



Relationship of Social Responsibility with Competitive Advantage in Sanandaj Governmental Banks

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Abstract

Social responsibility is one of the most important elements of the existential philosophy of organizations, so that the importance of observing it by organizations in comparison with other organizations can create a competitive advantage for them. In this paper, we try to examine the relationship of social responsibility with its four components (economic responsibilities, legal responsibilities, ethical responsibilities, and humanitarian responsibilities) with competitive advantage. This is an applied research and research method is descriptive of survey type and a questionnaire has been used to collect data. The statistical population of this research is the employees and clients of the National Bank of Sanandaj which were analyzed and analyzed using parametric statistical tests. The results of the research show that there is a positive and significant relationship between social responsibility and its components with competitive advantage, among which is the moral responsibility of the bank because it adheres to ethical principles and protects personal secrets and fair and non-discriminatory treatment with Its customers have the most relationship with a competitive advantage.

Keywords: Competitive Advantage, Government Banks, Sanandaj City, Social Responsibility

1. Introduction

Banking is the most profitable industry in the world, with the world's largest industry ranking of about \$800 billion in 2006, with the highest profit. Many articles have been published on the usefulness of the entry of banks into the category of organizational social responsibility (Peterson & Hermans, 2004). Also, social responsibility of the organization is recognized as an essential component of organizational marketing strategies that often reinforces and empowers an organization's brand. The importance of paying attention to the social responsibility of a time organization is determined by the fact that organizations

are trying to get the same groups of customers by having products or services of the same type (Mandhachitara & Poolthong, 2011).

In the new era, they have seen the orientation of managers' perspectives toward their meta-organization and made them aware of the environments outside their organizations. In this era, effective management is a management that frees itself from the scope of thought of the organization and contemplates a larger community and environments (Sarbutts, 2003). Organizations as intercourse rings between individuals and society are considered as one of the essential and fundamental components of today's human societies, which require

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the community and its people to survive and continue their activities. It was once assumed that organizations are solely responsible for shareholders and employees; however, with population growth, resource constraints, and the importance of international competition, new management approaches have emerged that social responsibility can be included. The results of these developments are outlined (Ellen et al., 2006).

Today, the big issue for banks is how they are seen in a market segment, what are their values and credits, and what is the overall picture of those units among customers? (5). In his book, "The Bold," humanity and social life are the heart and soul of the business, and emphasizes that social efforts must be consistent with commercial goals for gaining (for the heart) and for serving the community (Spirit). Given that achieving sustainable development is of particular importance to companies (Porter et al., 2006). The concept of social responsibility has become the dominant and dominant paradigm in corporate governance in the last decade, and corporate and accountable corporate and social communities are seen as part of their corporate strategy, as well as reporting on ethical behavior, their social and environmental background. According to Parkinson, "Companies make private decisions that have public outcomes" (Fray et al., 2007). The European Commission (2003) defines organizational social responsibility as "organizational social responsibility" in the sense that it is an investment in dealing with all its relevant stakeholders (Carroll & Shabana, 2010). Organizational social responsibility means a sustainable business commitment for fair and responsible responses and helping to develop the economy to raise the quality of life of the workforce and its families and the local community and the entire community (Sheth, 2006).

Today, banks in every country, as one of the important circles of financial affairs, have a significant place in the economy. The competitive environment in the global economy pushes banks to use different tools and methods for their quantitative and qualitative market development. Banks need to find ways to make a distinct strategy for others to deliver services to their customers (Hill, 1995). Queuing staff in service organizations is an important source of differentiation and competitive advantage. Quality of service, customer satisfaction and brand of organizations are influenced by the actions and behavior of the staff of the first line. Banks, as regulated units of the Central Bank, are required to comply with all laws and regulations announced by the Central Bank. This indi-

