

**Research Article**

## **AN INVESTIGATION INTO THE RELATIONSHIP BETWEEN SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE IN COMMERCIAL BANKS ACROSS KURDISTAN**

**Ali Firozi<sup>1</sup> and \*Parastoo Sedaghat<sup>2</sup>**

<sup>1</sup>*Department of Management, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran,*

<sup>2</sup>*Department of Management, University of Kurdistan, Sanandaj, Iran,*

*\*Author for Correspondence*

### **ABSTRACT**

The present research intends to examine the relationship between social responsibility and financial performance in commercial banks across Kurdistan. The present research has examined dimensions of social responsibility including economic responsibility, legal responsibility, moral responsibility, humanitarian responsibility and financial performance. The statistical population consists of the commercial banks across Kurdistan. Sample size (210) was selected via stratified sampling, that 230 questionnaires have been distributed considering 10% extra. Eventually, 218 questionnaires were received and analyzed. In addition, standard questionnaire has been used to collect data for social responsibility and financial information on revenue and profitability of banks during 2007-2012 has been used to collect information on financial performance. Further, validity of social responsibility questionnaire was confirmed by experts, which Cronbach's Coefficient Alpha was obtained equal to 0.868. Therefore, it can say that questionnaires have proper reliability. With regard to normal distribution of data, parametric correlation and regression tests have been used for analysis. Findings indicate that there is a significant relationship between dimensions of social responsibility and financial performance. It can be perceived that the least correlation relates to legal responsibility (0.142) and the highest correlation relates to economic responsibility (0.369), indicating the highest effect of economic responsibilities on performance of banks.

**Keywords:** *Social Responsibility, Financial Performance, Commercial Banks*

### **INTRODUCTION**

Accordingly, an organization develops based on public and social need, so that the basis for establishment of an organization lies on needing to production of good and/or supply of service to the society. Hence, neither the organization can separate itself from the society nor the society can live without organization. The results from this inseparable relationship lie on this fact that any decision and action of organization affect the society.

Banks and financial institutions have been regarded as the organizations which play a key role in economic development and growth of a society and supply very important services and grant support to the manufacturing enterprises at different sectors of industry and agriculture. These institutions have been established aiming at gaining profit and assisting different economic sectors; on the other hand, these institutions are in charge against the individuals within society to behave with their needs properly adjusted with altruistic aims, rules and regulations. Nowadays, role of banks within society has been subjected to numerous changes, such that it is expected that not just the banks have been in thought of increasing their profit but also in thought of meeting the needs of individuals within the society. Business enterprise cannot escape from the society and the society cannot exist without banks, thus there is a mutual relationship between banks and society.

As a result, bank's responsibility against society is influential for both bank and society, so that potential benefits of bank can result in numerous returns of investment for the banks, that the benefits can include customers' loyalty (Sandhu and Kapoor, 2010). Commercial banks across Kurdistan have paid attention to the problems such as support from environment, employment and welfare works. Now the research question is in this way: to which extent the social responsibility affects performance of commercial banks across Kurdistan?

## **Research Article**

### **Literature Review**

Concept of corporate social responsibility which has been mentioned since the middle of the 1950s under development of businesses has focused on the problems out of company and sought to find proper areas for activity of organization. According to Esposito (2008), if we define issue of responsibility against social problems as the commitment towards outcomes of economic activities, we can perceive that such issue has existed since the ancient history till today. Tenure and economic activities constantly tend to use the natural resources in larger extent, considered in a continuum targeting in more utilization of natural resources and acquisition of people's satisfaction within society (Ecimovic and Esposito, 2008). Nevertheless, it can elaborate the evolutionary trajectory of concept of corporate social responsibility in this way:

