insights into how different contexts shape CSR strategies.
Design/methodology/approach: A comparative analysis is used to evaluate CSR determinants in Polish and Rwandan banks. The study reviews literature, regulatory documents, and case reports from both countries to assess external factors and internal factors.
Findings: The research identifies distinct differences and similarities in CSR implementation between Poland and Rwanda. Polish banks operate under comprehensive EU regulations and a developed economic environment, while Rwandan banks face evolving national policies and focus on socio-economic development. Technological advancements and market pressures vary significantly, reflecting the different stages of economic and technological development in each country.
Research limitations/implications: The study is limited by the availability and comparability of data across different countries. Future research could expand to include additional countries and sectors for a more comprehensive analysis. Longitudinal studies could provide deeper insights into the long-term impact of CSR implementation.
Practical implications: Banks in both Poland and Rwanda should tailor their CSR strategies to align with local and global expectations. Effective CSR practices can enhance reputation, operational efficiency, and customer loyalty. Banks should integrate CSR into their corporate strategies, foster a supportive organizational culture, and leverage technological advancements to improve their CSR efforts.
Social implications: The research underscores the role of CSR in promoting social and environmental progress. By adopting effective CSR practices, banks can contribute to community development and environmental sustainability. This may influence public attitudes towards corporate responsibility and inform policy development.
Originality/value: This paper provides a comparative analysis of CSR determinants in banking institutions across Poland and Rwanda, highlighting how different cultural and economic contexts impact CSR practices. It fills a gap in the literature by offering a detailed comparison and contributing to a deeper understanding of global CSR strategies.

Keywords: Corporate Social Responsibility, Banking Sector, Poland, Rwanda, CSR Determinants.
Category of the paper: theoretical paper.

1. Introduction

Corporate Social Responsibility (CSR) plays a key role in implementing the development strategies of banking institutions around the world. Implementation of the CSR concept is related to managing business activities in an economically, socially and environmentally responsible manner. Fundamentally, corporate social responsibility is a business strategy wherein organizations incorporate social and environmental issues into their operations and stakeholder relations. Corporate Social Responsibility is defined by the European Commission (2020) as "the responsibility of companies for the effects they have on society". The Commission additionally recommends that companies establish a procedure to incorporate social, environmental, ethical, human rights, and consumer concerns into their core strategy and business operations, working closely with their stakeholders. This all-encompassing strategy not only tackles current societal challenges but also promotes trust and long-term company sustainability. A company can become more environmentally friendly and accountable by implementing Corporate Social Responsibility, a self-governing business model, to its stakeholders, the public, and itself. Through corporate social responsibility, also known as corporate citizenship, businesses can be knowledgeable about the effects they are having on the environmental, social, and economic spheres of society (Gheraia, Saadaoui, Abdelli, 2019). "The ongoing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large" is how the WBCSD defines corporate social responsibility (Dahlsrud, 2006).

The dual emphasis of CSR on social welfare and economic progress is shown by this description. The way that CSR is seen and used around the world has changed dramatically in recent years. The Global Reporting Initiative (2021) states that investor demand for transparency and regulatory developments has led to a growing trend towards mandatory CSR reporting. One significant driving force behind the promotion of full CSR disclosures among large public-interest entities, for example, has been the European Union's Non-Financial Reporting Directive (NFRD) (European Union, 2021).

For banking institutions, CSR is of particular importance due to the role banks play in the economy, while having a significant impact on the environment and society. CSR activities, which center on topics like sustainable finance, ethical lending practices, financial inclusion, and community development, have been increasingly important in the banking industry. Research shows that banks with strong CSR programs typically see improvements in customer loyalty, reputation, and operational efficiency (Scholtens, 2009). The implementation of Corporate Social Responsibility in banking institutions is a complex and multifaceted process. It is shaped by a number of conditions, both internal and external, which include socio-economic development, government policy, legal regulations, stakeholder expectations, market competition, implemented corporate strategies, organizational culture, among others.

The purpose of the article is to identify and characterize the determinants of the implementation of the CSR concept in banking institutions in Poland and Rwanda. The article presents a comparative analysis of the determinants of CSR implementation in these countries, showing the differences and similarities in the approach to implementing the concept in two different cultural contexts and economic contexts.

