THE IMPACT OF SOCIAL RESPONSIBILITY MODEL ON COMPETITIVENESS OF ORGANIZATION WITH THE MEDIATING ROLE OF STRATEGIC PLANS ASSESSMENT (CASE STUDY: AUTOMOTIVE INDUSTRY)

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Abstract. The present study is aimed to evaluate the impact of social responsibility model on competitiveness of organization with the mediating role of strategic plans assessment in automotive industry. The study population is 144 experts of this field and by Cochran’s formula, the sample size is 58. For data collection of theoretical literature and review of literature, library method is used and to evaluate the study variables, field method and questionnaire based on Likert scale are used. To evaluate the validity of questionnaire, content validity and factor analysis are used. To evaluate reliability, Cronbach’s alpha and composite reliability method are used. The values above 0.7 are achieved for composite reliability and Cronbach’s alpha. For the analysis of collected data, structural equations technique is applied. The statistical tests in this study are performed by SmartPLS software. The results of hypothesis test showed that social responsibility had no significant impact on competitiveness and the legal dimension of social responsibility had no significant impact on competitiveness and other study hypotheses were supported.

Keywords: Social responsibility, Competitiveness, Strategic plans assessment, Automotive industry, Structural equations modeling.

Introduction. In the modern world, the organizations should achieve the satisfaction of society for any size or in any market and this satisfaction is achieved if the communities believe that the operation of organizations has useful impact on human being and environment. The success of all organizations and institutes, manufacturing or service, profit or non-profit, state-based or private are is affected by many factors and one of the most important factors is customers satisfaction [1]. In the current competitive world, one of the pre-requirements of competitiveness in economic field is the quality, after-sale services, etc. and considering the corporate social responsibility [2,3]. Based on the thought growth of customers, today the successful organizations are those considering civil rights, civil culture development and other factors as the parameters of social responsibility and they have codified plan for it. As a unique structure, corporate social responsibility (CSR) is made of four dimensions as economic, legal, ethical and optional responsibility [4].

Strategic planning and its effectiveness assessment is one of the most important duties of new managers and all organizations should consider this issue for their survival. Strategic planning is a transformational management approach and on the other hand, in many experiences, it has lost this important feature. Various studies have been performed on strategic planning based on resources in strategic management [5]. Competitiveness is one of the important issues as emphasized in recent years in the literature of management and marketing and there are various visions to the competitiveness factors [6]. Also, various studies have been performed [7,8]. Competitiveness is a multi-dimensional concept and various factors have been important in this regard and it is evaluated at three levels of international, national and enterprises. Any company can combine the available resources including capital, labor and technology well and popular products or suitable services are presented to the market and they are more successful in the competitive space [9,10].

The required capabilities in the field are identified in automotive industry and then by determining the relevant criteria and indices, field studies are performed. This matrix shows the condition of the capabilities as the origin of competitive advantage of company. This matrix shows that which capabilities should be on priority for improvement and dynamics. The findings of this section are the bases of determining the important competences of automotive industry and competitive advantage. Searching new ways for the competition in competitive markets is the main principle of marketing and achieving competitive advantage is the main issue of organizations [11]. The concept of competitiveness and its dimensions are the road map as the key success of countries to be released of non-development. One of the important features of successful companies is have competitiveness capabilities based on the new views about it [12]. Similarly, competitiveness is perceived as a four-dimensional structure: Internal processes, open systems, logical goals and human relations [13,14].