In 1760 BC, Hammurabi issued the charter for protection from children, women and poor class of society for his government. At the age of Louis, King of France, the rules for protection from the forests of France were proposed. Since the industrial revolution to later especially in the 19<sup>th</sup> century, workers followed responsibility of organizations against their and their family's education, housing and health. After the age of classical economics, companies' and organizations' intention to release their social roles and their disability to acquire people's satisfaction within society caused emergence of the governments named welfare government targeting in providing services at all the areas for the citizens and accomplishing their mission as welfare and prosperity of society, whereby this has caused institutionalization of these governments within society; yet these governments worked poorly in meeting needs of people within society later replaced with a modern governmental management which enabled to meet citizens' needs (Alvani, 1998). At the 1930s, Diocles proposed a distinctive social concept for the organization which appeared as an introduction for social welfare and development of concept of social reporting within organizations. In 1938, Chester Barnard stated that managers must observe social, physical, moral, legal and economic aspects at environment in organization's decision makings (Brenda & Dinah, 2002). Although Barnard and Simon have more likely paid attention to moral dimensions of individual behavior within organization, Druker (1945) has put more emphasis on social responsibilities in organization and known public responsibility as one of the key areas of organizational aims, targeting in observing social and political conditions by the manager. Although an integrative definition for social responsibility is not witnessed in literature review, commercial, social and moral dimensions of responsibility have been witnessed as the common aspect. Nowadays since a large number of companies have focused on social and environmental aims in addition to commercial activities, during recent decades a huge attention has been paid to social responsibility in commercial relationships. Progress, vitality and stability of industries play a key role in economic and social success of any society, in which assets of any society are considered as the determinants of production which affect quality of working life of individuals, education, employment and other related factors of social welfare. Although there are some reasons for acceptance and attendance of organizations in fulfilling their social responsibility, there are also the reasons for acceptance and attendance of managers in fulfilling their social responsibility. Each group of pros and cons of participation in social responsibility have reasons and views in justification of their agreement and oppositions. From classic point of view, the social responsibility of manager is to maximize profit and return capital based on business operations and develop the best benefits for the shareholders and owners of company. From modern management point of view, social responsibility has gone beyond the rise in profit, encompassing improvement of social welfare, whereby the enterprises cannot know the responsibility belonging to the shareholders (Chavoshi, 2010). However concept of social responsibility has been drawn into attention in a more serious way in recent decades, due to no prepared commercial and economic infrastructures in developing countries, commercial companies have sought to resolve their barriers instead of thinking about their competitive responsibility. In Iran, social responsibility of companies is developing, mentioned that however modern and managerial concept of social responsibility has been proposed by owners of industries, private sector and elites, it has remained weird in companies and civil society. In Iran, this concept has emerged with the concept of sustainable development and international entities such as United Nations Development Programme have

## Research Article

focused on proposing the concept of social responsibility in form of Millennium Development Goals (MDGs). In addition, in recent years, the factors such as liberalization of economic space and competitiveness of some industries have caused the companies to pay attention to the issues such as responsibility against staffs and consumers and consider the beneficiaries' interests in their activities (Darbeigi, 2006). Holding the first conference on social responsibility by companies by a number of industrial associations is considered as a starting point at the area of proposing concept and literature review of social responsibility in Iran; further center of promoting corporate social responsibility in Iranian companies was established in 2007 to strengthen the social responsibility (Hosseini, 2010). An accepted financial principle lies on this fact that the managers have the key role in maximization of shareholders' wealth through optimal allocation of resources. To achieve this, the shareholder's wealth is displayed via the standard accounting values such as income, profit and cash flows from operations or ratios of financial statements. Then the information of these financial statements is used by the managers, shareholders and other beneficiaries to evaluate current performance of company and predict future performance of company. In addition, the information has been available for people based on the semi-strong form of the hypothesis for efficiency market, whereby these variables have been interpreted by the market and prices of future stock are acquired simply. Empirical studies in the context of financial management reveal that the thorough correlation between measurement of value and stock prices is impossible, because performance of company cannot describe value of capital market thoroughly. More specifically, this is due to this fact that other factors or norms of market such as macroeconomic factors or market sensitivities affect change of stock prices. Nevertheless, a criterion through which it can judge on value of company is precious for different groups of beneficiaries in aspects of performance of company.

