

# Identifying and Prioritizing the Factors Influencing in Absorption of Bank Resources (Case Study: Kar Afarin Bank)

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## ABSTRACT

The objective of this study is to identify and prioritize the factors influencing in bank funds' absorption. Three effective factors on absorption of funds that are examined in this study include: human capital, marketing and services. The statistical society of all managers and assistants of all branches Kar Afarin Bank's research was equal to 180 people by use of Cochran formula to calculate the sample size which is 123 people. To identify the effective factors in absorption of banking resources and checking of the main assumptions of confirmatory factor analysis and structural equation modeling and sub-hypotheses is used regressions test. Findings on the role of three factors human capital, marketing and service resources confirms absorption the Kar Afarin banks. Also the results show that all indicators related to three factors of banks' resources have a significant impact and only two variables was not supported by efficiency and innovation.

**KEYWORDS:** Banks resources' absorption, human capital, marketing, service delivery, customer

## INTRODUCTION

With crumbling international walls and especially when a developing country changes to a developed country services' industry face with fierce competition to survive (Lin, 2007). During past decades, the concept of service quality have focused to itself because of its significant influence on business performance, lower costs, customer satisfaction, customer loyalty and profitability, specialists, administrators, and researchers. (Seth et al, 2005) nowadays there is no doubt that the secret of survival and development organizations and service industries, providing top quality service and the banking system as a service industry which is not exception of this law. (Yavas, 2007) Banks and financial institutions are the economic lifeline of any country, the efforts of these institutions is to increase performance in the world. (Uppal, 2010) Due to the continuous birth of several banks in the private sector as well as the privatization of state banks and thus the competitiveness of the banking industry in the country, has special attention to the quality of services of banks and thereby absorption more customers which is so important. (Stiles, & Kulvisaechana, 2004) without any doubt making satisfaction among clients and even encouraging them from services' quality need knowing their necessity and requirement at first and then this needs is a situation that productions and services will be made. This matter according to more complexity of economic, social and cultural systems won't happen automatically but it needs to structural methods and ways that these concepts go to the organizational process in a way changing the needs, expectations o clients won't be undeniable. So at first it will determine what a client need and then it will search the way of its solution (Once, 2012). So managers must be familiar with marketing basis and human capital realization for directing their organs better than active and competitive world and will go ahead by using them in increasing client's absorbing by increasing accounts. In this way of this research for suitable answer for this research question which are the effective factors in absorbing banks' sources in Kar Afarin bank? Based on it the most important objectives of this research are as below:

Assess the effect of human capital in absorbing the sources in Kar Afarin Bank branches.

Assess the effect of marketing factor in absorbing the sources in Kar Afarin Bank branches.

Assess the relation among services and sources' absorbing in Kar Afarin Bank branches.

## REVIEW OF RESEARCH LITERATURE

Review of marketing structure of bank's services, basic experiences and checking shows the effective reasons on bank's market which can be separated to quantitative and qualitative factors. Qualitative factors related to view

and feeling and ideas of clients. These factors are these which are related to marketing but the factors are key points of active banks' structure as below: Profitability ratios include return on assets, return on capital; operating ratios, including liquidity, equity ratio, operating expenses, non-operating expense ratio, the ratio of operating costs; and efficiency ratios, including the ratio of bank efficiency and performance criteria for staff (Epetimehin, 2011).

