

Evaluating interactions between aspects of social responsibility in the Mehr Eqtesad Bank (Case study: Chaharmahal and Bakhtiari province)

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ABSTRACT

In the present study, interactions between aspects of social responsibility in the Mehr Eqtesad Bank have been evaluated in the case study of Chaharmahal and Bakhtiari province. The statistical population included all bank staff of all Mehr Eqtesad Bank branches throughout Chaharmahal and Bakhtiari province, and since the statistical population of this study was small, a specific sampling method was not considered and whole population were evaluated. This study is practical at objective point of view, and also is descriptive-surveying at implementation point of view because the questionnaire was used for data collection. The validity of content and questionnaire structure of the study is verified based on wise experts' opinions and questionnaire reliability alpha coefficient of 82.7%. LISREL software, t-value correlation significance test, and correlation coefficients of dimensions were used to analyze the questionnaire data according to statistical requires. Results show that there is a constructive interaction between all aspects of social responsibility in Mehr Eqtesad Bank.

KEYWORDS: social responsibility, economic aspect, legal aspect, moral aspect, humanitarian aspect.

1. INTRODUCTION

Today, social responsibility plays much more important role than other responsibilities in banks and societies, and public and group networks consolidate people, organizations, and also people with organizations and organizations with each other. In a society that there is not sufficient social responsibility, other responsibilities have not efficiency and effectiveness as required; and without social responsibility, following the path of economic, cultural, etc. development will be rough and tough. Social responsibility of banks is to offer ways in which organizations follow them in their business, and meet the expectations of society, their business, legal and ethical expectations. The banks have great responsibilities in fields of social, economic and environmental conditions for their employees, shareholders, customers, government, suppliers and all beneficiaries. Undoubtedly, if various individuals, groups, organizations and institutions of society be responsible for different events, incidents and crises, and try to resolve these crises within their responsibility and work scope, many of society problems will be reduced and a safe and peaceful society will be formed. In other words, the organization performance effects on society. Therefore, banks need to take actions that are acceptable to society and consistent with its values. Banks that fail to adapt themselves to this task will not success in the field of action. In better words, banks need to pay especial importance for social responsibility, in order to maintain or improve their situation in society in a way that will preserve them and makes them successful at work. Finally, it should be acknowledged that the costs of a society where banks have no responsibility and social capital are low, are extremely and unreasonably high [1]. The present study aimed to find an answer to this fundamental question: is there a significant relation between aspects of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

2. Theoretical principles and hypotheses of the study

Attitudes and opinions related to social responsibilities of banks have not a long history so that in years around 1800, social norms and attitudes had very little influence on management actions. In the last decade of the nineteenth century when large companies were emerging and large industries became stronger every day, the society attention were more focused on the necessity of social responsibilities of banks. In 1991, researchers in the field of commerce warned that economic enterprises do not perform well in terms of social responsibility for the first time. Accordingly, at the beginning of this century, many scholars have emphasized the need for social responsibility. In recent decade, the social responsibility of banks has become as a strategically important issue for many countries and social and environmental stability have considered as an important legal source as well it has enforced and adopted [2]. According to this introduction, the following hypotheses are proposed to achieve the main objective of the study:

H1: is there a significant correlation between various aspects of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

Since social responsibility has four aspects (economic aspect, legal aspect, ethical aspect and public and national aspect) sub-hypotheses are as follows:

H11: is there a significant correlation between economic aspect and legal aspect of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

H12: is there a significant correlation between economic aspect and ethical aspect of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

H13: is there a significant correlation between economic aspect and humanitarian aspect of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

H14: is there a significant correlation between legal aspect and ethical aspect of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

H15: is there a significant correlation between legal aspect and humanitarian aspect of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

H16: is there a significant correlation between ethical aspect and humanitarian aspect of social responsibility in Mehr Eqtesad bank of Chaharmahal and Bakhtiari province?

Werner (2006) 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 (2008) 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 [3]. Aras et al (2009) 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 [4].

Agarwal (2008), 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 [5]. 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 [2]. Results of the research of Campbell (2011) 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 [6]. 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 [7].

3. 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 (1996) 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

4. RESULTS

4-1. Analyses and test hypotheses based on structural equation modeling

Multivariate analysis is one of strongest and most suitable methods for the analysis of behavioral and social sciences studies. Because the nature of these topics are multivariate, and cannot be solved by two variables method (which only one independent variable and one dependent variable is considered to be each time). Multivariate analysis refers to a series of analyze methods which their main characteristic is to analyze the 'K' independent variables simultaneously with 'N' dependent variables. Covariance structures analysis or causal modeling or structural equation modeling is one of the main methods for analyzing complex data structures. Therefore, since in present study the there are several independent variables that their effect on the dependent variable should be studied, so using structural equation modeling will be necessary.