2. Methods

The choice of the research method was subordinated to the defined purpose of the study and was aimed at conducting a comparative analysis of the internal and external determinants of CSR implementation in Poland and Rwanda. In order to identify and characterise the determinants of the implementation of the concept of corporate social responsibility in banking institutions, the method of systematic literature review was applied (Czakon, 2020). In order to check the state of the art using this method in the area of corporate social responsibility, a selection and subsequent selection of primary literature was made based on databases primarily Scopus and Google Scholar. Based on the "snowball" method, a list of publications was completed. The focus was on key words, i.e. "corporate social responsibility: and "determinants of corporate social responsibility implementation". The criteria for the selection of literature were the time range of publications (2004-2023) and the fields, i.e. social sciences and business, management and accounting.

The data obtained, presented in Figure 1, show that a steady increase in the number of publications on the CSR concept can be observed between 2004 and 2023. This demonstrates the great importance and topicality of the subject matter undertaken in this area.

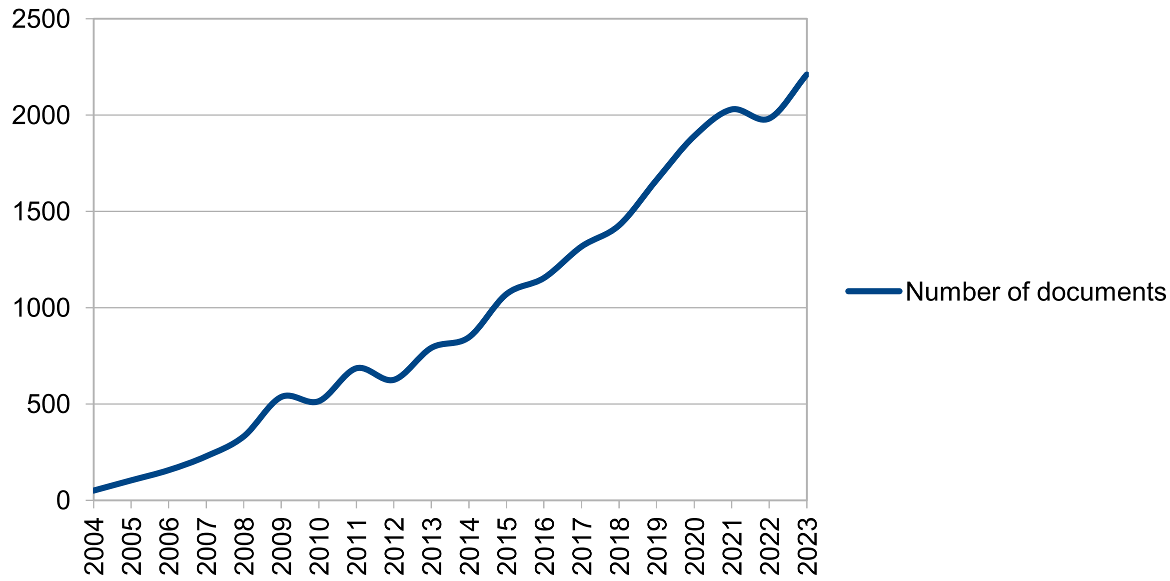

Figure 1. Number of publications on Corporate Social Responsibility from 2004 to 2023.
Source: Scopus database.

3. External and internal determinants of CSR implementation in banking sector institutions

The implementation of Corporate Social Responsibility in the banking sector is shaped by a number of determinants. The most common division that is used in the literature is the division into external and internal determinants. They influence the success associated with the implementation and development of the CSR concept in banking institutions. These determinants can also be the cause of many barriers that hinder or inhibit the implementation of the CSR concept. Understanding these determinants is crucial for banks in Poland and Rwanda to tailor their CSR strategies effectively, ensuring alignment with both local and global expectations. Externally, the regulatory environment, socio-economic development, technological advances, market pressures, and stakeholder expectations significantly shape CSR practices. Internally, factors such as corporate startegies, corporate culture, management commitment, and employee engagement play a pivotal role. These factors, divided into internal and external, are discussed in this subsection.

3.1. External determinants

Regulatory Environment

One important external factor influencing the adoption of CSR is the regulatory environment. Many countries have regulations requiring banks to disclose non-financial information, which includes aspects of social and environmental responsibility. Strict EU rules set comprehensive requirements on social responsibility and environmental sustainability in European Union countries, which requires banks to implement more demanding CSR programs (European Commission, 2023). Not only is adherence to these standards required, but it also establishes banks as reputable and accountable organizations.

