Presentation of a Social Responsibility Measurement Model in Tejarat Bank with a Brand-Centric Approach

Reza. Jafari Afshar[1] , Abbas. Heidari[2*] , Mina. Jamshidi Avanaki[3]

[1] PhD student, Department of Business Management, Central Tehran Branch, Islamic Azad University, Tehran, Iran
[2] Assistant Professor, Business Management Department, Central Tehran Branch, Islamic Azad University, Tehran, Iran
[3] Assistant Professor, Department of Public Management, Central Tehran Branch, Islamic Azad University, Tehran, Iran

* **Corresponding author email address**: heydari.abbas77@gmail.com

Article Info	ABSTRACT
Article type: *Original Research* **How to cite this article:** Jafari Afshar, R., Heidari, A., & Jamshidi Avanaki, M. (2024). Presentation of a Social Responsibility Measurement Model in Tejarat Bank with a Brand-Centric Approach. *International Journal of Innovation Management and Organizational Behavior, 4*(2), 155-162. https://doi.org/10.61838/kman.ijimob.4.2.18 © 2024 the authors. Published by KMAN Publication Inc. (KMANPUB), Ontario, Canada. This is an open access article under the terms of the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.	**Objective:** Nowadays, social responsibility is considered essential for organizations, as it significantly influences various organizational outputs. Many organizations are continually striving to improve their image through the development of their social responsibilities. This study presents a model for measuring social responsibility in Tejarat Bank. **Methodology:** The research was conducted using a mixed-method approach (qualitative and quantitative). The qualitative sample consisted of 10 experts, and the quantitative sample included 413 managers and specialists from Tejarat Bank, with 203 individuals selected as the statistical sample using a sample size formula. In the qualitative part, an initial model including 3 dimensions, 9 components, and 45 indicators was extracted through interviews with bank experts. Subsequently, the extracted model was tested using structural equation modeling in the LISREL software environment. **Findings:** Results showed three main dimensions: customer-centricity (including components of responsiveness and service quality), legal and ethical (including stakeholders, employees, community rights, and organizational activities), and environmental focus (including environmental factors, online marketing, and internet service provision). **Conclusion:** To improve service quality, it is suggested that managers examine the customer experience in all service delivery processes and assess customers' mental satisfaction. It is also recommended that service delivery channels to customers be standardized, meaning that services received through various means (such as mobile banking, internet banking, etc.) should be uniform, and if a customer begins a service process through one channel, they should be able to continue it through another. **Keywords:** *Social Responsibility, Customer-Centricity, Legal and Ethical Factors, Environmental Awareness.*

1   Introduction

Nowadays, organizations operate in a competitive environment where customer satisfaction and consequently customer acquisition and profitability enhancement are essential for their survival and continuity. With the ever-increasing access of individuals to various new media and updated information, organizations now require specific strategies and performances to retain their customers. Customers easily compare different products, services, and brand features via the internet, advertisements in media, etc. By choosing the best option, many organizations are eliminated from their list and, in some cases, even lead to the demise of these organizations. Therefore, organizations must support customers through a correct strategy to optimally find and implement their required goal in their respective and existing market. If companies continue to pursue traditional and old marketing methods to advance their business, they will face numerous challenges in the competitive world of tomorrow (García-Piqueres & García-Ramos, 2020). What becomes important here is brand management and finding the right strategy based on customer loyalty. How management creates value for products and services and reacts against market changes and the onslaught of competitors. Nowadays, branding and its management is a very effective strategic option for most organizations as it also clarifies consumer value for them (Huang et al., 2017).