The LISREL software was used to determine correct and incorrect model. In this section we try to analyze the study model and its components separately. The model is made using ISREL software and then we achieved following results by performing some operations on the model, which the relations between variables and their coefficients is presented.

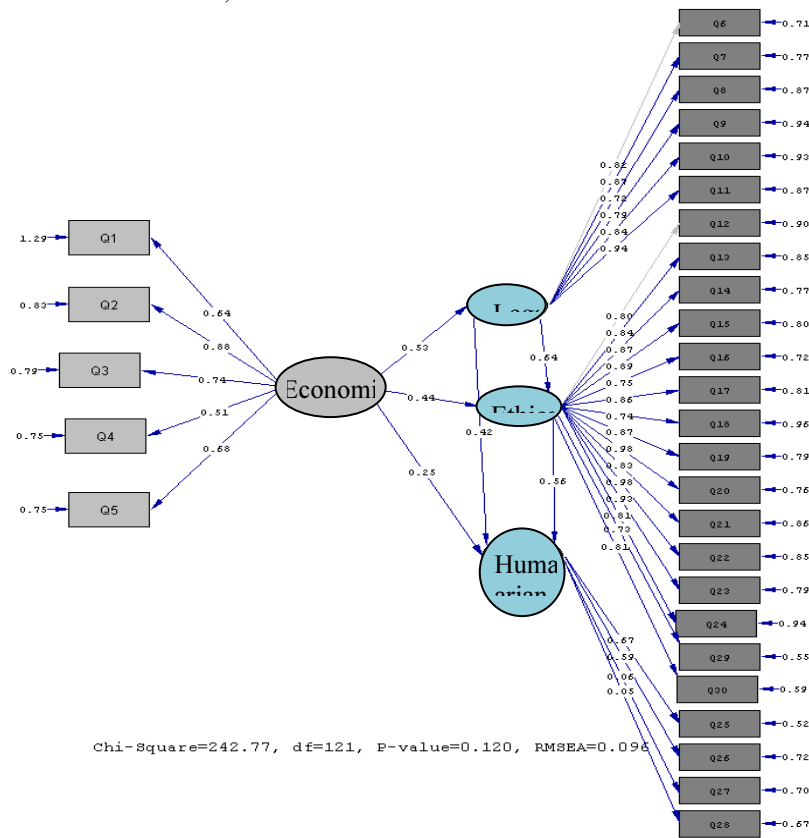


Figure 1. Model in standard estimation

Regarding to LISREL output χ^2/df is calculated as 2.005 this low χ^2/df shows that the model fits well. Because according to the following results obtained from the output of the LISREL, the lower value of χ^2/df indicates that the model presented is better.

$\chi^2/df = 2.005$, p-value = 0.12 , RMSEA = 0.09

p-value is more than standard significant level ($\alpha = 5\%$), so the presented model is well.

Correlations significant test (t-value). t-statistic is used to illustrate the significance of each parameter of the model. This statistic is calculated from the ratio of each parameter coefficient divided to standard deviation error of that parameter which should be greater than 2 in t-value test ($t \geq 2$) and be greater than 1.96 in Z-value test ($Z \geq 1.96$), till these estimation be statistically significant. According to ISREL output, calculated t-value is significant in all relations (t-value is greater than 2), So all estimations are statistically significant.