Socio-economic development

The implementation of the CSR concept in banks is the result of many socio-economic conditions affecting their operations. Banking institutions must adapt their strategies and activities to social expectations and economic challenges, which are increasingly linked to the pursuit of sustainable development in which the CSR concept fits (Jeucken, 2001). The implementation of CSR strategies in these institutions brings them real benefits in social and economic terms, and contributes to a better reputation. Banks are increasingly implementing CSR in response to the needs of local communities. Therefore, an important element is to understand the socio-economic conditions of the country or region in which banks operate. According to the needs of the community of a given area identified by the banks, these institutions can undertake a variety of initiatives related to, for example, supporting environmental and social initiatives, investing in local infrastructure, implementing educational programs, or promoting the availability of banking services for low-income people in the fight against financial exclusion, etc.

Technological Advancements

The implementation of CSR is influenced by external factors such as the development of innovation, technological advances, digitization, and artificial intelligence. Innovation helps banks operate more sustainably and efficiently. Digital banking reduces the need for physical branches, thereby reducing its impact on the environment. Artificial intelligence is playing an increasingly important role in the process of providing services to banking institutions' customers. In addition, technology has the potential to improve accountability and openness of CSR reporting, making it easier for stakeholders to track and evaluate CSR initiatives (Ejoh, Omoile, 2023). Thus, the level of innovation, access to new technologies in a country has a strong impact on the development of CSR practices in banking institutions. The use of technology in the implementation of CSR projects has an impact on innovative approaches to pro-social and pro-environmental solutions.

Market Pressures and Consumer Expectations

Important external elements are consumer expectations and market forces. Today's socially conscious consumers want banks to show a significant commitment to corporate social responsibility. Banks are now expected to go beyond traditional financial services and contribute meaningfully to societal and environmental well-being (Porter, Kramer, 2007). Consumer loyalty is increasingly tied to CSR, with research showing that customers are more likely to engage with banks that align with their personal values (Freeman et al., 2010). Failure to meet these expectations can harm a bank’s reputation and erode customer trust, leading to a potential loss in market share (Fatma et al., 2015). Market pressures also significantly influence how banks adopt CSR strategies. Investors, regulators, and competitors are driving the need for sustainable business practices, which has led to an increased focus on environmental, social, and governance (ESG) factors within the industry (Forcadell, Aracil, Úbeda, 2019). Investors are particularly keen on CSR as it enhances long-term value creation and mitigates risks (Eccles, Ioannou, Serafeim, 2014). Furthermore, regulatory frameworks are evolving, requiring banks to meet higher standards of social responsibility, especially in relation to environmental sustainability (El-Kassar, Singh, 2019). Banks that are slow to integrate these expectations risk reputational damage and diminished competitive advantage (Pérez, Rodríguez del Bosque, 2015). As demonstrated by McDonald’s success in using CSR to boost customer loyalty, businesses that embrace CSR can foster stronger customer relationships, increase brand equity, and drive long-term financial performance.

Stakeholder Influence

Stakeholder expectations are another important determinant of CSR implementation at banking institutions. Investors, customers and local communities are increasingly demanding that financial institutions take pro-social and pro-environmental measures. Stakeholders are coming to expect banks to participate in sustainable practices and make positive social contributions. Influence from stakeholders, like as consumers, shareholders, and community organizations, is also very important in determining CSR strategies. Customers are increasingly paying attention to whether banks engage in CSR activities. This can influence their decisions on choosing banking services. In turn, investors are increasingly paying attention to non-financial ESG (Environmental, Social, Corporate Governance) indicators when making investment decisions, prompting banks to be more responsible in their actions (Zabawa, Łosiewicz-Dniestrzańska, 2023). These indicators are playing an increasingly important role in banks' decisions on various transactions.