The approaches to corporate social responsibility are different toward Iran automotive industry and many hidden opportunities in the society are not revealed. If the automotive companies could analyze the opportunities in responsibility to society as their main business fields as HolFredsmark, Toyota and Volvo, they can find that corporate social responsibility is more than costs, limitation or aids to charity organizations and it is the source of creativity and competitive advantage for the organization. Thus, the importance of organizational citizenship behavior by the customers is of great importance for the development and maintenance of sustainable relationship among the service sectors. Service organizations like automotive industry (sale and after-sale services of automotive industry), insurance, etc. are based on direct contact with the customers. Thus, the labor of these organizations is of great importance in creating competitive advantage of citizenship behavior [15]. The interpersonal relationship of customers and employees presenting services is a social and professional relationship. The quality of interpersonal
relationship between customers and employees presenting services leads to the general perception of customers of organization and services and creating organizational citizenship behavior of customer. It is the behavior that is done voluntarily to promote the goals of organization [16]. Various studies have been conducted on social responsibility, strategic planning as separately in different organizations and institutes [17]. No study has been conducted on the impact of social responsibility model on competitiveness of organization with the mediating role of strategic plans assessment (automotive industry). Although the importance and the impact of social responsibility model on competitiveness of organization is revealed, we refer to some of the significance items. As it was said, performing a study “The impact of social responsibility model on competitiveness of organization with the mediating role of strategic plans assessment (automotive industry). Based on the role of effective factors on competitiveness of organizations as the most important success factor in the global competitive world, to achieve success in this field, we need strong tools to use them as a tool to use competitive advantages. One of these factors and competitive advantages is social responsibility and corporate social responsibility is of great importance as the organization takes benefit of ethical approach and the society and beneficiary can take benefit and they have better perception of the performance and strength of organization.

The main question of this study is as follows: Is social responsibility effective on competitiveness of organization with strategic planning assessment?

**Review of literature.** Various local and international studies have been conducted on social responsibility and strategic planning assessment and competitiveness of organizations: “Competitive strategies to support economic development” by Tatjana Dimoska (2012). This field study is aimed to evaluate the strategic planning for one of the automotive industry companies to establish constructive relationship with the internal factors and surrounding environment. To achieve this goal, a focus group composed of eight managers and experts is created. By holding regular sessions and brain storming technique, this team analyzes the existing condition of the company and based on the corporate mission, competitors’ situation, the strategic plan of company is designed. Aghazade (2003) in a study “Comparative study of strategic planning models to guide the plans and activities with a long-term horizon achieves organizational mission goals and if it is formulated well, the strategies are selected to lead to the excellence of organization. Another study has been conducted on the role of corporate social responsibility in sustainable development by Esfandiari Soluklo et al., (2010) to evaluate the role of corporate social responsibility in sustainable development. Also, some scales and indices are introduced for evaluation of sustainable development and the term sustainability is evaluated in commercial section with the emphasis on four levels. Finally, a model with three dimensions of environmental, economic and social is formulated and the dimensions of the mentioned model are analyzed. Another study has been conducted “evaluation of export competitiveness of automotive parts industry of Iran in export markets by Vali Beigi et al., [17] to evaluate the export competitiveness of automotive parts industry of Iran in export markets and effective resources on the changes in export are also determined. Thus, export competition indices and effective factors on export growth are analyzed and measured by export relative prices, revealed relative advantage, sustainable market share and commercial plan during 1997.

The results show that the model of export growth is changing from the goods and global demand impact to the country and competitive effect. Thus, competitive effect is not considerable on export growth of automotive parts. Also, the measurement of commercial plan index shows that the majority of export parts (more than 90%) has good growth but it is presented to the markets in which demand is reducing.

A study has been conducted on the corporate social responsibility and its effect on the satisfaction of customers in Saipa car relief company” by Sam Daliri (2010). This study evaluates the impact of corporate responsibility on customer satisfaction as an important variable in marketing literature. A study has been conducted as “corporate social responsibility and its impact on the satisfaction of customers to determine the design of important organization competences in Iran Khodro by Mohammad Reza Rahimizade et al., (2008) on internal resources of company as the root of competitive advantage. The analysis of external environment to detect the opportunities and threats can not lead to the competitive superiority alone. On the other hand, the changes of external environment are unknown and under these conditions, planning based on external factors is of high risk. Thus, internal capabilities and resources of company are the reliable resources to formulate strategic plans of organization. We can formulate the strategies of resources, if we have a complete perception of “important competencies” of 42 organizations and the aim of this study is to present the model of identification of important competencies.