Social responsibility is one of the best tools for acquiring public legitimacy and a competitive advantage (Rhou et al., 2016). Corporate social responsibility is defined from various perspectives; from a classic viewpoint, "maximizing return to shareholders" is considered the ultimate goal of organizations, with no concern about societal issues. In the modern view, social responsibility is defined as "the status of the company and its activities considering the social perception of the company or at least a commitment to stakeholders and a tool for achieving the company's social goals" (Fatma & Rahman, 2016). Corporate social responsibility encompasses a set of commitments and duties that an organization should perform to maintain, care for, and assist the community in which it operates (Rezayi et al., 2019). The performance of companies' social responsibility from customers' perspectives is one of the most important and recent topics of discussion (Koenig & Poncet, 2019). These actions are shared through various channels like press, companies' official websites, and TV advertisements, thus becoming one of the most effective communication tools for many companies (Wei et al., 2018). Another definition of corporate social responsibility includes actions that aim beyond the interests of the company. In a broader definition, corporate social responsibility is defined as those methods in which a business aligns its values and behaviors with the values and behaviors of its various stakeholders (Esmaeil Pour et al., 2018; Esmaeilpour et al., 2018).

A review of the literature and the behavior of organizations that employ such strategies and management shows that the process of turning a brand name into a competitive advantage is on their agenda. Fundamentally, the credibility and authenticity that a brand name provides to a product affect customer satisfaction patterns. However, these organizations need to change their traditional control methods over their brand to enhance the value of this loyalty. Therefore, most organizations today need a comprehensive model to employ these strategies within the organization (Miraldo et al., 2019). Companies that strive to improve their brand perform better in their industry, and negative service quality perceptions by customers due to neglect of social responsibilities, tarnished brand reputation, and costly negative advertising. Employee service quality perceptions (management support and appropriate policies and procedures) impact brand improvement (Anselmsson et al., 2016).

On the other hand, attention to social responsibility is essential for all organizations today to improve their brand. Customers are considered a key and central factor in enhancing the profitability of organizations. Satisfying and making customers loyal through attention to social responsibilities creates the environment for the continuous growth and development of organizations. Therefore, in many cases, the overall orientation of all goals, strategies, and resources is centered around attention to social responsibilities. Social responsibility is a strategic challenge for organizations concerned with brand development. This cannot be achieved without careful attention to social responsibility and identifying factors affecting it (MohammadShafiee & Ahmadzadeh, 2017).

Tejarat Bank is considered one of the capable banks in the country that, in recent years, has not been as successful as expected in identifying and improving its brand, which has become one of the main concerns of the bank's managers. The managers of this bank believe that creating a positive and favorable impression in customers through attention to organizational social responsibilities such as attention to individuals' rights, the environment, customers, community development, etc., can impact improving and enhancing the

brand and creating a positive mental image of this bank in the minds of customers. Therefore, the main question of this research can be posed as follows:

What are the influential factors of social responsibility on improving Tejarat Bank's brand?

2 Methods and Materials

2.1 Study Design and Participants

The present research is considered applied in terms of purpose; because the designed model will ultimately lead to a basis for providing scientific solutions to improve the brand of Tejarat Bank through increasing its social responsibility and as the aim of this research is to improve the brand through social responsibility, it is also developmental. Our approach here is exploratory because in the exploratory approach, the researcher seeks to identify factors, present a model, offer a framework, etc.

The sample for qualitative data in this study, which aimed to present a model and a plan for developing a social responsibility measurement model for Tejarat Bank, included 10 senior managers of Tejarat Bank.

The statistical population for the second part included 413 specialists and managers from various levels of Tejarat Bank, from which a sample size of 203 was selected using Cochran's formula. Therefore, the statistical sample was chosen through stratified random sampling using Cochran's formula.

2.2 Data Collection

This research as a mixed-method study has been conducted in two qualitative and quantitative stages, and the combination of these two. Data were collected sequentially using semi-structured interviews and questionnaires in the qualitative and quantitative phases, respectively. Research tools for qualitative (expert interviews) and quantitative research (questionnaire) were utilized on a selected sample from the targeted population.

In terms of method and data collection, the present research is survey-based and descriptive as it addresses the current state; it is also considered field research because it was conducted in a real and field environment, specifically at the headquarters of Tejarat Bank in Tehran.