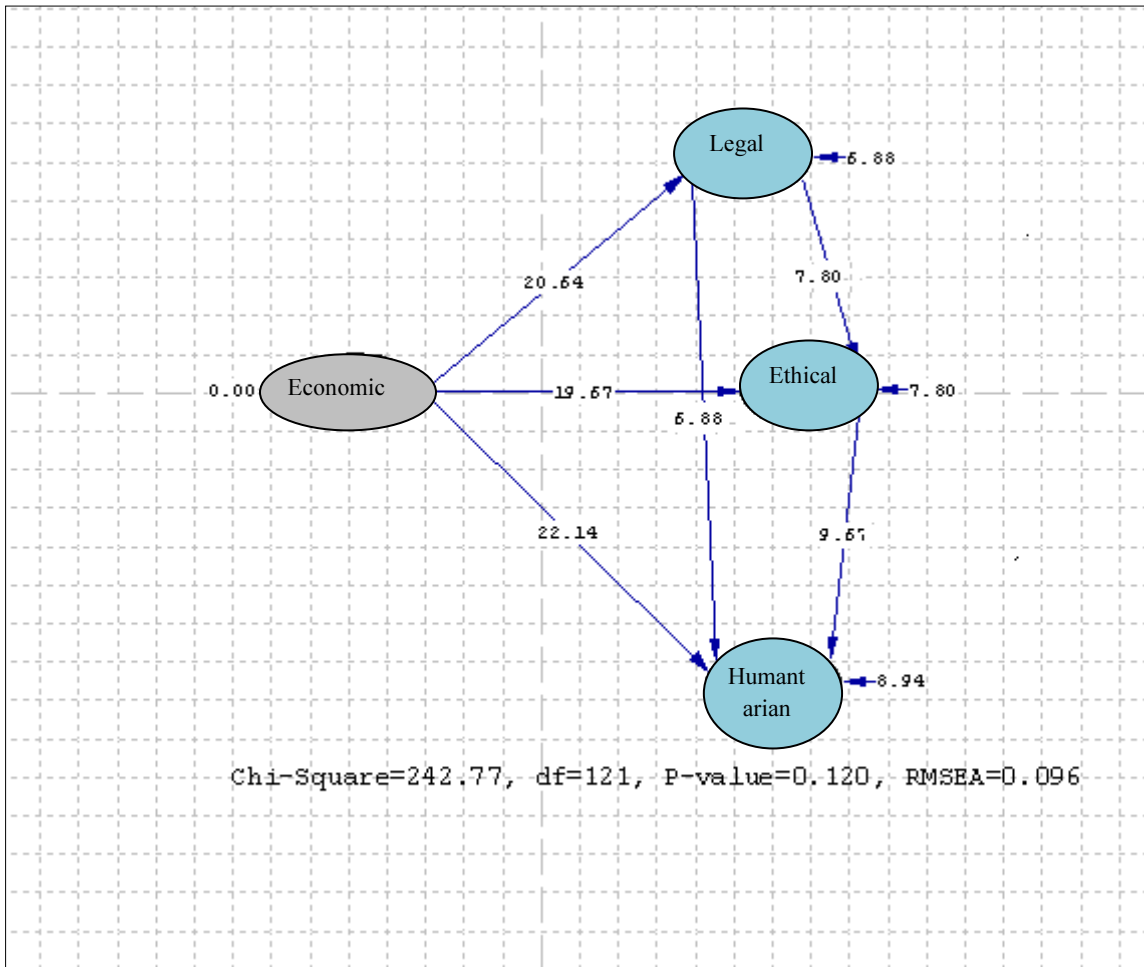


Figure 2. Correlations significance test

Path coefficients and significances of relations and accept or reject results of each hypothesis are shown separately (table 2).

Table2. Results of correlation coefficients and significance numbers of model

Results (accepted or rejected)	Significance numbers	Correlation coefficients	to	from
Accepted	20.6	0.53	Legal aspect	Economic aspect
Accepted	19.6	0.44	Ethical aspect	Economic aspect
Accepted	22.1	0.25	Humanitarian aspect	Economic aspect
Accepted	7.8	0.64	Ethical aspect	Legal aspect
Accepted	6.8	0.42	Humanitarian aspect	Legal aspect
Accepted	9.6	0.56	Humanitarian aspect	Ethical aspect

4-2. Model fitting indexes

There are several fitting indexes to evaluate models in structural equations. Indexes used in the present study are: the root mean square error of approximation, good fitting index and adjusted good fitting index. The results of these indexes presented in the table3.

The root mean square error of approximation index is equal to 0.05 or less for good models. The models with value of 0.1 or more of this index do not fit well. Confidence interval can calculate from for this index. Ideally, the lower limit of the confidence interval is very close to zero and the upper limit is not very large. As seen, RMSEA is equals to 0.09 in this model that can be said it is in good condition. As much GFI and AGF are close to one, the model fits better to data. In this model, the values of these indexes are 0.90 and 0.91, respectively, which indicates good fitting of the model. According to table 3, it can be concluded that the model is a good fitting model.

Table 3. Model good fitting indexes

Result	Index value in the model	Standard value of index	Index
The model fits well	2.005	About 2	χ^2 / df
The model fits well	0.12	More than 0.05	P_Value
The model fits almost good	0.90	More than 0.9	GFI
The model fits well	0.91	More than 0.9	AGFI
The model fits well	0.09	Less than 0.1	RMSEA
The model fits well	0.93	More than 0.9	CFI
The model fits well	0.88	More than 0.9	NFI

Discussion, conclusions and suggestions

The present study evaluated the interaction between aspects of social responsibility in Mehr Eqtesad bank (case study: Chaharmahal and Bakhtiari province). Based on findings from theoretical principles and analysis results of data collected through field work, the results of study can be presented as follows:

At first using LISREL software, t-value test and correlation between aspects showed that due to the significant level value is larger than 2, the correlation between aspects is significant, that means aspects of social responsibility are interacting with each other and by reinforcing each aspect we can improve other aspects. All hypotheses were confirmed and it indicated that there is a relation between each pair of aspects. Results emphasize the positive correlation between all aspects of social responsibility which means that can reinforce each of these aspects to strengthen other aspects, so bank managers are advised to pay special attention to this interaction.

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