**Conceptual model and hypothesis testing.** As it was said, the present study aims to evaluate the impact of responsibility model on competitiveness of organization with the mediating role of strategic plans assessment in automotive industry. The conceptual model of study is based on the study of Salvador Ruiz de Maya (2014). In this model, there are three variables of competativeness, strategic planning assessment and social responsibility. The concept of competitiveness and its dimensions are the road map as the key success of countries to be released of non-development. One of the important features of successful companies is have competitiveness capabilities based on the new views about it [18,19]. Strategic planning and its effectiveness assessment is one of the most important duties of new managers and all organizations should consider this issue for their survival [20]. Strategic planning is a transformational management approach and on the other hand, in many experiences, it has lost this important feature. Various studies have been performed on strategic planning based on resources in strategic management [21,22] and social responsibility covers extensive concepts as considering environment, continuous attention to the organization environment, commercial ethics, state relationship, public relationship, analysis of shareholders and relational marketing. The conceptual model is defined by the mentioned variables as follows:
Based on the above conceptual model, the following hypotheses are designed and tested. This study consists of three main hypotheses and three sub-hypotheses:

**Main hypotheses**
1. Corporate social responsibility has significant impact on competitiveness of organization in automotive industry.
2. Corporate social responsibility has significant impact on strategic planning assessment in automotive industry.
3. Strategic planning assessment has significant impact on organization competitiveness in automotive industry.

**Sub-hypotheses**
1. Social dimension has significant impact on organization competitiveness in automotive industry.
2. Economic dimension has significant impact on organization competitiveness in automotive industry.
3. Legal dimension has significant impact on organization competitiveness in automotive industry.

**Study methodology**
The present study is applied as the study is a case study of automotive industry and the following results are applied in the study population. In the present study, the researcher attempts to evaluate the impact of social responsibility model on competitiveness of organization by considering the mediating variable of strategic planning assessment and as the researcher applies the questionnaire as distributed and collected among the study population and it is the detailed description of a situation or some conditions. The present study is descriptive-survey design.

The study population is 144 employees of the mentioned companies. These people are called experts of present study. These people have academic education in study variables with the experience of above 10 years and their information is unique in the study field and 144 people are working in three big companies of Saipa automotive companies and Iran Khodro Pars Khodro are the study population and due to the homogeneity of existing units in the study population and infinite number, simple random method is used for sampling. By Cochran’s formula, the sample size is 58 and this is the basis of study. For data collection of theoretical literature and review of literature, library method is used and to evaluate the study variables, field method and questionnaire based on Likert scale are used. Before using the questionnaire, its validity and reliability are evaluated. To evaluate the validity of questionnaire, content validity and factor analysis are used. The results of KMO test show 0.869 showing the good adequacy of the data as supported by SPSS software, version 21. To evaluate the reliability of questionnaire, internal consistency reliability, Cronbach’s alpha is used for 30 initial questionnaires as pre-test. As the questionnaire is designed as Likert scale, it evaluates the attitude and the best method to compute the reliability is Cronbach’s alpha. The results of reliability of questionnaire showed that the total alpha coefficient was 0.823 and as it is bigger than 0.7, we can say the applied questionnaire has the required reliability. To evaluate reliability, composite reliability method is used. To evaluate composite reliability of each of constructs, Quality Criteria report is used. In this matrix under composite reliability, the hidden variable or construct is used for its composite validity. The values above 0.7 are acceptable for composite reliability. These values are shown in Table 1.

<table>
<thead>
<tr>
<th>Table 1- Composite reliability of the main hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVE</td>
</tr>
<tr>
<td>CSR</td>
</tr>
</tbody>
</table>

For the limitation of study, the output reports of this test are avoided.
As shown in Table 1, the values of this statistics are acceptable for the variables of study. AVE is dedicated to the constructs. The acceptable values for this criterion indicate the good reliability of measures as 0.5 and they are shown in Table 1 and these values are acceptable.

To evaluate the composite reliability of each of constructs, Quality Criteria report is used. In this matrix under composite reliability, the latent variable or construct is used for its composite validity. The values above 0.7 are acceptable for composite reliability. These values are shown in Table 2.