3.2. Internal Determinants

Values, corporate strategies and organizational culture

CSR implementation in banking institutions is strongly linked to corporate strategies. Banks whose strategic goals are related to CSR more effectively implement activities in this area. These activities implemented as part of the strategy may include engaging in social and environmental initiatives, investing in sustainable projects, creating and developing financial products that support sustainable development. The core of the bank's CSR strategy is its corporate culture, which is a key factor supporting CSR implementation. Organizations that promote values such as ethics, responsibility and sustainability are more likely to implement CSR concepts in conjunction with daily business practices. Creating the right organizational culture that supports CSR initiatives is key to achieving long-term success for CSR activities. Robust CSR programs are likely to be encouraged by a culture that places a high value on sustainability, social responsibility, and ethical behavior. For instance, it is frequently simpler for banks to incorporate CSR into their operations if they have a strong culture of honesty and community involvement (Liang, Renneboog, 2020). Many factors influence organizational culture. Figure 2 illustrates the impact of organizational culture factors on CSR.

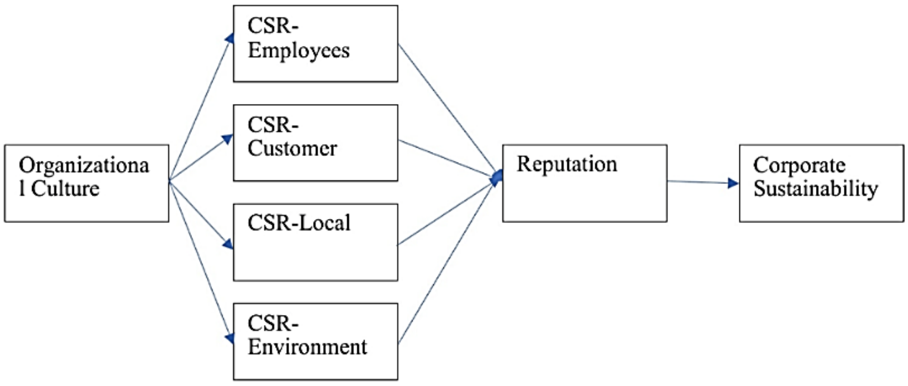

Figure 2. The impact of organizational culture factors on corporate social responsibility and Corporate Sustainability.

Source: Siyal, Ahmad, Riaz, Xin, Fangcheng, 2022.

According to Siyal, S., Ahmad, R., Riaz, S., Xin, C., Fangcheng, T., 2022 Corporate Social Responsibility (CSR) and reputation (R) play pivotal roles in driving corporate sustainability (CS). A strong corporate reputation is linked to numerous advantages, such as the ability to negotiate better contracts, attract talent, and charge premium prices, all of which contribute to sustainability. Empirical studies have shown a positive and significant association between reputation and CS, positioning reputation as a crucial factor for enhancing corporate sustainability. Moreover, organizations with strong CSR practices tend to build a favorable reputation, which in turn strengthens their competitive advantage and long-term viability. CSR initiatives focused on employees, customers, the environment, and local communities are particularly influential, as they not only boost an organization's reputation but also promote its sustainability. This is especially evident in industries like hospitality, where CSR initiatives have been directly linked to sustainable performance. Consequently, improving CSR practices enhances a company's reputation, which subsequently fosters corporate sustainability. In this context, organizational culture factors that emphasize CSR are key contributors to both reputation-building and achieving sustainable business outcomes.

Committed to Leadership and Management

Commitment to leadership is an important internal factor. A company's entire culture is influenced by the top management's strong commitment to corporate social responsibility. Prioritizing CSR increases a leader's likelihood of allocating required resources, defining specific CSR goals, and making sure CSR is integrated into the overall strategy plan (Habba, 2024). Therefore, it is very important to promote the right leadership style, the so-called responsible leadership, which influences the motivation and involvement of an organization's employees in CSR activities.

Employee Engagement

One further crucial internal component is employee engagement. Successful implementation of CSR initiatives is typically observed in banks where staff involvement is proactive. Training initiatives, staff involvement in CSR decision-making, and volunteer opportunities for community service are just a few examples of how to engage employees. As a result, the overall impact of CSR activities is increased by engaged employees' propensity to endorse and support them (Dekoulou, Anastasopoulou, Trivellas, 2023). The effective implementation of CSR-related activities is therefore significantly influenced by the appropriate competence and commitment of employees. In this regard, it is very important to ensure the continuous development of employees' CSR-related knowledge and skills.