**Table 1: Foreign and domestic studies**

Row	title	Researcher	Result
2	Studying the relationship between corporate social responsibility and corporate international competition	Li and Wenbiao (2012)	This study has discussed on studying the relationship between corporate social responsibility and corporate international competition and the researcher has deduced that mutual action must be made to cope with the challenges in social responsibility which includes increasing support from social responsibility to satisfy the people within society.
3	Studying social responsibility model of small and medium-sized companies	Jun (2012)	This study has examined social responsibility model of small and medium-sized companies. Eventually, the researcher has made an attempt to develop a number of the models pertaining to social responsibility which are considered as the basis for the next empirical study.
4	Studying the relationship between corporate social responsibility and credit of company	Maden <i>et al.</i> , (2012)	This study has discussed on Studying the relationship between corporate social responsibility and credit of company and examining how to understanding the behavioral outcomes. Eventually, this study states that social responsibility appears as an intangible asset that must be managed by the company and understood as an issue with strategic significance.
5	Evaluating corporate social responsibility based on Islamic values in Sarmayeh Bank	Tafti <i>et al.</i> , (2012)	This study has discussed on evaluating corporate social responsibility based on Islamic values in Sarmayeh Bank. Eventually, the priority has been given to corporate values, the policies at workplace, environmental policies, and policies at society and market as the priorities of social responsibility.

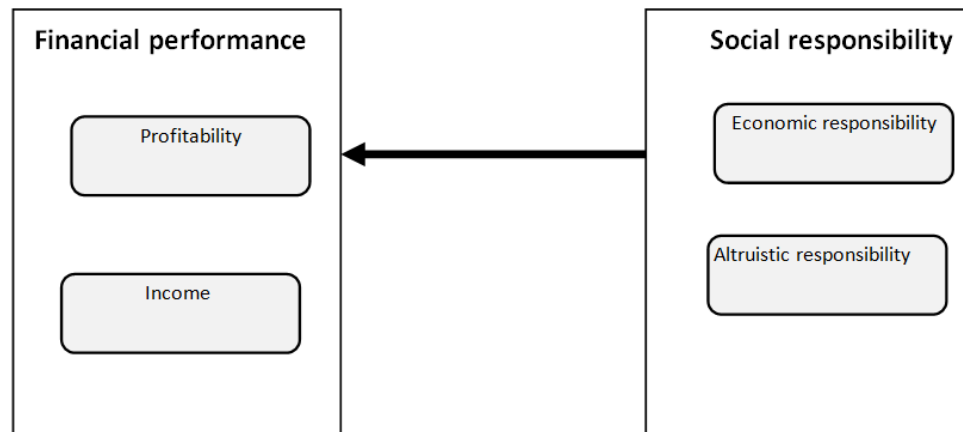
### **Research Article**

6	corporate social responsibility and performance of company in Malaysia	Mustafa <i>et al.</i> , (2012)	This study has discussed on examining corporate social responsibility and performance of company in Malaysia; eventually this study indicates the significant relationship between corporate social responsibility and performance of company in Malaysia.
8	Mediating role of corporate social responsibility concerning effect of moral leadership on values and moral behavior of company	Aslan <i>et al.</i> , (2012)	This study has discussed on mediating role of corporate social responsibility concerning effect of moral leadership on values and moral behavior of company. The researcher has come to the conclusion in this way that moral leadership affects corporate social responsibility and instead social responsibility affects moral values and behaviors of company.
9	Studying importance and role of non-governmental organizations in corporate social responsibility	Balaban <i>et al.</i> , (2012)	This study has discussed on Studying importance and role of non-governmental organizations in corporate social responsibility and stated that social responsibility and sustainable development are no longer two separate definitions, whereby it is obvious that sustainable development is not possible without a suitable social responsibility approach which has been developed by private sector.
10	Social responsibility of organizations	Mohd and Salmi (2012)	This study has discussed on corporate social responsibility and stated that social responsibility of organization has been transformed to an important strategic policy for the organization.
15	Studying social responsibility in companies listed in Tehran stock exchange	Sharbat <i>et al.</i> , (2010)	This study had discussed on examining dimensions of social responsibility based on Carol model and stated that the companies give priority to the economic dimension, moral and legal dimension and then altruistic dimension, respectively. In this study, differences between enterprises of production of services and goods and small and large enterprises concerning findings have been examined. Statistical analyses indicate that manufacturing companies more than service companies give priority to the legal and moral activities.
16	Studying the relationship between organizational culture and social responsibility of organizations	Moshabaki & Shojaei (2010)	According to findings of this study, it can perceive that there is a high and positive correlation between components of corporate culture and corporate social responsibility, and the staffs' subjective model is the most effective component in corporate social responsibility.