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>R Square</th>
<th>Cronbachs Alpha</th>
<th>Communality</th>
<th>Redundancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness</td>
<td>0.718597</td>
<td>0.832248</td>
<td>0.685129</td>
<td>0.766908</td>
<td>0.418597</td>
<td>0.357891</td>
</tr>
<tr>
<td>Strategic planning</td>
<td>0.693790</td>
<td>0.866862</td>
<td>0.731993</td>
<td>0.817093</td>
<td>0.493790</td>
<td>0.357891</td>
</tr>
</tbody>
</table>

As shown in Table 2, the values of this statistics are acceptable for the variables of study above the defined value. AVE is dedicated to the constructs. The acceptable values for this criterion indicate the good reliability of measures as 0.5 and they are shown in Table 1 and these values are acceptable.

To analyze the collected data, structural equations technique is used. The statistical tests in this study are performed via SmartPLS software. The results of demographic features of respondents show that the highest frequency is dedicated to Iran KHodro including 26 employees of this company. In terms of gender, there are 48 men and 10 women. The percent of men is 82.8% and women are 17.2%. In terms of education, the majority of respondents have BA as 34. In terms of working experience, the respondents are 39.7% dedicated to those with the experience of 6 years to 10 years. Those people with the highest responding are 23 and in terms of organizational position as 69% of respondents are experts.

Main hypothesis of study
Structural test
This test is performed by PLS Algorithm. The output of PLS Algorithm is shown in Figure 2.

As shown in Figure 2, the model output is shown at standard coefficient state. The path coefficients are shown on the lines showing the effect and factor loads of latent variables are shown in the relevant Figure and this factor loading for competitiveness is 0.685.

Significance test of model
This test is used to evaluate the path coefficients and factor loading as performed by Bootstrappping. The software output is shown at significance state or T value in Figure 3.
Figure 2 shows the model output at significance coefficient state. As shown in Figure 3, significance value between social responsibility and competitiveness is 0.670, the significance value between social responsibility and strategic planning is 40.379 and significance value between strategic planning and competitiveness is 11.448.

**Total fit of model**

In this test, there are two indices, CV-Red and CV-Com. CV-Red indicates redundancy (CV-Redundancy) showing the quality of structural model and the values before CV-Com show the communality (CV-Communality). This test is shown in Figure 4.

Figure 4 shows the output of quality of model. The positive values show the good quality of model and in this Figure, all values are positive.

**The evaluation of correlation of latent variables**

This section shows the correlation of latent variables. It is required to copy the values and take the square of AVE values and replace them with values 1 or diameter of matrix. The acceptable square should be higher than the correlation of a construct with other constructs. These values are shown in Table 3.

<table>
<thead>
<tr>
<th></th>
<th>CSR</th>
<th>Competitiveness</th>
<th>Strategic planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>1.000000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitiveness</td>
<td>0.691465</td>
<td>1.000000</td>
<td></td>
</tr>
<tr>
<td>Strategic planning</td>
<td>0.855566</td>
<td>0.827133</td>
<td>1.000000</td>
</tr>
</tbody>
</table>

**The evaluation of quality of measures**

In this test, a list of criteria is shown including SSO, sum of squares of observations for each block of latent variable, SSE sum of squares of prediction errors for each block of latent variable and SSO/SSE shows the communality or CV-com. If the index of communality of latent variables is positive, the measuring model has the good quality. The values of this test are shown in Table 4.

<table>
<thead>
<tr>
<th></th>
<th>CSR</th>
<th>Competitiveness</th>
<th>Strategic planning</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>SSO</td>
<td>SSE</td>
<td>1-SSE/SSO</td>
</tr>
<tr>
<td>------------</td>
<td>--------------</td>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>CSR</td>
<td>1044.000000</td>
<td>641.709381</td>
<td>0.385336</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>406.000000</td>
<td>318.805045</td>
<td>0.214766</td>
</tr>
<tr>
<td>Strategic planning</td>
<td>406.000000</td>
<td>260.799398</td>
<td>0.357637</td>
</tr>
</tbody>
</table>

As shown in Table 4, the model has good quality.