Internal Communication and Education

Successful implementation requires good internal communication as well as education on CSR programs and goals. Banks must make sure that staff members are aware of the value of corporate social responsibility and how their work fits into the bigger picture. Internal newsletters, workshops, and regular training sessions can all aid in raising awareness and developing a culture of accountability inside the company. (Matuszak-Flejszman, Łukaszewski, Budna, 2023).

4. Analysis of the determinants of CSR implementation in banking institutions in Poland and Rwanda

The implementation of corporate social responsibility in Polish and Rwandan banking institutions is influenced by many internal and external factors. For banks that want to align their CSR initiatives with stakeholder expectations and national development goals, it is important to understand these factors. The main internal and external factors affecting CSR implementation in the Polish and Rwandan banking sectors are analyzed in this section.

4.1. Implementation of CSR in banking institutions in Poland in the context of analysis of key determinants

Regulatory Environment

Banks in Poland, realizing the growing social expectations and legal regulations, are increasingly integrating their activities with those related to corporate social responsibility (Różańska, 2016). Regulatory pressure, both at the national, European and international levels, is one of the main determinants of CSR in Polish banks. Banks in Poland are required to comply with many regulations promoting corporate social responsibility and sustainable development. Examples include EU regulations on, for example, non-financial reporting, such as the Directive of the European Parliament and of the Council (2014/95/EU), which obliges certain large entities to publish CSR information. There are other national and international standards, reporting tools in this area, i.e. the Global Reporting Initiative (GRI), ISO 2600 standard on corporate social responsibility, UN guidelines relating to business and human rights, international guidelines of the Global Compact and others (Barczyk, 2023). However, as many authors point out, there is a need to develop a single comparable reporting template in the area of CSR (Wróbel, 2016; Barczyk, 2023).

Socio-economic development

Global trends in sustainability, responsible management and investment also permeating the Polish market are prompting banks to take a more conscious approach to CSR (Scholtens, 2009) . The economic crises have caused many banking sector institutions around the world, including Poland, to have to change their approach to governance, risk management and public trust. In this regard, CSR activities undertaken by banking sector institutions in Poland are playing an increasingly important role.

Technological Advancements

Technological progress, the development of innovations plays an important role in the development of banking sector institutions in Poland. Available digital tools, modern technologies such as artificial intelligence (AI), Big Data, blockchain, and fintechs have a direct impact on the implementation of CSR concepts in banks. (Davenport, Kirby, 2016; Gomber, Koch, Siering, 2017). They contribute to reducing the environmental footprint, improving transparency, accessibility of financial services. Technologies such as blockchain enable banking institutions to increase transparency and accountability in managing financial data, which is important for CSR (Tapscott, Tapscott, 2016). On the other hand, the development of these technologies and tools poses challenges for banks in terms of cyber security, which is an important part of the corporate social responsibility measures taken.

Market Pressures and Consumer Expectations

An important external factor influencing the implementation of CSR in banks in Poland is growing customer expectations and competitive pressures. Customers in Poland anticipate that banks would actively handle social and environmental issues, which has led to more extensive CSR policies (Zieliński, Jonek-Kowalska, 2023). Increasing competition in the banking sector has prompted banks to use CSR activities as a differentiating element (Jeucken, 2001). CSR has become an important tool for building relationships with customers, creating an image and improving reputation.

Stakeholder Influence

Increasingly, stakeholders expect Polish banks to act not only in the interests of their shareholders, but also for the broader good of various social groups (Freeman, 2010). There is a growing public awareness in Polish society of the issues of ethical behavior and sustainable development, which is prompting banking sector institutions to incorporate social, ethical, environmental, more responsible management aspects into their operations. For example, shareholder engagement in Poland has resulted in increased accountability and openness in CSR reporting (Paluszak, Wiśniewska-Paluszak, 2019). Banks are paying increasing attention to publicizing CSR reports to a wide range of stakeholders.

Values, corporate strategies and organizational culture

The key internal factors influencing the implementation of CSR in banks in Poland is their organizational strategy and culture, as well as their values. An organizational culture conducive to CSR motivates employees to engage in pro-social and environmental activities. Numerous banks in Poland have a long history of endorsing environmental sustainability and community programs, which is fundamental to their corporate culture (Sułkowski, Fijalkowska, 2019). Strategies in banks in Poland are increasingly directing their strategic goals towards CSR activities, creating special committees and CSR programs including environmental protection activities, support for local communities, financial education, etc. The banks in Poland analyzed by Bednarska-Olejniczak (2016) demonstrate a strategic approach by implementing long-term plans for CSR activities. There are many examples of banks operating in Poland that place a strong emphasis on sustainability and social responsibility in their corporate strategies.

