

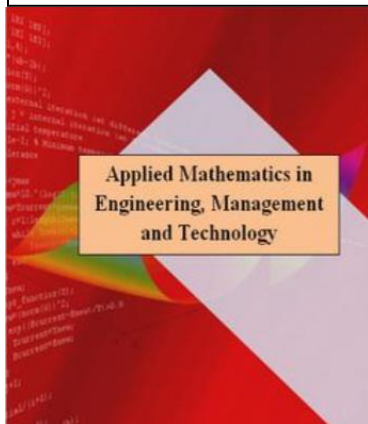
The role of the strategic social responsibility in improving the effectiveness of managers

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Abstract

The current paper aims to study the possible impacts of strategic social responsibility on manager effectiveness. Doing so, it considers the insurance companies of Pasargad and Asia in Tehran province as the population and selects 80 persons as sample. Meanwhile, to measure the strategic social responsibility, it applies Porter and Cramer Model (2006) with the elements of social responsibility perspective, main operation and perspective of the beneficiaries and also avoidance of short-term relations with beneficiaries; to measure manager effectiveness, it exploits Luthans Model (1988) including job satisfaction and organizational commitment of employees. Besides, it uses the job satisfaction model of Minnesota University including job satisfaction, salary, colleague, superior and promotion, and the organizational commitment of Allen and Meyer (1989) including affective, normative and Continuous commitments. Finally, the outcome of the study demonstrates the positive and meaningful impacts of strategic social responsibility on manager

effectiveness.

Keywords: strategic social responsibility, manager effectiveness, job satisfaction, organizational commitment.

Introduction

A safe successful human life, devoid of coordination and cooperation, shall be problematic and sometimes impossible. The group activities of persons in organizations encompass organizational nature and efficiency. The efficiency and development of each organization, to a great extent, hinges on the correctly use of human forces.

As far as the company and organization becomes bigger, the problems of human forces will increase. At the present, the art and science of management is one of the most sophisticated, onerous and fruitful works which is deemed an important index of the contemporary civilization and an effective factor in socio-cultural and economic growth and development of societies (Saatchi et al. 1998). The recent studies concede that organizations should not just look for their interest and profit, yet they have to adapt their acts, behaviors, actions and reactions to the society in which they are acting (Qalavandi et al. 1999). Social responsibility, a highly indispensable reason deter of organizations, has turned into an essential factor to organizations specially in recent years (Royae & Mehrdust, 1999). The proponents of social responsibility reason that organizations should seek not only to meet the needs of shareholders but also those of all beneficiaries including society, individual, customer, provider and employee in order to focus on social responsibility (Givel, 2007; Holmqvist, 2009). According to the concept of social responsibility, as organizations are a member to society like real persons and also responsible for their around environment, it is necessary to put on the agenda the promotion of social life standards for people of society in addition to the promotion of economic performance (Aluchna, 2010). As well, organizations must pay attention to the social concerns on environment, social affairs and philanthropy to move towards social responsibility in relation to beneficiaries and other members of society; dependent on the organizational culture, they must develop the organizational policies related to social responsibility (Ubius & Alas, 2009). Currently, social responsibility goes far beyond the domain of its former act and impact, i.e. philanthropy. In relation to business, social responsibility, to reach sustainable development, has found its position in presenting preventive solutions to socio-environmental challenges and the like concerns. Although social responsibility is not a newcomer; as if, due to the

interests of social responsibility for economy, society and environment, the researchers and academics have turned to it as a new issue (Henderson, 2007). In recent studies, it has been proved that social responsibility supports culture, community and economy and also rules society (Azmat, 2010). Strategic social responsibility is a struggle in response to social and environmental concerns and also sustainable development (Hediger, 2010).

Despite the fact that establishment of social responsibility in organizations is conducted upon standards and operational plans, few attempts have been done to study the ways into its establishment, however the social responsibility of organizations in light of the failures, concern for globalization and incremental non-confidence in organizations has become a significant theme (Daft, 2009).

