



AENSI Journals

Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/AEB/>

Reviewing and Ratings the Social Responsibility in Explaining its Index (Mehre Eqtesad Bank Case Study of Chaharmahale Bakhtiari Province)

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ARTICLE INFO

Article history:

Received 12 October 2014

Received in revised form 26 December 2014

2014

Accepted 1 January 2015

Available online 10 February 2015

Keywords:

Responsibility, Responsibility Overall Index, Mehre Eqtesad bank.

ABSTRACT

The purpose of this paper is to study and rank the social responsibility in explaining its Index Mehre Eqtesad bank case study of Chaharmahale Bakhtiari province. The samples of study were all employees in Mehre Eqtesad bank of Chaharmahale Bakhtiari, since the population in this study is small, no special method was considered and the whole population was evaluated. The purpose of this study is functional and descriptive because questionnaire was used to collect data. Content and construct validity of the questionnaires were assessed using expert opinions and were confirmed using alpha reliability coefficient of 82.7 per cent. To analyze the data from the questionnaire, lisrel software and confirmatory factor analysis were used according to the statistical needs. The results show that the index of social responsibility is associated with its dimensions. Legal has the greatest impact with 5.21 rank, the humanitarian with 5.19 rank, then moral with 5.13 rank and the last stage has the lowest impact of 1:49 rank the economic dimension in the overall index of Mehre Eqtesad bank of Chaharmahale Bakhtiari.

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To Cite This Article: Nasimeh Hashemi Dehkordi, Mahmoud Moeinadin, Ramin Abghari., Reviewing and ratings the social responsibility in explaining its Index (Mehre Eqtesad bank case study of Chaharmahale Bakhtiari province). *Adv. Environ. Biol.*, 9(2), 128-134, 2015

INTRODUCTION

Social Responsibility of organizations, offer ways in which organizations do in the areas of their businesses and meet the expectations of society, business, legal, ethical and social expectations. Because the organizations have great responsibilities in the areas of social, economic and environmental issues for employees, shareholders, customers, governments, suppliers and all its stakeholders. Undoubtedly, if individuals, groups, organizations and institutions of society are responsible about the events and various crises and are responsible and effortful about their responsibilities to resolve the crisis, many problems will be minimized and the community will be safe and sound.

In other words, organizations various performance will have effect on society. Therefore, organizations need to take actions that are consistent with the community and its values. Organizations that fail to adapt these matters, will fail in practice. In other words, organizations need to pay attention to the social responsibility, to be able to maintain or improve their status in society, in a way that will sustain them and their success at work. So the fundamental cause of any organization survival is the organizations social responsibility. Organization Social Responsibility included whole range of fundamental principles, which the organization is expected to acknowledge and reflect on their actions. On the other hand, role of managers is crucial and executives should express their commitment to CSR through their own values, and ensure that these commitments will be ongoing throughout the organization and will cause the development of social responsibility.

In today's competitive world, the concept of organizational social responsibility has become the dominant paradigm in the administration of organization. Social responsibility is a kind commitment by business managers in private sector, to decide in a way that as well as profit for the institution, there should be an improvement for the welfare of society. Griffin & Barney define the social responsibility as follow: Social responsibility involves the commitments and obligations that the organization should do in order to preserve,

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protect and assist the community in which it operates. French & Saward in the book "Managing Change in Organizations" write about social responsibility, social responsibility is the task of private institutions, in the sense that there is no any adverse effect on social life in which they work. This duty generally consists of tasks such as not to discriminate in employment, not to address the immoral activities and to inform the consumer of the product quality. The task is based on positive participation in the people's life [8]. On the other hand, Ronald Burt and Griffin also believe that "morality pays more attention to the behavior of individuals within the organization but social responsibility deals with the employees, shareholders, investors and stakeholders, clients and creditors and, in general Beneficiaries ". Social responsibility has four dimensions: the economic, legal, ethical and public dimensions. So with regard to the aforementioned issues, the general objective of the present study is to review and rate the social responsibility dimensions in explaining its Index (Mehre Eqtesad bank case study of Chaharmahale Bakhtiari province).

Theoretical Framework and Developing Research Hypotheses:

In today's competitive world of commercial areas, those organizations are known as successful sectors that not only perform well on professional ethics characteristics and do the organizations social responsibility but also achieve the maximum wealth level for their shareholders. In other words, before achieving maximum benefit and gaining wealth, doing the organizations social responsibilities is as the precondition for assessing the success of the business sectors. Meanwhile financial intermediary companies, including banks are increasingly accepted in stock market. In addition to the admission of banks in the stock market, the role of financing of these sectors in economic projects in Iran is undeniable. This is while, potential investors focus on banks social responsibilities to invest in these companies (banks) and to allocate optimal resources. Because the attention to social responsibilities and the need to comply with it have increased these days, and the duty of public institutions and governmental agencies in regard to conflicts with their interest is of special attention by public.