Committed to Leadership and Management

The implementation of policies for CSR requires banks to be committed at the level of the board of directors and managers. Bank managers in Poland are paying increasing attention not only to the financial dimension, but also to the social dimension and the servant role towards society (Waliszewski, 2022). Managers of Polish banks play a key role in implementing CSR by setting strategic directions for sustainable development, shaping organizational culture, making decisions on responsible investments and managing stakeholder relations. In this regard, it is very important to raise the awareness and knowledge of bank managers in Poland so that they can contribute to further social, economic and environmental development.

Employee Engagement

In order for CSR activities to be implemented in an effective manner, it is necessary to involve employees in these activities. On the other hand, initiatives in this area aimed at bank employees themselves are also important. The results of the analysis conducted by Bednarska-Olejniczak (2016) indicate that banks in Poland implement a number of CSR activities in favor of employees concerning taking care of employee safety and health, counteracting unfair practices, employee volunteering, support and development programs for employees, work-life balance. These activities are also aimed at increasing employee involvement in CSR activities. According to Paluszak, Wiśniewska-Paluszak (2018) polish banks have seen an increase in staff participation and success rates in environmental sustainability programs.

Internal Communication and Education

Internal communication has a huge impact on the effective implementation of CSR initiatives. Banks in Poland are increasingly taking advantage of modern technologies, digital tools, AI, social media, online platforms, which enable banks to transparently and quickly communicate their CSR activities. In this way, they can quickly and effectively inform stakeholders, including their employees, about plans, initiatives, pro-social and environmental activities, which fosters lasting relationships and trust (Ogrizek, 2002). Necessary in this regard are ongoing programs to raise the knowledge and awareness of employees, which can significantly affect the effectiveness of implemented CSR initiatives.

4.2. Determinants of CSR implementation in banking institutions in Rwanda

Regulatory Environment

The Rwandan government has played a proactive role in promoting CSR through various policies and regulations. The National Strategy for Transformation (NST1) emphasizes sustainable development, urging banks to engage in CSR activities that contribute to the country's socio-economic goals. Additionally, the Rwanda Governance Board (RGB) encourages companies, including banks, to adopt CSR practices that align with national priorities, such as poverty reduction and environmental sustainability (Government of Rwanda, 2017). On the other hand, multinational organizations frequently have an impact on CSR standards and practices in Rwanda, where the regulatory environment is changing (Nahimana, 2024). The following table provides a summary of the key regulations and their impact on CSR implementation in Rwanda's banking sector.

Table 1.
Key Regulations and Their Impact on CSR Implementation in Rwandan Banking Sector

Regulation/Policy	Description	Impact on CSR Implementation
National Strategy for Transformation (NST1)	Emphasizes sustainable development and CSR in corporate practices.	Encourages banks to integrate CSR into their strategic objectives.
Rwanda Governance Board (RGB) CSR Guidelines	Provides guidelines for CSR activities in line with national priorities.	Increases accountability and alignment of CSR with national goals.

Source: Nahimana, 2024.

Socio-economic development

Rwanda, being a developing country, focuses its CSR activities on social and economic development. Rwanda's socio-economic context, characterized by a focus on inclusive growth and poverty alleviation, also drives CSR in the banking sector. Banks are encouraged to support community development projects, financial inclusion, and initiatives that contribute to the country's vision of becoming a middle-income economy by 2035. The emphasis on socio-economic development creates a conducive environment for banks to engage in meaningful CSR activities that address local needs (Diop, Ibrahim, Lo Hog Tian, Yang, Widener, Spicer, 2023). Banks often engage in microfinance projects to improve access to financial services mainly for small businesses and low-income individuals. This is crucial for stimulating the local economy and creating new jobs.