With regard to what discussed in theoretical and empirical background, it was specified that nowadays corporate social responsibility has been considered as one of the strategies of competitive advantage, so that the companies with high social responsibility have more reputation for their customers and also have

## Research Article

more profitability and market share. In the present research, the components of the conceptual model are developed based on theoretical background of Carol model and the model proposed by Jahah (2011) to elaborate performance of financial institutions.



**Figure 1: The conceptual model of research**

Source: Carol, 2004

With regard to conceptual model of research, hypotheses below are considered:

### Major Hypothesis of Research

There is a significant relationship between social responsibility and financial performance of Commercial banks across Kurdistan.

### Secondary Hypotheses

- 1- There is a significant relationship between economic responsibility and financial performance of Commercial banks across Kurdistan.
- 2- There is a significant relationship between legal responsibility and financial performance of Commercial banks across Kurdistan.
- 3- There is a significant relationship between moral responsibility and financial performance of Commercial banks across Kurdistan.
- 4- There is a significant relationship between voluntary responsibility and financial performance of Commercial banks across Kurdistan.

## MATERIALS AND METHODS

### Research Method

In the present research, descriptive correlation has been used as the research method; further the present research is an applied research in sake of aim and a descriptive research in sake of data collection, which examines the concurrent relationship between the variables using correlation analysis and structural equation model. In the present research, documents, articles, theses and books have been used and also field method and questionnaire have been used, aiming at examining the relationship between social responsibility and performance of Commercial banks across Kurdistan, so that such aim has been achieved through use of staffs' viewpoints. Therefore this study is a descriptive correlation research. In the present research, independent variable includes social responsibility and dependant variable includes financial performance. The statistical population consists of the staffs working in commercial banks including Bank Melli Iran, Bank Mellat, Bank Saderat Iran, Tejarat Bank and Bank Sepah. Cochran formula has been used for sampling:

$$n = \frac{N \times Z_{\frac{\alpha}{2}}^2 \times P \times (1 - P)}{d^2 \times (N - 1) + Z_{\frac{\alpha}{2}}^2 \times P \times (1 - P)}$$



## Research Article

Since the statistical population consists of different groups in the present research, 210 individuals have been selected as the sample group via stratified sampling method. As a result, 230 questionnaires have been distributed considered 10 percent extra, and eventually 218 questionnaires were received and analyzed. In the present research, questionnaire and financial balance sheets of commercial banks during 2007-2012 have been used to collect data. To determine validity, the questionnaire was given to other professors after being confirmed by professors, that the dimensions pertaining to distribution among the statistical population have been prepared after having trust on the questionnaire by the professors. Cronbach's alpha method has been used to determine the reliability, that the value of Cronbach's alpha was calculated for each of sub-tests of the questionnaire. The prepared questionnaire was distributed among the respondents and then the data of questionnaire were analyzed. The questionnaire can be divided into two sections: the first section of the questionnaire is about social responsibility. Cronbach's alpha of this section was obtained equal to 0.868.

**Table 2: Value of Cronbach's alpha in the social responsibility questionnaire**

Row	Variable	No of questions	Cronbach's alpha
1	social responsibility	20	868/0
2	Economic responsibility	5	795/0
3	Legal responsibility	5	859/0
4	moral Responsibility	5	891/0
5	Altruistic Responsibility	5	876/0

Source: research data

Descriptive and inferential statistics have been used in the present research. In the section of inferential statistics, Kolmogorov–Smirnov test have been used to examine distribution of data and Pearson correlation test has been used to examine the hypotheses.