Meanwhile, the social responsibility of company includes its whole perspective in the strategic planning and main operation of the corporate in such a way that the administration of company is directed to the interests of a wide range of beneficiaries in order to reach the added socio-economic value in mid and long term (Kavosi et al. 2014). In fact, the main components of company in clarifying the social responsibility are as follows: companies primarily consider an extent of social responsibility within their strategic planning; secondly, their acts shall be in straight relation to the main operation; thirdly, corporates shall consider the view of beneficiaries and fourthly, they shall turn from short-term administration of resources and relation to major beneficiaries to a mid and long term perspective. The social responsibility of company is essential to the integrity of its active social element in the strategic planning of corporate. This type of social responsibility is established when organization seeks the active delivery of interest to society in its chain of values or through influence in competition field of strategic philanthropist actions; in other words, strategic social responsibility is manifested when the corporate operationally leaves a direct impact on the society or recognizes the issues and beneficiaries which it may have influence in. Reliance on the social responsibility of company as a component merged in the process of strategic planning demonstrates a good sample of the strategic social responsibility (Porter & Cramer, 2002).

Managers nowadays have to conduct necessary attempts to make their work and acts as far as effective. Luthans (1988) contends that manager effectiveness depends on the employees' satisfaction & commitment. Actually, the elements of manager effectiveness as claimed by Luthans include satisfaction and commitment.

Job satisfaction is a combination of feelings and beliefs that individuals have toward their existing occupations. It is believed that job satisfaction is a type of view which is defined as the personal view to job or simply, the feelings that an individual keeps to his/her job and its varied elements. The research states that the reasons behind positive/negative personal views to job are as follows:

- 1- The factors related to organization's procedure and policy;
- 2- The factors related to work conditions and position of individuals;
- 3- The factors related to individual characters;

As an important element of job view, organizational commitment is a psychological characteristic that an individual keeps in relation to his/her respective organization (Weng et al. 2010). Accordingly, organizational commitment actually reflects the employees' relation to organization and implies their decision to stay in that organization. Individuals get into work for an organization in regard with their needs, skills and expectations. They are inclined to work in an environment in which they could use their capability and meet their needs. If an organization provides this bedrock for employees, the organizational commitment level will ascend. In fact, there could be a joint between organizational commitment and the social activities of organization (Peterson, 2004). In the same way, this study seeks to examine the role of strategic social responsibility in relation to manager effectiveness.

Jabari and Bayazidi (2010) in their study on Tehran Stock Exchange Market, concluded that the relationship among behavioral factors of responsibility, organizational factors and conservatism are positive and meaningful. Likewise, Tabaqian (2010) claimed that social responsibility is of abundant impacts on the indices of social performance. In the same vein, Mahlooji et al. (2008) contended that the social responsibility strategies result in development of learning capabilities which lastly create innovation

Inoue & Lee (2011) believe that the elements of social responsibility bear impact on performance and financial flows in short and long terms. Walker and Parent (2010) also state that there exists a positive meaningful relationship between social responsibility, responsibility and citizen-centrism. Weng et al. (2010) believe that job growth (progress of job aims, development of professional abilities, pace of promotion, growth of rewards) could be exploited in administration and management of organizational commitment.

Methodology

This study uses questionnaire in gathering data and to measure manager effectiveness, it applies Luthans model and the job satisfaction questionnaire of Minnesota University and the organizational commitment of Allen and Meyer. Meanwhile, to measure the strategic social responsibility, it applies the model of social responsibility and the researcher-developed questionnaire the validity of which is confirmed by the respective professors; besides, its reliability is confirmed by Cronbach's alpha.

Main hypothesis: strategic social responsibility impacts on the manager effectiveness.

Peripheral hypotheses:

- 1- Strategic social responsibility impacts on the job satisfaction of employees;
- 2- Strategic social responsibility impacts on the organizational behavior.

Analysis conclusion

Main hypothesis: strategic social responsibility impacts on the manager effectiveness.

The following figures demonstrate the amount of impact coefficients and meaningfulness statistics. Meanwhile, the amount of impact factor is measured upon T-Student and its criticality exceeds 1/65 at the level of significance 95%.