Technological Advancements

Technological innovation is revolutionizing CSR in Rwanda's banking sector. With digital banking solutions becoming more widespread, banks are increasingly able to reach underserved populations, thus contributing to financial inclusion and socio-economic development. Fintech advances allow for efficient implementation of CSR initiatives, such as mobile banking and digital literacy programs, which make financial services more accessible to rural and low-income communities. These technology-driven CSR efforts are not only increasing the social impact of banks but also helping to enhance customer satisfaction by improving financial management (UNCTAD, 2023). As banks continue to integrate technology into their CSR strategies, they position themselves as leaders in digital transformation, promoting both societal benefits and sustainable business growth (GSMA, 2023).

Market Pressures and Consumer Expectations

Growing investor and consumer interest in sustainability is driving Rwandan banks to adopt CSR programs that tackle regional socioeconomic issues. Socially conscious consumers expect companies, including banks, to demonstrate a commitment to ethical and sustainable practices. This pressure from the market has pushed banks to incorporate CSR initiatives focused on environmental sustainability, poverty reduction, and improving financial access, thereby aligning with consumer expectations (Murasi, Osiemo, 2024). Investors are also prioritizing businesses with solid CSR credentials, recognizing that CSR enhances long-term profitability, brand reputation, and customer loyalty (McDonald's Corporation, 2023; Pérez, Rodríguez del Bosque, 2015). This alignment of consumer and investor expectations has positioned CSR as a competitive advantage for banks, helping to differentiate them in the marketplace while fostering customer and stakeholder trust.

Stakeholder Influence

The implementation of CSR in Rwanda is greatly impacted by stakeholder pressure, especially from international partners, civil society organizations, and customers. Consumers encourage banks to take on CSR projects that correspond to social standards by demanding that they do so on a regular basis. Furthermore, expectations for corporate social responsibility are frequently associated with relationships with international financial institutions, which push local banks to improve their social and environmental performance (Murasi, Osiemo, 2024). To make sure that CSR activities in Rwanda fit local requirements, banks frequently work with community groups and non-governmental organizations on these projects (Gahamanyi, Mulyungi, Shukla, 2018). Customers increasingly expect banks to be involved in community improvement activities.

Values, corporate strategies and organizational culture

Organizational resources, values, corporate strategy and organizational culture are important internal factors that influence how CSR is implemented in Rwandan banks. Financial institutions with a corporate culture that places a high priority on moral principles and social responsibility typically have more extensive CSR programs. As an illustration of the bank's approach to social responsibility The Bank of Kigali, for instance, has put in place a strong framework for corporate social responsibility that includes programs in health, education, and environmental sustainability. This demonstrates the bank's commitment to social responsibility. The Bank gives priority to projects that will have the greatest possible social impact and address a variety of social issues, such as promoting gender parity, preserving the environment, reducing poverty, and creating shelters for vulnerable populations like women and orphans (Bank of Kigali, 2023).

Committed to Leadership and Management

Dedication from the leadership is essential because it determines the priorities for CSR and how resources are allocated. For example, in Rwanda, prioritizing corporate social responsibility can result in creative solutions that are adapted to local requirements, encouraging increased community involvement (Bank of Kigali Group Plc., 2024). Strategic leadership ensures that CSR is not merely an afterthought but is integrated into the organization's core values and long-term vision. This commitment also fosters a culture of responsibility and accountability, inspiring employees at all levels to participate in socially beneficial projects. Leaders play a pivotal role in ensuring that CSR initiatives align with both organizational goals and community needs, bridging the gap between profitability and social impact (Kotler, Lee, 2023).

Employee Engagement

Employee engagement is another essential element in the successful implementation of CSR initiatives. When employees are actively involved, CSR programs are more likely to succeed and achieve meaningful results. Banks in Rwanda are increasingly trying to build an organizational culture that encourages social responsibility through training and education programs for employees. In doing so, the banks want to increase employee awareness and involvement in CSR activities. These programs aim to raise employee awareness of the importance of CSR and motivate them to contribute to the bank’s broader societal goals (Frederic, Osiemo, 2024). By involving employees in CSR activities, banks not only enhance their social impact but also strengthen employee loyalty and morale. An engaged workforce is more likely to advocate for sustainable practices and become ambassadors for the organization’s CSR efforts. Research has shown that organizations with high levels of employee involvement in CSR tend to have better performance in both social impact and financial metrics (Pérez, Rodríguez del Bosque, 2015).