cates the banks' inability to determine the interest rate on deposits and facilities. In such a situation, competition in the financial and monetary spheres (hard) loses its true meaning and banks have to use other tools to maintain and enhance their competitive advantage (Dinu, 2010). In fact, today, advocates of corporate social responsibility believe that businesses should engage in CSR, because people are strongly advocating it. In other words, today, everybody believes that businesses, in addition to pursuing profits, must be accountable to their employees, the community and other shareholders, even if they need to sacrifice a portion of their profits, in order to be better. In recent years, the competitive advantage has been placed at the center of the discussion of competitive strategies and a lot of discussion has been made about the competitive advantage. However, it is difficult to provide a precise definition of the competitive advantage. On the one hand, competitive advantage is considered to be more than normal and, on the other hand, competitive advantage is linked to the performance of the capital market and expectations. But the most common definition of competitive advantage in the literature of competition strategy and in the framework of the creation of value manifests everything that increases income over expenditure (Rumelt, 2003). Given the fact that the concept of competitive advantage derives from the concepts of strategic management, it can be said that the competitive advantage is derived from a dynamic and continuous process that takes into account the internal and external situation of the organization from the resources of the organization and due to the ability to use the right These resources give rise to opportunities that make use of these capabilities to bring competitive advantages to the organization (Klein, 2001). A competitive advantage is a distinct method that a business or company places in the market in order to gain more advantage than competitors in the market. This will lead the company to maintain sustainability levels in terms of profitability above the industry average (Hax & Majluf, 1996).

In studies by Sheikh et al., (2011), supporting social responsibility strategies has such effects as gaining benefits for the company, increasing customer awareness and recalling the company brand, in which the cause-and-effect relationship improves the relationship between Customer and company and a better understanding of the customer will help the company. However, this study examines the components of social responsibility with competitive advantage in Sanandaj state-owned banks

and seeks to show that government organizations face new dynamics and the relationship between social, political, and environmental roles, The economy has grown in business.

2. Research Methodology

In this research, the main method of research is descriptive-survey. Since in this research the existing conditions of organizational social responsibility and competitive advantage are considered in the National Bank of Sanandaj, this research in terms of data collection is included in the descriptive research as well, since in this research we seek to determine the relationship between organizational social responsibility and competitive advantage in the National Bank of Sanandaj. This research is a correlation research method. Because it uses a correlation analysis and structural equation model to test and explain the simultaneous relationships between variables. In terms of how information is collected, it is a type of cross-sectional research carried out between 2016 and 2017. It is a type of field research that seeks to examine correlation between variables in banks. The statistical population of the study consisted of two groups of employees and customers of Sanandaj National Bank Branches in Sanandaj, which were 200 employees for different organizational positions. Also, the statistical society of Sanandaj National Bank Branches customers is an unlimited society. The number of samples using a sampling of non-test using Cochran formula to calculate the number of employees, 132, and the number of customers, 384, were using random sampling method is simple, action Collected research samples.

Questions related to corporate social responsibility, adapted from Carroll’s research (1991) and include 25 questions in economic terms, 6 questions, 6 responsibilities, 6 ethical responsibilities, 7 questions, and humanitarian responsibility 6 questions.

The second part deals with questions of competitive advantage dimensions, adapted from the research by Hill and Jones (1998), and includes 20 questions for each (quality, efficiency, innovation, and accountability) of 5 questions.

In this research, Cronbach’s alpha method was used to determine the reliability of the questionnaire, which was calculated for each sub-test of the questionnaire. The questionnaire was distributed among the respondents and after collection, its data were analyzed. The questionnaire of this research can be divided into two parts: the

first part is questions about organizational social responsibility; Cronbach’s alpha was 0/90. The second part of the questionnaire is about the competitive advantage. The cronbach alpha of this sector was also 0/929. So, we can conclude that the questionnaires are of good reliability.

3. Analysis of Research Data

According to the results obtained by SPSS software, the hypotheses can be examined as follows.

Structural equation modeling with Lisrel software has been used to measure the factors affecting the competitive advantage and determine the coefficients of each of the variables that affect it. As we said, Laserl or Structural Equation Modeling is a very general and powerful multivariate multivariate analysis of multivariate regression family, more precisely, the extension of the “general linear model”, which allows a researcher to set a set of regression equations in the form of Test it at the same time. The structural model merely explains the causal relationships between hidden variables. The purpose of this model is to discover the direct and indirect effects of exogenous hidden variables on endogenous hidden variables.

4. Main Hypothesis

There is a significant relationship between organizational social responsibility and competitive advantage of Bank of Iran’s branches of Sanandaj.

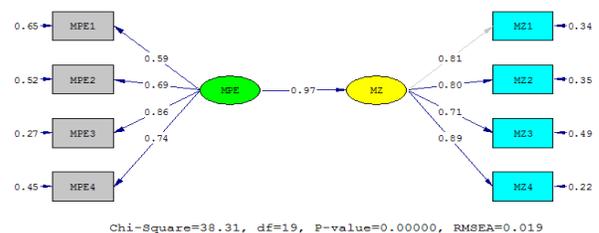


Figure 1. Structural model of research in standard estimation mode.