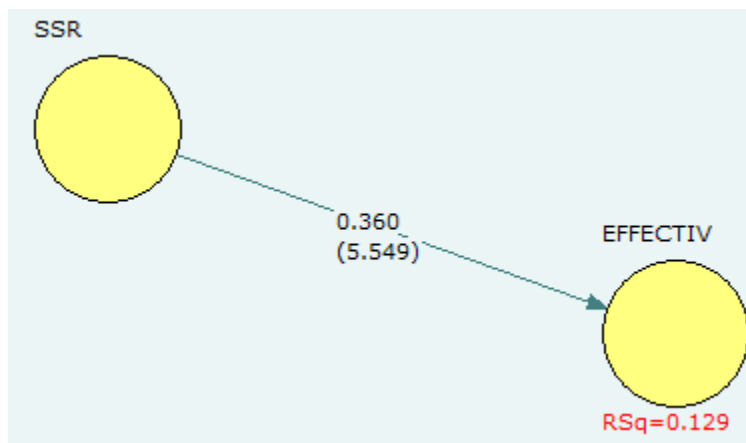


Figure 4-1- The coefficient of path and T-Student of the main hypothesis

As shown, the impact of strategic social responsibility on manager effectiveness equals 0/360 and T-Student is 5/549 (more than 1/65). Therefore, it could be concluded that, at the level of significance %95, the social responsibility of managers invigorates the meaningful and positive manager effectiveness. In other words, the more organizations turn to strategic social responsibility, the more managers will be effective, and vice versa. As well, the coefficient of determination equals 0/129 which shows that out of the many variables which may affect manager effectiveness, the share of strategic social responsibility is %13.

Peripheral hypothesis 1: strategic social responsibility impacts on job satisfaction.

The following figures display the impact factor and level of significance. By the same token, the impact factor is measured upon T-Student in such a way that at the level of significance %95, the criticality hits above 1/65.

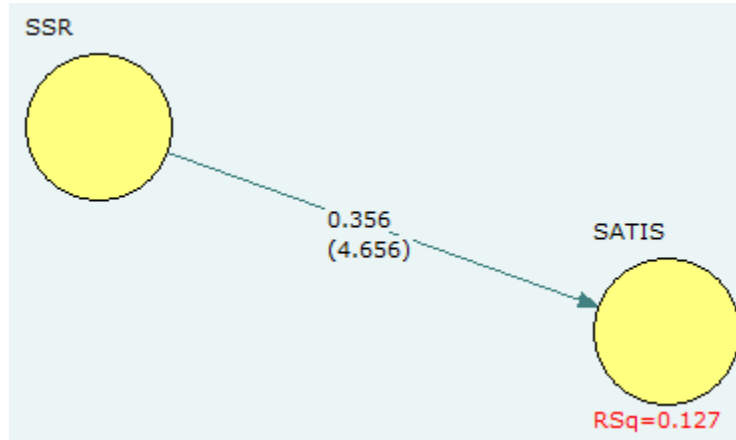


Figure 4-2- Path coefficient and T-Student of peripheral hypothesis 1

As seen, the amount of strategic social responsibility impact on job satisfaction hits 0/356 and the statistic equals 4/565 which is higher than 1/65. Therefore, at the level of significance %95, it could be claimed that the strategic social responsibility inspires the meaningful and positive increase of job satisfaction in employees. In other words, as far as organizations turn to strategic social responsibility, the job satisfaction will ascend, and vice versa. As well, the impact factor equals 0/127 which shows that from among the variables which may affect job satisfaction, the strategic social responsibility is of a %13 share.

Peripheral hypothesis 2: strategic social responsibility impacts on organizational commitment of employees.

Figure 4-3 demonstrates the amount of impact factor and level of significance. As mentioned formerly, the impact factor is measured upon T-Student and at the significance level of %95, the criticality hits 1/65.