**Sub- hypothesis of study**

**Structural test**

This test is performed by PLS Algorithm. The output of PLS Algorithm is shown in Figure 5.

![Figure 5](image1.png)

**Figure 5**-The output of model at standard coefficient state

As shown in Figure 5, the model output is shown at standard coefficient state. The path coefficients are shown on the lines showing the effect and factor loads of latent variables are shown in the relevant Figure and this factor loading for the quality of work life of employees is 0.547. As shown in Figure 4, the effect of social dimension on competitiveness is 0.258, the economic dimension on competitiveness is 0.470 and the effect of legal dimension on competitiveness is 0.052.

**Significance test of model**

This test is used to evaluate path coefficients and factor loading as performed using Bootstarppping. To perform this test, Construct Level Changes are used as the default of software. The output of the software at significance level or T value is shown in Figure 6.

![Figure 6](image2.png)

**Figure 6**-The output of software at significance coefficient

Figure 6 shows the output of model at significance coefficient. The values on the lines of path of t-value are dedicated to Bootstrapp test as interpreted as t-test. It means that if the values are higher than 1.96, they are significant at error level 0.05 and the values below 1.96 are not significant at confidence interval 95%. Significance value between the social dimension and competitiveness is 2.220, significance value between economic dimension and competitiveness is 3.202 and significance value between the legal dimension and competitiveness is 0.410.
**Total fit of model**

In this test, there are two indices, CV-Red and CV-Com. CV-Red indicates redundancy (CV-Redundancy) showing the quality of structural model and the values before CV-Com show the communality (CV-Communality). This test is shown in Figure 3.

**Total fit of model**

In this test, there are two indices, CV-Red and CV-Com. CV-Red indicates redundancy (CV-Redundancy) showing the quality of structural model and the values before CV-Com show the communality (CV-Communality). This test is shown in Figure 7.

![Figure 7-The output of total fit of model](image)

Figure 7 shows the output of quality of model. The positive values show the good quality of model and in this Figure, all values are positive.

**The evaluation of correlation of latent variables**

This section shows the correlation of latent variables. It is required to copy the values and take the square of AVE values and replace them with values 1 or diameter of matrix. The acceptable square should be higher than the correlation of a construct with other constructs. These values are shown in Table 5.

| Table 5- The correlation between the latent variables |
|---------------------------------|-------|-------|-------|
| Competitiveness | Economic | Legal | Social |
| Competitiveness | 1.000000 |       |       |
| Economic        | 0.722924 | 1.000000 |       |
| Legal           | 0.621961 | 0.818161 | 1.000000 |
| Social          | 0.678732 | 0.815426 | 0.718625 | 1.000000 |

**The evaluation of correlation of latent variables**

This section shows the correlation of latent variables. It is required to copy the values and take the square of AVE values and replace them with values 1 or diameter of matrix. The acceptable square should be higher than the correlation of a construct with other constructs. These values are shown in Table 6.

| Table 6- The correlation between the latent variables |
|---------------------------------|-------|-------|-------|
| Total                          | SSO   | SSE   | 1-SSE/SSO |
| Competitiveness                | 406.000000 | 323.997716 | 0.201976 |
| Economic                       | 232.000000 | 157.539141 | 0.320952 |
| Legal                          | 406.000000 | 288.214629 | 0.320952 |
| Social                         | 406.000000 | 276.382845 | 0.319254 |

As shown in Table 6, the model has good and acceptable quality. The summary of the results of model at path coefficient and significance states is shown in Table 7.

| Table 7- The model output at path coefficient and significance states |
|---------------------------------|-------|-------|-------|
| Condition | Significance | Path coefficient | Path between | No. |
| Rejected  | 0.670 | 0.060 | Competitiveness | Social responsibility | 1 |
| Supported | 40.397 | 0.856 | Organization strategies | Social responsibility | 2 |
| Supported | 11.448 | 0.879 | Competitiveness | Organization strategies | 3 |
Based on the results of Table 7, in the first main hypothesis, the hypothesis of the effect of social responsibility on competitiveness of organization in automotive industry with path coefficient 0.060 and significance value (T-value) is 0.670 as less than 1.96 and is not supported statistically at confidence interval 95%.