Internal Communication and Education

Effective internal communication and education are also vital for the successful integration of CSR into an organization’s operations. Banks that prioritize internal communication around CSR are better positioned to engage their employees, foster a unified understanding of CSR objectives, and create a cohesive approach to implementing CSR programs. For instance, internal newsletters, CSR workshops, and dedicated CSR teams help maintain continuous dialogue about the company’s social responsibility goals. By educating employees about CSR, banks create a well-informed workforce that understands the broader impact of their actions. Additionally, internal communication ensures that all employees, from senior management to entry-level workers, are aligned in their CSR efforts, which contributes to a more organized and effective implementation of these programs (McDonald's Corporation, 2023). This internal focus strengthens the bank's ability to contribute positively to societal goals while maintaining consistent engagement with employees, customers, and stakeholders.

To sum up the implementation of corporate social responsibility (CSR) in financial institutions in Rwanda is influenced by a variety of internal and external factors, including stakeholder pressure, legislative frameworks, socioeconomic conditions, and organizational culture and leadership. Together, these factors influence how well-run and long-lasting CSR programs are in Rwanda's banking industry. The country's emphasis on inclusive development means that banks will play an increasingly important role in advancing social and environmental progress through corporate social responsibility (CSR), including it into their overall business strategy. Despite the many benefits associated with implementing CSR, banks in Rwanda face a number of challenges related to, for example, limited human and financial resources, lack of uniform standards for reporting and measuring the effectiveness of CSR activities.

Based on the presented analysis comparing external and internal determinants of CSR implementation in banking institutions in Poland and Rwanda, a comparison of key determinants is summarized in Table 2.

Table 2.
Comparison of key determinants of CSR implementation in banking institutions in Poland and Rwanda

Determinants of CSR implementation	Determinants of CSR implementation in Poland	Determinants of CSR implementation in Rwanda
External conditionality		
Regulatory Environment	EU regulations, comprehensive guidelines	National policies, evolving regulations
Socio-economic development	Development Developed economy, high consumer awareness	Developing economy, focus on basic needs
Technological Advancements	Advanced infrastructure, robust tools	Growing, but limited infrastructure
Market Pressures and Consumer Expectations	High pressure, high expectations	Increasing, less pronounced
Stakeholder Influence	Diverse stakeholders, strong influence	Growing, community and government focus
Internal conditionality		
Values, corporate strategies and organizational culture	Well-defined, global standards	Integrating with local development goals
Committed to Leadership and Management	High commitment, active promotion	Growing commitment, focus on impact
Employee Engagement	Structured programs, high engagement	Increasing, grassroots involvement
Internal Communication and Education	High level, formal training programs	Developing, growing awareness

Source: own elaboration.

As the analysis has shown, the implementation of social responsibility practices in banking organizations in Poland and Rwanda is a multi-dimensional process, dependent on various external and internal factors. Although the determinants of CSR implementation in banking institutions in Poland and Rwanda differ, there are some similarities. Both countries recognize the importance of CSR to operate more responsibly and, above all, to build better relations with stakeholders, both external and employees, as well as to improve image. In Poland, there is more emphasis on regulations and stakeholder expectations, while in Rwanda, CSR activities are strongly oriented towards supporting socio-economic development, particularly of local communities. In both countries, there is a noticeable trend of integrating the concept of corporate social responsibility into the business strategy of banks, which indicates the growing importance of CSR in business activities.

5. Summary

Corporate social responsibility, due to the operation of banks based on public trust, is of particular importance for their operations (Różańska, 2016). Banks, as institutions with a high impact on society and the economy, are increasingly paying attention to the implementation of CSR practices and activities aimed at sustainable development. This is conditioned by a number of factors, both external related to the macro environment, as well as market and internal conditions. Understanding these determinants and how they affect banks' CSR activities is key to their effective social responsibility management. Integrating these CSR factors into daily business practices allows banks to build greater trust and loyalty among various stakeholder groups and promotes sustainability. As the comparative analysis conducted for banks operating in Poland and Rwanda shows, CSR is as important an element of their activities despite operating in slightly different socio-economic conditions. The peculiarities of local conditions mean that the approach to CSR in banking institutions in Poland and Rwanda is tailored to the specific needs and challenges of the country. However, global trends are evident that are influencing banks in both countries to recognize the growing role of CSR.

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