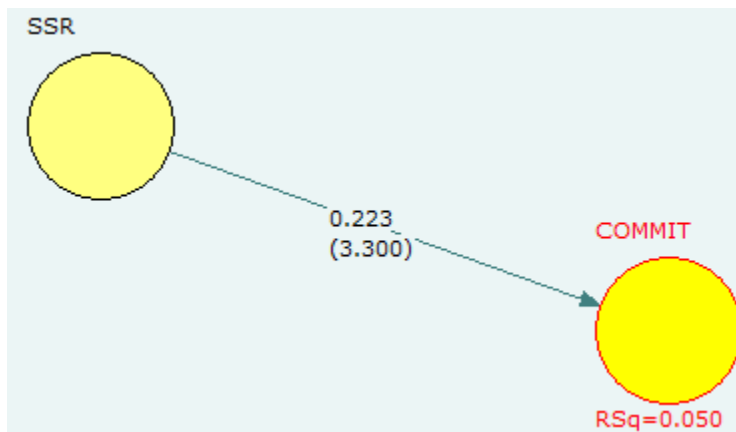


Figure 4-3- path coefficient and T-Student of peripheral hypothesis 2

As seen, the amount of strategic social responsibility impact on job satisfaction hits 0/2233 and the statistic equals 3/300 which is higher than 1/65. Therefore, at the level of significance %95, it could be concluded that the strategic social responsibility inspires the meaningful and positive increase of job satisfaction in employees. In other words, as far as organizations turn to strategic social responsibility, the job satisfaction will ascend, and vice versa. Following, the impact factor equals 0/05 which is low because out of the three factors of organizational commitment, the Continuous and normative commitments have less been considered by the insurance companies studied in this research and the affective commitment hits much higher than them. Affective commitment refers to the heartfelt interest of employees, however the Continuous commitment refers to the financial needs and the normative commitment refers to the employees' norm for staying in organization.

Conclusion and proposal

Upon the main hypothesis: the main hypothesis of the study follows to examine the impacts of strategic social responsibility on manager effectiveness. According to this hypothesis, the amount of strategic social responsibility impact on manager effectiveness hits 0/360 and the statistic equals 5/549 which exceeds 1/65. Meanwhile, at the level of significance %95, it could be claimed that strategic social responsibility could increase manager effectiveness in a meaningful and positive manner. In other words, the more organizations turn to strategic social responsibility, the more their managers will be effective, and vice versa. As well, the coefficient of determination is 0/129 that all signify that out of the variables which may affect manager effectiveness, the strategic social responsibility is of a %13 share.

Accordingly, the managers and practitioners of Asia and Pasargad companies in Tehran Province are advised:

- To be responsible for the environmental implications;
- To be responsible for the society and common people;
- To be responsible for employees and individual whom they are in work interaction with;
- To consider meeting the needs of beneficiaries and shareholders;
- To adopt a long term view to beneficiaries and seek to cultivate sustainable relations with them;
- To consider an equilibrium between work and private life for the employees;
- To make their services distinctive from those of competitors;
- To design their operation and process in accordance with the principles of their social responsibility ;
- To sequence their beneficiaries and act upon priorities;
- To avoid discrimination in their work environment;
- To develop the organizational values in accordance with the strategic social responsibility ;
- To highly consider the repercussions of their acts in the society.

Conclusion and proposal upon peripheral hypothesis 1

The 1st peripheral hypothesis of the study examines the impacts of strategic social responsibility on the employees' job satisfaction. Accordingly, the extent of impact hits 0/356 and the statistic equals 4/656 (above 1/65). Therefore, at the level of significance %95, it may be concluded that strategic social responsibility inspires the rise of job satisfaction in a meaningful and positive manner. By the same token, the more organizations turn to strategic social responsibility, the more job satisfaction rises, and vice versa. Meanwhile, the coefficient of determination hits 0/127 which reveals that out of the variables affecting job satisfaction a %13 share is devoted to the strategic social responsibility.

Accordingly, the managers and practitioners of Asia and Pasargad insurance companies in Tehran Province are advised:

- To justly promote the employees;
- To order supervisors to warmly treat employees;
- To design jobs in various and cheerful manners;
- To make jobs enriched;
- To consider job circulation;
- To plan works in the frame of teamwork;
- To deliver rewards upon a competence-based view.

Conclusion and proposal upon peripheral hypothesis 2

The 2nd peripheral hypothesis of the study deals with the impacts of strategic social responsibility on employees' job commitment. Accordingly, the impact of the former on organizational commitment in relation to employees equals 0/2233 with a statistic of 3/300 which exceeds 1/65. Besides, at the level of significance %95, it may be concluded that strategic social responsibility, meaningfully and positively, invigorates the organizational commitment. More fluently, the more organizations turn to strategic social responsibility, the more job satisfaction rises, and vice versa. Meanwhile, the coefficient of determination hits 0/05 (a low amount) as out of the three factors of organizational commitment, the Continuous and normative ones are less considered by the employees of insurance companies covered in the present study. On the other side, the affective commitment hits much higher than the coefficient of determination since it refers to the heartfelt commitment of employees, however the Continuous commitment deals with financial needs and the normative one refers to the commitment of employees in terms of staying in organization.

Finally, the managers and practitioners of Asia and Pasargad insurance companies in Tehran Province are advised:

- To exploit motivation systems in work;
- To meet the demands of their employees;
- To use common models of decision making to the best way;
- To adopt the servant and sympathetic styles;
- To view their employees as principal beneficiaries who are the sources of capital not as cost.

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