In Iran economy as a quasi-public economy, traditionally banks and financial institutions have taken an increasing role in financing the economic projects. In recent years the emergence of new financial institutions, especially private banks in Iran economy area have created a highly competitive mode and this issue has reduced the market share of banks and has forced them to provide a wide variety of efforts to increase its market share. Efforts made by the banks in the competitive environment have increased the social welfare by offering new services provided by banks But what is neglected is the matter of social responsibility of banks and financial institutions, Because most of the banks have listened to recommend loans with the development of e-banking in order to earn more profit. So it seems that it is essential to pay attention to the social responsibility of banks and especially Mehre Eqtesad bank. On addressing this issue in Mehre Eqtesad bank of chahrmahal bakhtiari Province, it can be claimed that according to the number of banks and lower loan demand and naturally limited market share in the province, as well as the similarity of most of the new services of banks, There cannot be new services as a core competence with regard to the importance of banks in the province.

Naturally addressing social responsibility, including attention to fairness and justice in the recruitment, development of loans, trying to meet the needs of the poor in addition to providing new profitable loans to big companies can provide a new satisfaction view form the customers' perspective, which has numerous benefits for Mehre Eqtesad bank. So observing the social responsibility by the banks form Public and Investors perspectives is important and can have numerous benefits for them. Some of these advantages include the increase in the brand value of banks and strengthening their public image by taking social responsibility. With an increase in the public image of banks, access to new resources will naturally increase and this issue will play a role in improving risk management. About the Impact on social responsibility of organizations and their employees, we can mention the increase of loyalty and willingness to cooperation with organizations and consequently banks access to safe and healthy work force. The promotion of reliability and validity between banks and the beneficiaries can be added to the above mentioned items. So with regard to the foregoing information and the importance and urgency of the matter, in order to achieve the main objective of the study, the following hypotheses have been proposed and tested:

H1: Social Responsibility in explaining the overall index has significant and important impact.

H11: The role of economic dimension of social responsibility in explaining the overall index is meaningful and important.

H12: The role of legal dimension of social responsibility in explaining the overall index is meaningful and important.

H13: The role of ethical dimension of social responsibility in explaining the overall index is meaningful and important.

H14: The role of Humanitarian dimension of social responsibility in explaining the overall index is meaningful and important.

Werner in a research with the title of "bank's social responsibility, an introduction of social restrictions in Bangladesh" obtained this result that bank's social responsibility has a potential positive and lasting impact in developing countries, particularly in societies with social restrictions. Castka and Balzarova found out that

social responsibility showed a direct and positive effect on the implementation of providers' work and an intermediary effect through improving confidence and cooperation. The findings also have implicit importance not only for influential managers but also for logistic managers in the range of business marketing, distribution and customer services. Aras *et al* in a research, compared the impact of traditional approaches of cultural values on perception of social responsibility in Korean banks and concluded that the effect of fundamental and traditional approaches and beliefs on perception of banks' social responsibility is more important compared to cultural values.

Agarwal [2], in a research with the purpose of focusing on behavioral considerations and social commitments and promoting social responsibility as an apparent asset, shows that both profit and nonprofit organizations are interested in implementing social responsibility [2]. Toosi in a research by reviewing the current status and rate of reports on social responsibility in annual report of Qatari banks, shows that a majority of banks expose the information associated with human resources in their annual report, nonetheless they do not reveal any report on environmental issues [11]. Results of the research of Campbell [4] showed that each of the three approaches of social responsibility have a direct connection with organization's performance. According to the obtained results, instrumental approach has a positive connection with short-term actions of organization's performance, strategic approach has a positive connection with short-term and medium-term, but descriptive approach does not have a certain connection with the company's performance [4]. Jafari in a research with the title of connection of organizational culture and social responsibility of the organizations and the results showed that there is a positive and high correlation between the components of organization's culture and social responsibility of the organization and this mental model of employees is the most basic component which affects social responsibility of the organization [10].