The purposes of banks are improvement in profitability and an emphasis on attracting new customers and maintain current customers. Cutler's book, "Cutler management market," says the definition of relationship marketing, relationship marketing is all the steps that companies advertise and provide better services to its valued customers each and every offer. The purpose of relationship marketing is to improve the profitability of the company through the changing perspectives Trading and Marketing Company's emphasis on attracting new customers and retention of existing customers (Katler, 2007). In this context, in this paper, the factors affecting banks' resources, with emphasis on the entrepreneur's bank branches are identified and prioritized. Therefore, based on the theoretical foundations of three main factors (human capital, marketing and service) were set selection criteria for each of them. The concept of human capital is a concept rooted in the economic literature (Becker, 1996). The qualitative features of their capital. Human capital rather than physical capital, not financial capital but human capital is considered as knowledge, skill, creativity is defined as a person's health. (Becker, 1996) The concept of human capital, overseeing the fact that they are investing in their people. This tool such as education, training or similar activities in the future through increased efficiency raises lifetime income will be conducted (Woodshall, 1987). In fact, human capital is a fusion of genetic characteristics, has been established capabilities, skills and experience acquired by a person during life. However, the significant difference between the human genetic characteristics in different populations and ethnic lines is not observed, differences in human capital, due to differences in the abilities acquired. In other words, human capital, capabilities, knowledge and skills go mainly through education of the education. Thus, human capital is indeed nothing but the ability to manage people's lives and because this issue is raised in an economic context, the ability to focus on producing goods and services that are used in life, it would facilitate matters and its activities will flourish and grow. Human capital is the force that is activated by the person's ability to produce goods and services that cause disdain and he is in his personal life and social well-being, increases (Woodshall, 1987). Schultz (1993 ) argues that the term ' human capital as a key element in improving productivity increases can also be defined to maintain a competitive advantage . To maintain the competitiveness of the organization 's human capital can be used as a means to increase productivity . Hotz (1998) human capital at the time , experience, goals and abilities of the individuals who may be involved in the production process is introduced .and community organizations will be considered for high added . Wright et al (2001): Human capital includes individual capabilities, knowledge, skills and experience of employees and managers that are associated with the tasks facing them and to increase the storage capacity of knowledge, skills and experience through individual learning refers. With this definition it is clear that human capital involves wider range of human resources. Human capitals go through knowledge and skill to identify opportunities that will affect them. On the other hand, marketing is part of the Institute's activities include operations such as planning, promotion, pricing and presenting goods or services the customer is desirable. So that products should be designed according to customer requirements, price is realistic, and can be easily distributed through the channels. In any organization, large or small, profit or non-profit, domestic or international, without having a proper marketing system will not succeed Gary Armstrong, Philip Kotler, marketing and managerial know a social process by which individuals and groups can, through production, creating and exchanging products and value with others to meet their needs and desires. Stressed Marketing Management most of the set of products or services based on customer needs and desires of the target and the use of effective pricing, communication and distribution to inform, motivate and create mobility services to its customers. (Gronroos, 2000) Peter Drucker (1973) also believes that the purpose of marketing, sales abound. She believes that purpose is known to the client and his needs to understand, the way a product or service, he needs to be adapted and sell their goods. The definition of services in field of study Business Marketing Association of America, services, activities, benefits or satisfaction that are for sale or in connection with the sale of goods are offered (Khilji, 2011) Gronroos (2001) defines service as "a service, activity or series of more or less intangible activities that normally, but not necessarily in the interaction between customer and service employees and / or physical resources or goods and / or systems providers as will also be provided as solutions to customer problems. (Gronroos, 2000)

### **Conceptual model and research hypotheses**

Primary and secondary hypotheses of this study, according to the literature are as follows:

**First hypothesis:** the human capital has significant influence on Absorption of resources in Karafarin bank.

**Second hypothesis:** Marketing has significant influence on Absorption of resources in Karafarin bank.

**The third hypothesis:** the Services have significant influence on Absorption of resources in Karafarin bank.

According to the above conceptual model of this paper is as follows:

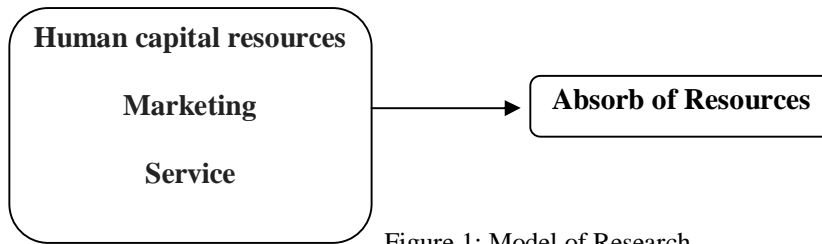


Figure 1: Model of Research

## RESEARCH METHODOLOGY

This Study is a practical and descriptive. In this study, there are two forms of data collection, library and athletics. Three operating parameters and components of human capital, marketing, and customer service are classified.