2.3 Data Analysis

Open coding: After completing the first interview, the process of open coding begins. In this phase, after listening to the recorded interviews, key points of the interviews are noted, and each key point is considered an indicator. Initially, after interviewing with experts from Tejarat Bank, the first stage (open coding) was conducted. In this stage, 59 indicators were identified and coded. It is worth mentioning that the process of open coding continues until the main category is identified.

Axial coding: In this phase, some indicators are integrated, and others that were solely the opinion of one or at most two experts were eliminated. Thus, 45 indicators were identified and selected for the axial coding phase. Therefore, by integrating some indicators with others, the resulting indicators were more powerful for designing the theoretical model.

Selective coding: Selective codes show how categories are interrelated. Selective coding usually occurs when sorting and integrating notes. By comparing data, analyses, and notes with proposed codes, ultimately, the variable of social responsibility was considered to include three main dimensions: customer-centricity (including components of responsiveness and service quality), legal and ethical (including components of stakeholders, employees, and rights of the community and organizational activities), and environmental focus (including components of environmental factors, online marketing, and internet service provision).

Finally, quantitative data were analyzed using the structural equation modeling method and LISREL software.

3 Findings and Results

In this study, content validity was used to assess the validity of the questionnaire.

Table 1

CVR Values for Social Responsibility Indicators

Social Responsibility Indicators	CVR Value
Preserving customer-related information	0.87
Friendly relations with customers	0.87
Installation of guide plaques	1.00
Being honest with customers	0.87
Responsible treatment of customers	1.00
Obligation to compensate in case of issues	0.73
Providing diverse services	0.73
Creating a sense of security in customers	0.87
High precision in operations	1.00
High speed in operations	1.00
High expertise of employees in operations	0.73
Cooperation among different organizational units	1.00
Fair relations and contracts with colleagues	1.00
Degree of engagement with stakeholders	1.00
Attention to shareholder rights	1.00
Attention to employee safety and health	0.87
Employee access to necessary information	0.87
Increasing employee skills	0.87
Establishing uniform organizational procedures for employees	0.87
Increasing employee satisfaction	1.00
Addressing employee issues	0.73
Honesty with employees in stating unethical issues	0.73
Reduction of poverty and creation of employment	0.87
Assessment of activities' impact on individual rights	0.73
Observance of individuals' civil and political rights	0.73
Efforts to improve the economic benefits of the community	1.00
Honest advertising about services	1.00
Combating corruption and bribery	0.73
Observance of fair competition laws	0.87
Transparency in organizational matters	1.00
Non-personal use of job position, facilities, and assets	0.87
Attention to energy reduction	0.73
ISO 14001 certification	1.00
Use of environmentally safe devices	0.73
Commitment to environmental preservation	1.00
Obtaining information about customers, competitors, and industry	0.73
Online response to customer inquiries	0.87
Online employee access to customer information	1.00
Use of internet advertising	0.87
Ability to provide multiple services through the website throughout the day	0.87
Website service to customers without time interruption	0.73
Guiding customers in obtaining required services on the website	0.87
Accessing the desired service with just a few clicks	0.87
Receiving service through the website in the shortest possible time	1.00

After validating, none of the questions were deleted, and finally, 45 questions were finalized. Therefore, it can be claimed that the content validity of the measurement tool has been confirmed.

For assessing the reliability of the questionnaire, Cronbach's alpha technique was used. The results are presented in Table 2.

Table 2

Cronbach's Alpha Values for Research Variables

Research Variables	Cronbach's Alpha
Responsiveness	0.749
Service Quality	0.811
Stakeholders	0.763
Employees	0.728
Organizational Activities	0.851
Environmental Factors	0.824
Internet Marketing	0.818
Internet Service Provision	0.745

As observed, the Cronbach's alpha values for all variables are above 0.7, thus, confirming the reliability of the variables using the Cronbach's alpha technique.

For examining the normality of data distribution, the Kolmogorov-Smirnov statistical test was used.