Research Method:

The method of current research is applicable in terms of purpose, because its results can be used in practice. Also in terms of implementation method, the present research is among the group of descriptive – descriptive, because in addition to describing the current situation of the society with interfering and reduction, questionnaires have been used in collecting data. The statistical population which is being studied in this research is all of the employees of branches of Iran's Mehr Eghtesad bank of Chaharmahal and Bakhtiari that at the time of the implementation of the present research included 90 persons. Since the population which is being studied in this research is consisted of a total of 90 persons and the considered population is small, thus we didn't consider a specific method for sampling. Questionnaire was used in order to collect the data associated with social responsibility. Descriptive statistic was used in order to describe the current situation and a T-test with a single sample was used to review the assumptions.

In order to collect the data associated with social responsibility, a combination of the standard questionnaires of Singapcady *et al* and Mohammad Hossein *et al* was used. With the guidance and consultant of the supervisor professor and advisor professor the questionnaire was prepared and it was confirmed that it is standard and has the required validity. Since the alpha value of "Korounbakh" is equal to 0.827, thus the test has an acceptable durability. The questionnaire includes 30 questions in which the questions of economical dimension have been specified with 5 questions, legal dimension with 6 questions, behavioral dimension with 14 questions and humanitarian dimension with 5 questions.

Since in order to use the appropriate statistical techniques, first it shall be specified whether the collected data has a normal or abnormal distribution, in this stage the results which were obtained from Kolmogorov-Smirnov test for each of the variables are reviewed. And according to the obtained results, proper tests are chosen for reviewing the accuracy of the research's assumptions. Since by considering the results of table 1 the rate of significance level is larger than 0.05 error rates for all dimensions of social responsibility, therefore, data has a normal distribution.

Table 1: Results of normality test of variables.

Social responsibility	Significance level	Error rate	Conclusion
Economical dimension	0.130	0.05	It is normal
Legal dimension	0.104	0.05	It is normal
Behavioral dimension	0.239	0.05	It is normal
Humanitarian dimension	0.054	0.05	It is normal

Findings:

First confirmatory factor analysis of social responsibility:

The Estimation results in the following charts and tables on appropriateness of the mentioned measurement model indicators of social responsibility indicate the suitability of the model. According to the output value of LISREL, X^2 is equal to 986.38. The low level of this indicator shows little difference between the conceptual model and research observed data. GFI and AGFI index model suitability is the size of the relative amount of

variance and covariance, which are justified by the model. The closer to one, the more the data would be appropriate.

Table 2: Indicators for the appropriateness measurement model of social responsibility suitability.

Factor	AGFI	GFI	RMSEA	P-VALUE	DF	CHI-SQUARE
social responsibility	0.90	0.91	0.128	0.000	401	986.38