Based on Table 7, the main second hypothesis regarding the effect of social responsibility on strategic planning assessment with the path coefficient 0.856 and significance value (T-value) 40.397 is bigger than 1.96 and it is supported statistically at confidence interval 95%.

Based on Table 7, the main third hypothesis regarding the effect of strategic planning on competitiveness of organization with the path coefficient 0.879 and significance value (T-value) 11.488 is bigger than 1.96 and it is supported statistically at confidence interval 95%.

Based on Table 7, the first sub-hypothesis regarding the effect of social dimension on competitiveness with the path coefficient 0.258 and significance value (T-value) 2.220 is bigger than 1.96 and it is supported statistically at confidence interval 95%.

Based on Table 7, the second sub-hypothesis regarding the effect of economic dimension on competitiveness with the path coefficient 0.470 and significance value (T-value) 3.202 is bigger than 1.96 and it is supported statistically at confidence interval 95%.

Based on Table 7, the third sub-hypothesis regarding the effect of legal dimension on competitiveness with the path coefficient 0.052 and significance value (T-value) 0410 is less than 1.96 and it is not supported statistically at confidence interval 95%.

**Conclusion.** The present study aimed to evaluate the impact of social responsibility model on competitiveness of organization with the mediating role of strategic plans assessment in automotive industry. The researcher divides the hypotheses into two main groups regarding the effect of social responsibility on competitiveness and strategic planning assessment and the effect of strategic planning assessment on competitiveness of organization and sub-hypothesis regarding the effect of social responsibility dimensions on competitiveness. The results showed that except the first and sixth hypotheses, the other hypotheses were supported. Based on the results, we can say the excellent organizations as responsive organizations for the clarity and responsibility to their beneficiaries to their performance should express their commitment to the social responsibility via their values and be sure that the commitment is used in the entire organization and social responsibility has two-dimensional benefits as the organization takes benefits of the ethical approach and the society and beneficiary parts have better perception of the performance and strength of organization. The corporate social responsibility is the unity among the activities and values of organization as the benefits of all beneficiaries as stockholders, customers, employees, investors and the public are reflected in the organization performance and policies. In other words, the organization should consider itself as a part of society and be responsible to the society and attempts for the improvement of public welfare as independent from the direct benefits of company. The companies with high social performance are more inclined to disclose their social activities. The researcher attempts to find the probable effect of social responsibility on competitiveness of organization. To respond this question, the researcher raises the hypotheses into main and sub-hypotheses. The main hypotheses are the effect of social responsibility on competitiveness of organization, the effect of social responsibility on strategic planning assessment and the effect of strategic planning assessment on competitiveness of organization. The main hypotheses of study are the effect of social responsibility (social dimension, economic dimension and legal dimension) on organization competitiveness. After hypothesis testing by structural equations, it was shown that social responsibility had no significant impact on competitiveness. Social responsibility was effective on strategic planning and strategic planning was effective on competitiveness. After testing the sub-hypotheses, it was shown that social and economic dimensions were effective on competitiveness of organization but legal dimension had no significant effect on organization competitiveness. One of the reasons for the lack of effect of social responsibility on competitiveness of organization is the extension of study population. The study population of present study is three great automotive companies of Iran (Iran Khodro, Saipa, Pars Khodro). Different view of decision makers and experts of this field is different based on the internal policies of companies with other companies and there are some different views in responding method of the questions of questionnaire and this leads to the probable dispersion of questions and the lack of effect of social responsibility on competitiveness in automotive industry. With the first view to the hypothesis that social responsibility has no effect on competitiveness of organization in automotive industry, it is possible that managers and decision makers don’t enter this field and ignore it but in the sub-hypotheses testing, the social and economic dimensions were effective on competitiveness of organization and only legal dimension had no significant effect on competitiveness. We can observe the role of mutual effect of data and questions in structural equations well. One of the features of this method is finding the probable relations among the variables with high accuracy.

**References**