Table 3

Results from the Kolmogorov-Smirnov Test

Variable	Significance Level	Final Result
Customer-Centricity	0.218	Data distribution is normal
Legal and Ethical Factors	0.079	Data distribution is normal
Environmental Attention	0.145	Data distribution is normal

In Table 3, since the significance level for all variables has exceeded 0.05, it can be said with 95% confidence that all variables follow a normal distribution.

Bartlett's test was used to examine the adequacy of the sample size, resulting in a KMO value of 0.713 with 211 degrees of freedom. Given that the significance level is less than 0.05 and the KMO statistic is greater than 0.7, the necessary condition for factor adequacy is met.

Given the normal distribution of data in the statistical population and the adequacy of the sample size, the conditions are set for using structural equation modeling.

Subsequently, to examine the research variables, structural equation modeling was employed in the LISREL software environment. After determining the measurement models to evaluate the conceptual model of the study for the variable of social responsibility and also to ensure the presence or absence of a causal relationship between the research variables and to examine the fit of the observed data with the conceptual model of the study, the research model was also tested using structural equation modeling.

Figure 1 shows the main model of the research drawn in the LISREL software.

As indicated in this model, the factor loadings of all items related to the variables are outside the range of -1.96 to 1.96;

therefore, it can be stated that all indices related to the research model are significant at the 95% level.

Also, considering the factor loadings in each dimension, decisions can be made about the importance of each indicator. Therefore, it can be claimed that the final model of social responsibility includes dimensions of customer-centricity (including components of responsiveness and service quality), legal and ethical (including components of stakeholders, employees, and rights of the community and organizational activities), and environmental attention (including components of environmental factors, internet marketing, and internet service provision).

The fit indices for the measurement model indicated that the values of GFI, AGFI, NFI, NNFI, and CFI were greater than 0.9, the RMSEA value ranged from 0.05 to 0.08, and the df/chi-square value was less than 2, thus it can be claimed that the research model has an appropriate fit.

The results showed that the GFI, AGFI, NFI, NNFI, and CFI values were greater than 0.9 for all models, the chi-square to degrees of freedom ratio was less than 2 for all models, and the RMSEA value was also less than 0.08, therefore it can be concluded that the aforementioned models have an appropriate fit.

Figure 1

Final Model with Standard Coefficients

Chi-Square=79.24,   df=41,   P-value=0.09000,   RMSEA=0.065
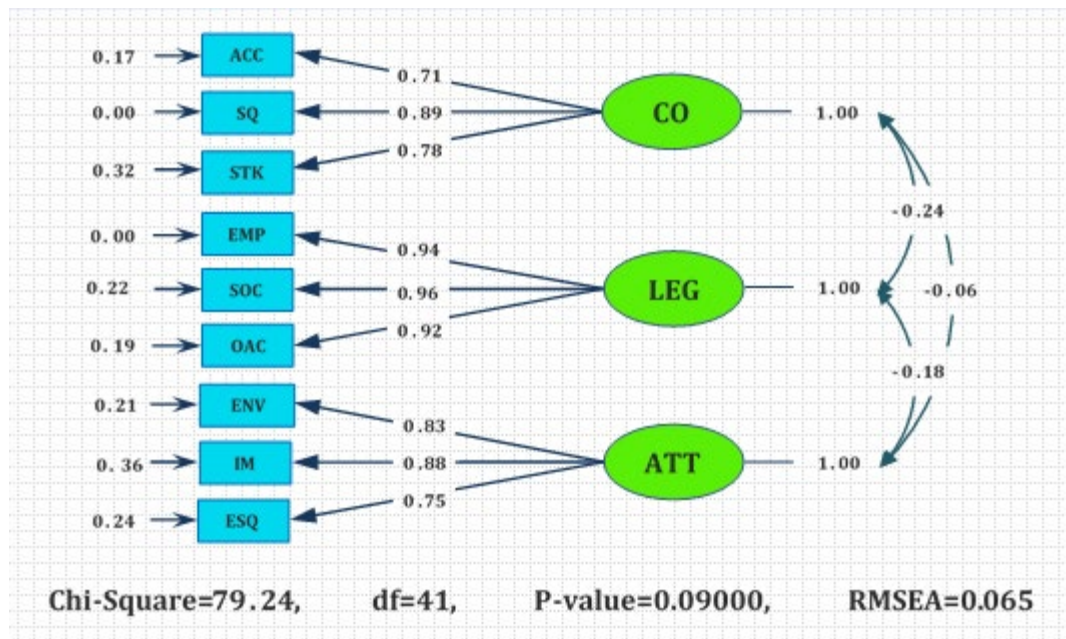
4   Discussion and Conclusion