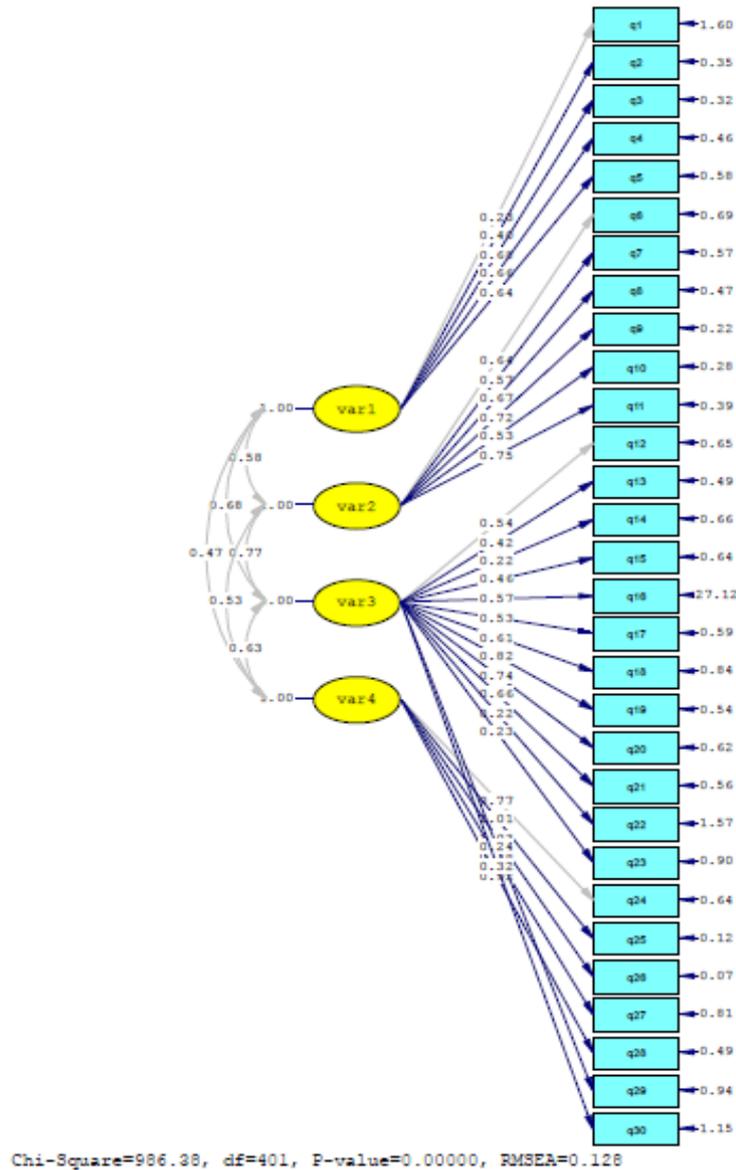


Fig. 1: The social responsibility measurement model in the standard estimate.

The output above shows significant portion of coefficients and parameters for measurement model of social responsibility aspects. If the significant number is greater than 2 or less than 2 - the relationship would be significant in this model. This shows that all the relations are significant.

Second confirmatory factor analysis of social responsibility:

In the first confirmatory factor analysis, we achieved social responsibility aspects by questionnaire questions. Then the second factor analysis was used to achieve social responsibility, the fit indices indicate that the model is a good fit, because the chi-square degrees of freedom is less than 3, for the social responsibility model in standard estimation mode of second confirmatory factor analysis, any factor that has greater load factor will have greater effects of other factors, and thus it is said to have a greater impact. The results show that, the legal dimension of social responsibility has the largest load factor of(5.21). As a result it has the top priority and the greatest impact on social responsibility. In the following model it can be seen that the humanitarian load

factor of (5.19) has been the highest load factor after legal aspect, resulting in a second priority, and then ethical aspect with load factor of (5.13) and at the end the economic aspect with load factor of (1.49) has the lowest load factor and is in the last priority and it is therefore said to be the minimum impact on social responsibility compare to other factors.

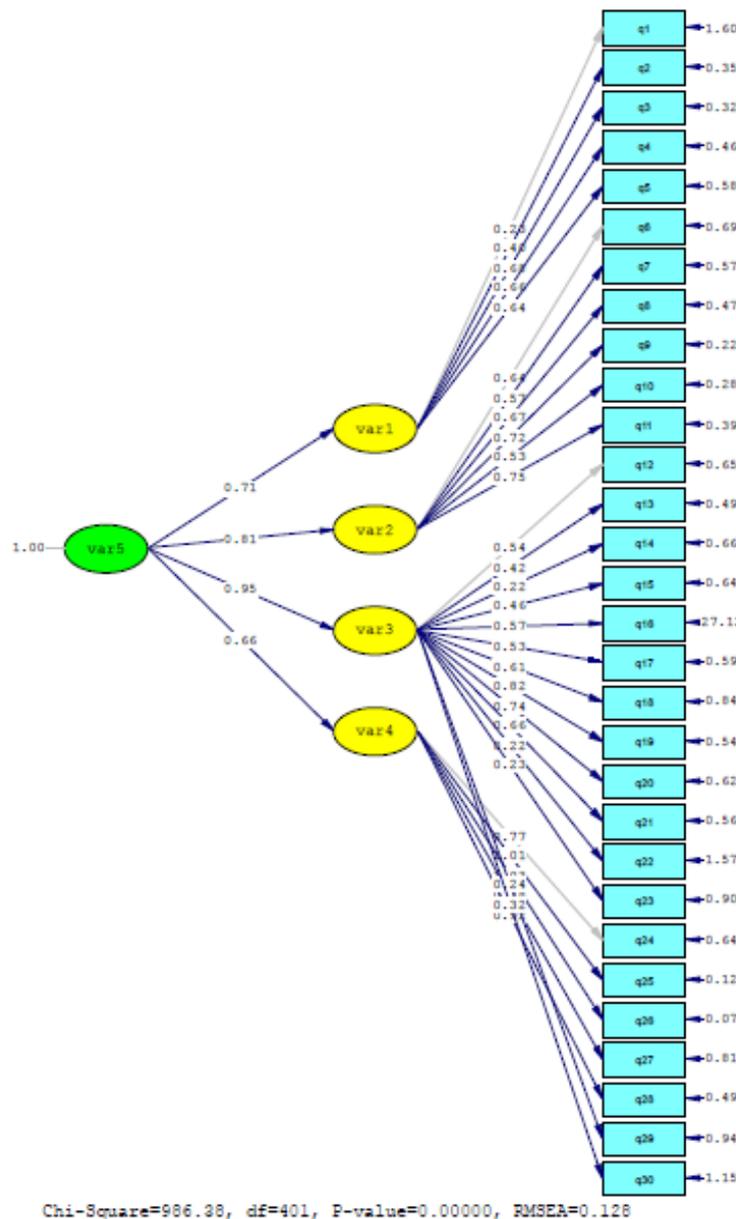


Fig. 2: Social responsibility measurement Model in a significant number of first-order estimation.