The operating through an extensive review of theoretical research in the subject area of research (including research conducted within and outside the country) and the use of experts and experts were identified and extracted.

To measure each of the factors and their associated indexes, the five degree Likert scoring was used. To determine the reliability of the questionnaire of 30 questions, the Cronbach's alpha values were calculated for the entire test was carried out and a questionnaire survey of more than 0.7 is. To check the validity of the professors of confirmatory factor analysis was used.

### Research findings

The results describe the characteristics of the sample shows that most respondents (61/7%) in terms of gender, men. Also 81/7% of respondents in the age group 49-30 years are located. In terms of marital status, the majority of respondents were married (80 percent). While 67/5% of the respondents in terms of education, have a bachelor's degree. However, 43/4 percent of respondents have 20-11 years experience and 7/36 percent has more than 20 years experience. Also, 58/3 percent of respondents' deputies and 41/7 percent of the bank chiefs have been.

**Table1: Result of Bartlet test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.804
Bartlett's Test of Sphericity	Approx. Chi-Square 696.811
	Df 105
	Sig. .000

Table 1 shows the result of Bartlett's test, the chi-square statistic is approximate. Bartlett's test of significance level, less than 5% (0/000) and represents the fact that factor analysis to identify the structure of the factor model, the correlation matrix is assumed to be known to be rejected. The KMO index value of 0/804 at the beginning of this table and because its value is close to a number of samples (number of respondents) is adequate for factor analysis.

### The main research hypotheses

The results of the model fit indices in the table below are showed.

Table 2: The fit indices of Perfect model

Fit indices					
RMR	GFI	NNFI	NFI	RMSEA	NC
0.043	0.91	0.90	0.92	0.052	2/49

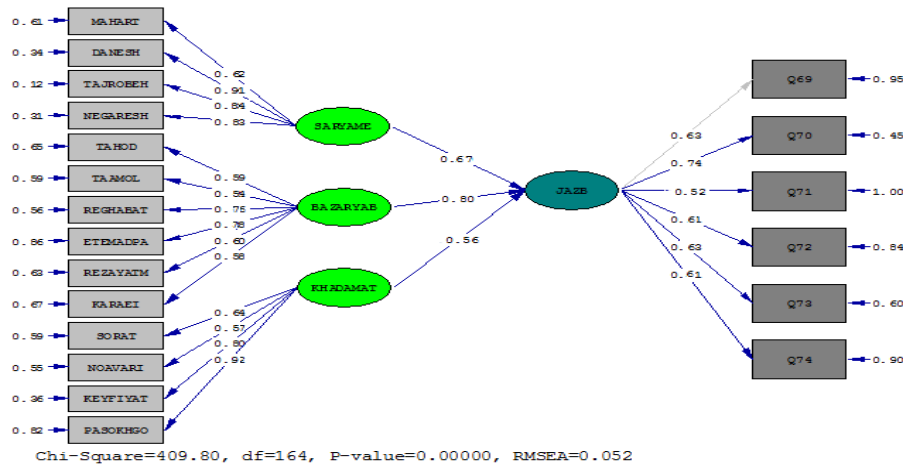


Figure 2: result of path analyses

Based on the above table it is evident that the structural model is a good model to study the chi-square value to the degrees of freedom in the optimal range is between one to five (  $3/79$  ). RMSEA values below 0/1 and RMR under 0/05 and the values of other parameters than 0/90, all of which are desirable. The results of the test and relationships between variables in both standard and significant research on the graphs are shown below. According to the above chart, the effect of human capital variables on resources is equal to 0/67. The variable impact of marketing resources with 0/80 and the effect of the variable are equal to 0/56. The diagram below shows the results in a meaningful mode:

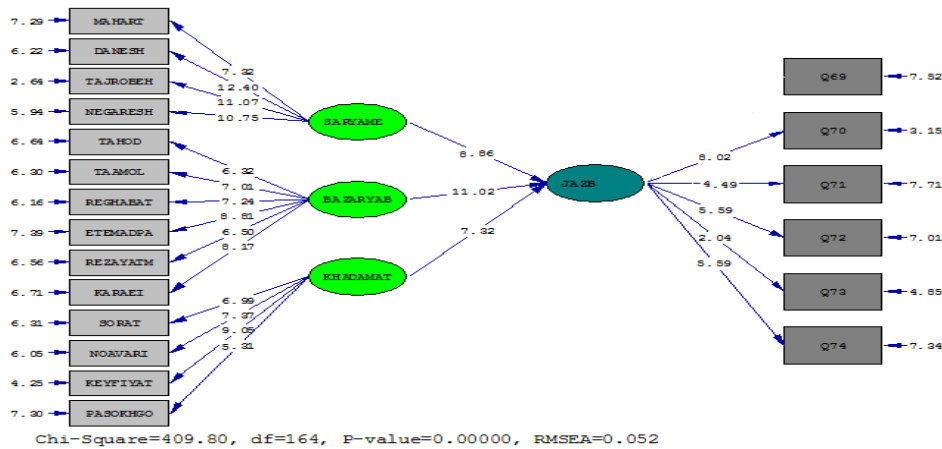


Figure 3: result of path analyses in meaningful mode

According to the above diagram, calculation shows that significant numbers of all t values of 1/96 was larger and therefore there is a causal relationship between the share of human capital variables, marketing and service resources is significant. This could mean a significant role or impact of three factors on the resources of the entrepreneur is the bank branches. The main assumptions of the study are approved.

## CONCLUSIONS

This research seeks to identify and prioritize the factors in attracting bank resources with emphasis on the entrepreneur's bank. Continue to review the findings of the study will be divided and sub-hypotheses:

Results fit the criteria for evaluating indicators NC, RMSEA, NFI, NNFI, GFI, and RMR indicates the path analysis model is a great model; chi-square norm of the acceptable range is from 1 to 5. RMSEA index model is less than 0/1 and the range is acceptable and RMR indices in the acceptable range of 0/05 and the other index is higher than 0/90, which is indicative of acceptable fit indices.

The first hypothesis states that the factor of human capital has a significant impact on the resources of bank branches entrepreneur. A structural equation modeling approach was used to investigate the above hypothesis. This variable is recognized as one of the factors affecting the absorption of resources. The impact of human capital on Bank resources equal to 0/67 was determined that due to the significant amount involved is significant. The second hypothesis states that the factor has a significant impact marketing entrepreneur Bank resources. The results showed that the higher the load factor of 0/5 and a value that is significantly higher than the 1/96 can be stated that the role of resources on the marketing of and significant. This variable is recognized as one of the factors affecting the absorption of resources. The marketing effectiveness to attract sources of bank branches is equal to 0/88 was determined that due to the significant amount involved is significant. The third hypothesis stated that, the service has significant impact on the resources of bank branches entrepreneur. The results showed that the higher the load factor of 0/5 and a value that is significantly higher than the 1/96 is a power stating that the role of services, recruitment resources significant. This variable is recognized as one of the factors affecting the absorption of resources. The impact of services on Bank resources equal to 0/59 was determined that due to the significant amount involved is significant. According to the results of applied research proposals include:

Given that the four indicators of human capital, the most experienced staff on the importance of the resources, the importance of this dimension is obvious. Accordingly, the mechanisms that cause employees to improve their experience and practical training staff to promote the transfer of tacit knowledge and experience will be considered. In view of the findings regarding the impacts of the variables on the reliability of bank branches entrepreneur resources is a top priority, to ensure component reliability, such as the transfer of funds and the behavior of employees customer privacy more attention to the bank. Also, given that the competition for resources is the next priority new role and provide superior service than competitors pay more in interest rates as indicators affecting competitiveness is evident. According to recent research findings, then respond to the customer's bank has the greatest impact on attracting financing. Accordingly, it is proposed that banks improve customer relationships with employees additional measures to consider. Provision of financial advice need Adornment employees in the workplace, peer review customer complaints and provide excellent services such as instant issue ATM card seems useful in this context.

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