This research was conducted with the objective of "presenting a model for measuring social responsibility with a brand-centric approach." The descriptive findings of the first part indicated that the distribution of respondents based on gender was as follows: 74 females (37%) and 126 males (63%). The distribution of respondents based on age was as follows: 8 individuals (4%) under the age of 30, 44 individuals (22%) between the ages of 31 to 40, 93 individuals (46%) between the ages of 41 to 50, and 55 individuals (28%) over the age of 50. The distribution of respondents based on educational level was as follows: 94 individuals (47%) with a bachelor's degree, 79 individuals (39%) with a master's degree, and 27 individuals (14%) with doctoral degrees. The distribution of respondents based on work experience was as follows: 8 individuals (4%) with less than 5 years of experience, 68 individuals (34%) with 6 to 15 years of experience, 102 individuals (51%) with 16 to 25 years of experience, and 22 individuals (11%) with more than 25 years of experience.

Initially, through interviews with managers, 45 indicators for measuring social responsibility were identified. Through axial and selective coding, three dimensions were chosen for social responsibility: customer-centricity, legal and ethical factors, along with environmental attention. The customer-centricity dimension includes components of responsiveness and service quality; the legal and ethical dimension includes components of stakeholders, employees, and the rights of individuals and organizational activities; and the environmental attention dimension includes components of environmental factors, internet marketing, and internet service provision.

As mentioned, customer-centricity as the first dimension of social responsibility has a significant and positive impact on improving the brand of Tejarat Bank. In this regard, it is suggested that regular meetings with target customers (such as insurance companies) be held to identify their needs and desires (such as providing a code titled "special payment" to these customers instead of issuing paper checks to reduce check fraud) and then services be offered based on that.

Also, to improve service quality, it is suggested that managers review the customer experience in all service delivery processes and assess customers' mental satisfaction. It is also recommended that service delivery channels to customers be standardized, meaning that services received through various means (such as mobile banking, internet banking, etc.) should be uniform, and if a customer begins a service process through one channel, they should be able to continue it through another.

Segmenting customers and offering incentive and motivational packages based on that classification (such as

higher bank profits, insurance, asset management, personalized services, etc.) is another way to improve customer-centricity.

Legal and ethical factors are also the second dimension of social responsibility that influences brand improvement. Therefore, it is suggested that Tejarat Bank voluntarily participate in public welfare activities such as building schools, clinics, and hospitals to create a more favorable image among its customers and thus improve its brand. In this regard, it is advised that in the process of preserving customer interests, to meet customer needs and achieve profitability, the bank should not deviate from the laws and regulations of the central bank and should devise ways to increase their profits. In fact, managers of this organization are suggested to establish clear guidelines and consider cost-benefit formulas to charge an appropriate fee for providing services that satisfy target customers and allow the bank to achieve minimum profit.

Environmental attention is recognized as the third dimension of social responsibility that also has a significant impact on improving the brand of Tejarat Bank. In this direction, using recyclable materials in packaging products offered to customers, utilizing powerful servers to reduce the possibility of internet outages, employing operators capable of establishing optimal communication with customers and able to type quickly both in Persian and English, are among the ways to improve the brand through internet services. Additionally, it is recommended that the Tejarat Bank mobile application be designed in a completely user-friendly manner, incorporating forms and desired information, and also include sample signatures and fingerprints of users, so that users do not need to visit branches in person. Also, in the mobile banking application, conditions should be provided so that customers can check their loan records, such as remaining installments, the number of installments paid, the date of the last payment, the number of remaining installments, and more.