Discussion and Conclusion:

The purpose of this paper is to study and rank the social responsibility in explaining its Index (Mehre Eqtesad bank case study of Chaharmahale Bakhtiari province). Based on the findings of theoretical and analytical results of the data collected through field operations, the result of research can be explained as follow. The research suggests that there is a relationship between different dimensions of social responsibility and overall indicator of social responsibility. The relationship between social responsibility and its dimensions were examined using confirmatory factor analysis, results showed that the confirmed model was statistically significant and four dimensions of social responsibility were confirmed and social responsibility have a significant relationship. The next most significant relationship was given to legal dimension and then humanitarian and the last one belonged to ethical dimension.

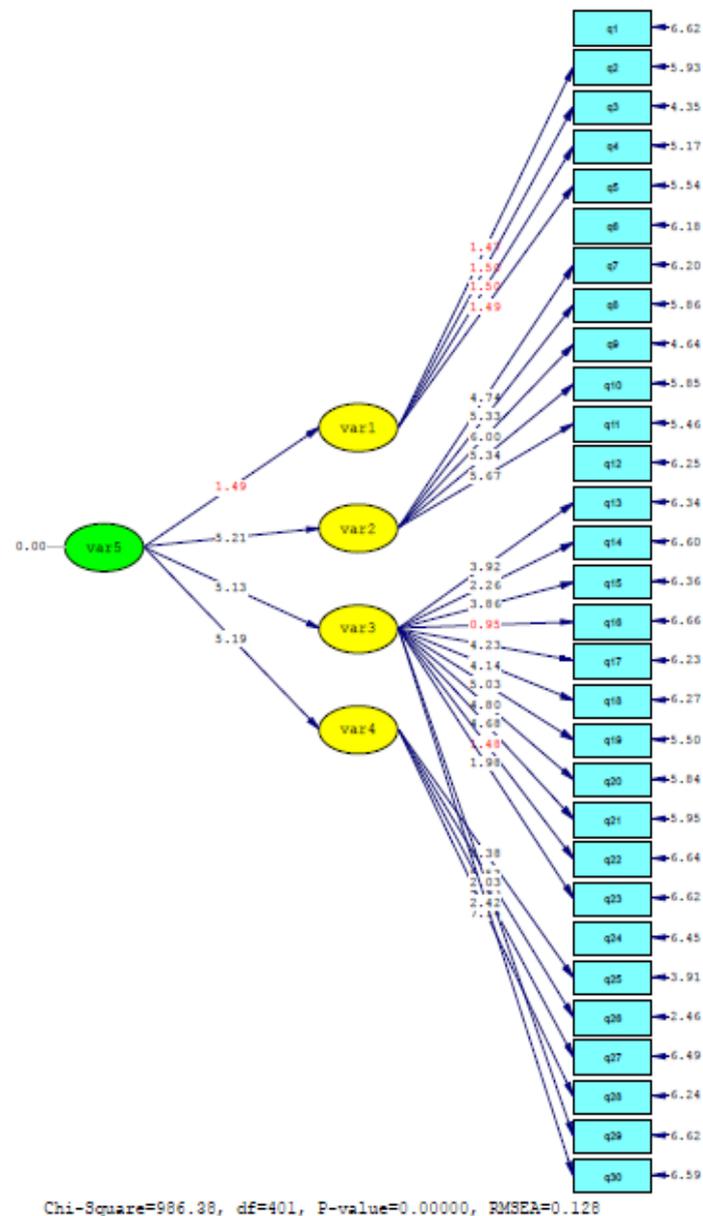


Fig. 3: The measurement model of social responsibility in standard estimation mode of second-order.

Research-Based Suggestions:

The results suggest a positive association between all aspects of social responsibility. This means that we can strengthen not only one of these dimensions but also other dimensions. Therefore, bank managers are advised to be aware of this interaction. Among social responsibility dimensions the greatest influence in explaining overall Index was for legal dimension. So bank managers can focus on this dimension and its components to improve the overall index, such as organizational standard condition, attention to managers in obeying the organizational standards, Regulations in order to reduce corruption in Bank, correct interpretation of the rules for members and trying to implement them, Developing organization regulations for the organization responsibility towards clients and Formulate rules and regulations for the establishment of partnerships with other organizations.

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