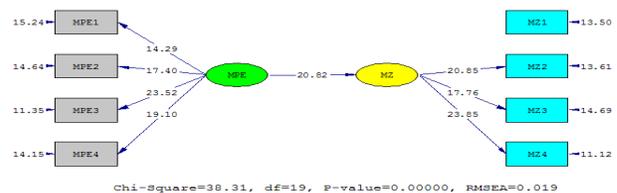


Figure 2. Structural model of research in a significant number state.

Table 1. Summary of research hypotheses testing

Assumptions	Independent variable	Dependent variable	Sig	Correlation coefficient of customers	Staff correlation coefficient	Result
The main hypothesis	Social responsibility	Competitive Advantage	0.001	0.817	0.730	Reject H ₀
First sub-hypothesis	Economic responsibility	Competitive Advantage	0.003	0.427	0.536	Reject H ₀
Second sub hypothesis	legal responsibility	Competitive Advantage	0.001	0.630	0.520	Reject H ₀
Third sub hypothesis	Moral responsibility	Competitive Advantage	0.004	0.759	0.809	Reject H ₀
The fourth sub hypothesis	Humanitarian Responsibility	Competitive Advantage	0.002	0.689	0.581	Reject H ₀

All research hypotheses studied in this research (main and sub-assumptions 1-4) is confirmed. Because the coefficient of path T of all variables is greater than 1.96, all the assumptions are confirmed and it can be seen that there is a positive relationship between organizational social responsibility with competitive advantage (coefficient of effect 0/97 and significant number 20/82) and there were significant differences between dimensions; ethical responsibilities with a coefficient of 0.86 had the most impact, humanitarian responsibilities with a coefficient of 0.74 in terms of the impact on competitive advantage in the second place, legal liability with a coefficient of 0.69, 0 in the third place, and finally, the economic responsibility with a coefficient of 0.59 in the last rank (fourth) has an impact on the competitive advantage.

5. Conclusion

One of the main lines of research in social responsibility literature is to find the relationship between social responsibility and dynamic capabilities and competitive advantage of the firm. Strategic social responsibility has a close relationship with a resource-based view. Research by scientists concluded that the heavy regulation of the business environment by raising the standards of production in the firms concerned would lead to a competitive advantage for firms in other markets. In this research, the results of research hypotheses showed a significant relationship between the components of social responsibility and competitive advantage in banks.

Factors such as customers, competitors, market, technology, government, cultural factors, etc., cause changes in the organization's external environment gradually

and intangibly, and create a new form in a competitive environment that determines the strategies and activities of transformation. Organizational finds. According to Carroll, these changes go beyond the voluntary perspective to social expectations and, by extension, are morally or even compulsive (legal and economic). When volunteering becomes legal barriers, volunteers become outsiders and become essential to meeting the needs of the community. The more difficult it is to identify issues that are not yet under the rule of law. If managers take advantage of their authority without regard to the social dimension of their pursuit of economic goals, they are socially inanimate, and their consequences are to the detriment of the sale of goods, the recruitment of employees, the trust and financial support of investors, and ... (Ellen et al, 2006). Based on this, the organization, with its economic and social goals and a detailed attitude to external opportunities and threats, and internal capabilities and weaknesses, design a path that can be survived and developed in this changing and competitive environment (Brady et al., 2005). Hart (1995) emphatically emphasizes that in certain firms, environmental responsibilities lead to a set of organizational capabilities that are the basis for achieving a continuous competitive advantage. According to Hart, these capabilities are divided into three categories of continuous innovation, proximity to stakeholders, and the creation of a shared vision. Rousseau and Fowetz (1997) tested Hart's theory in empirical research using environmental data and corporate accounting, suggesting that firms with more environmental activities are more profitable in a better position than others have. In another theory, it came to the conclusion that by institutionalizing social responsibility strategies in the firm's overall strate-

gies, firms are able to gain unique competitive advantages for their firms and simultaneously create value for the community (Porter et al., 2006).

The fact is that the existing corporate social responsibility approaches are so scattered that they do not reveal many of the opportunities that lie in society. If organizations could analyze the opportunities for their responsibilities in society, such as those of their main business, Toyota and Volvo, for example, found that corporate social responsibility was more than cost, limitation or donation to charitable organizations. It will be the source of creativity or competitive advantage for the organization. In general, social responsibility of organizations is a tool that enables organizations to analyze and analyze the overall business environment and develop appropriate organizational strategies in addition to protecting the company and its assets, also a kind of competitive differentiation to create.

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