Authors' Contributions

All authors have contributed significantly to the research process and the development of the manuscript.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

References

Anselmsson, J., Bondesson, N., & Melin, F. (2016). Customer-based brand equity and human resource management image: Do retail customers really care about HRM and the employer brand? *European Journal of Marketing*, *50*(7/8), 1185-1208. https://www.emerald.com/insight/content/doi/10.1108/EJM-02-2015-0094/full/html

Esmaeil Pour, R., Akbari, M., & Masoudi Far, M. (2018). Investigating the Effect of CSR on Brand Equity with the Mediating Role of Brand Personality and Brand Reputation: A case Study of Golrang. *Journal of Busines Administration Researches*, *9*(18), 83-106. https://www.magiran.com/paper/1834410

Esmaeilpour, M., Sayadi, A., Delvari, M., & Mousavi, S. (2018). The Impact of Corporate Social Responsibility on Brand Loyalty through Brand Credibility (Case Study: Saderat Bank of Iran, Bushehr City). *New Marketing Research Journal*, *7*(4), 57-76. https://www.magiran.com/paper/1829216

Fatma, M., & Rahman, Z. (2016). The CSR's influence on customer responses in Indian banking sector. *Journal of Retailing and Consumer Services*, *29*, 49-57. https://doi.org/10.1016/j.jretconser.2015.11.008

García-Piqueres, G., & García-Ramos, R. (2020). Is the corporate social responsibility–innovation link homogeneous?: Looking for sustainable innovation in the Spanish context. *Corporate Social Responsibility and Environmental Management*, *27*(2), 803-814. https://doi.org/10.1002/csr.1845

Huang, M.-H., Cheng, Z.-H., & Chen, I. C. (2017). The importance of CSR in forming customer–company identification and long-term loyalty. *Journal of Services Marketing*, *31*(1), 63-72. https://doi.org/10.1108/JSM-01-2016-0046

Koenig, P., & Poncet, S. (2019). Social responsibility scandals and trade. *World Development*, *124*, 104640. https://doi.org/10.1016/j.worlddev.2019.104640

IJIMOB
International Journal of Innovation Management and Organizational Behavior

Jafari Afshar et al.   International Journal of Innovation Management and Organizational Behavior 4:2 (2024) 155-162

Miraldo, C., Monken, S. F., Motta, L., & Ribeiro, A. F. (2019). Innovation in health-care companies: a strategy to increase customer service productivity. *Innovation & Management Review*, *16*(4), 357-374. https://doi.org/10.1108/INMR-04-2019-0041

MohammadShafiee, M., & Ahmadzadeh, S. (2017). The impact of organizational agility and corporate social responsibility on brand image. *Journal of Brand Management*, *4*(1), 41-78. https://www.magiran.com/paper/1859990

Rezayi, H., Mohammadshafiyi, M., & Hosseini, N. (2019). An Analysis of the Impact of Corporate Social Responsibility on Customer Behavioral Responses. *Journal of Business Administration Researches*, *11*(21), 45-68. https://doi.org/10.22034/jbar.2019.1549

Rhou, Y., Singal, M., & Koh, Y. (2016). CSR and financial performance: The role of CSR awareness in the restaurant industry. *International Journal of Hospitality Management*, *57*, 30-39. https://doi.org/10.1016/j.ijhm.2016.05.007

Wei, W., Kim, G., Miao, L., Behnke, C., & Almanza, B. (2018). Consumer inferences of corporate social responsibility (CSR) claims on packaged foods. *Journal of Business Research*, *83*, 186-201. https://doi.org/10.1016/j.jbusres.2017.10.046