## RESULTS AND DISCUSSION

### Findings of Research

With regard to the obtained information in the questionnaire, the respondents' status has been represented. According to the table, 178 (81.6%) and 40(18.4%) of the respondents are male and female, 3%, 46.8%, 45%, 2.8% and 2.3% of respondents are at the age group under 25, 25-35, 36-45, 46-55 and over 55 years old. 7%, 27%, 59.4% and 6.7% of respondents had diploma, associate degree, bachelor and master degree, respectively. Further, 4.6%, 33.5%, 39.9%, 14.7% and 7.3% of the respondents had the work experience fewer than 5, 5-10, 11-15, 16-20 and above 20 years, respectively. 6.3%, 7.8%, 9.6%, 6.4% and 12.8% of the participants have worked as banking officer, accountant, credits, head of branch, and other job positions.

**Table 3: Kolmogorov–Smirnov test to examine normality of variables**

	Dimensions	Sig	Error level	Confirming the hypothesis	Conclusion
social responsibility	Economic responsibility	964/0	05/0	H0	normal
	Legal responsibility	478/0	05/0	H0	normal
	moral Responsibility	460/0	05/0	H0	normal
	Altruistic Responsibility	841/0	05/0	H0	normal
	Responsibility				

Source: research data

### Research Article

The highest mean for dimensions of social responsibility associates to economic responsibility (3.6) and the lowest mean associates to price and promotion (2.91). The highest mean for dimensions of financial performance associates to financial performance (3.02) and the lowest mean associates to financial performance (2.61).

With regard to the results, it can say that these variables have normal distribution that the parametric tests must be used for analysis.

**Table 4: Result of Pearson correlation coefficient**

	Pearson correlation coefficient	
financial performance	social responsibility	599/0
	Economic responsibility	369/0
	Legal responsibility	142/0
	moral Responsibility	229/0
	Voluntary Responsibility	195/0
p < **01/0		

Source: research data

With regard to the results, it is observed that there is a significant relationship between social responsibility and financial performance at 99% confidence level with the correlation coefficient equal to 0.559.

As observed, there is a significant relationship between economic responsibility and financial performance with the correlation coefficient equal to 0.369. Further, there is a significant relationship between legal responsibility and financial performance with the correlation coefficient equal to 0.142. There is a significant relationship between voluntary responsibility and financial performance with the correlation coefficient equal to 0.195.

There is a significant relationship between moral responsibility and financial performance with the correlation coefficient equal to 0.229.

**Table 5: Adequacy indices of model**

hypothesis	correlation coefficient	determination coefficient	adjusted determination coefficient	Standard Error of Estimate	Durbin-Watson
major	.599	.358	.357	.53824	2.149
1	.369	.136	.134	.62451	2.309
2	.142	.116	.113	.60266	2.032
3	.229	.108	.106	.63454	2.377
4	.195	.184	.182	.48279	1.755

Source: research data

It is observed that the correlation between independent and dependant variable equals to 0.369. Determination coefficient equals to 0.136 indicating that 14% of the changes in financial performance associates to economic responsibility.

Correlation between independent and dependant variable equals to 0.142; determination coefficient equals to 0.116 indicating that 12% of the changes in financial performance associates to legal responsibility. Correlation between independent and dependant variable equals to 0.229; determination coefficient equals to 0.108 indicating that 10% of the changes in financial performance associates to moral responsibility. Correlation between independent and dependant variable equals to 0.195; determination coefficient equals to 0.184 indicating that 18% of the changes in financial performance associates to voluntary responsibility.

### Research Article

**Table 6: A summary on findings of multiple regressions for the major hypothesis via Enter method**

Model	Non- standardized coefficients B	Standard error	standardized coefficients	t-statistics	Sig
Fixed	655.	151.		4.333	.000
social	648.	045.	599.	14.411	.000
responsibility					
Fixed	1.825	131.		13.950	.000
Economic	299.	039.	369.	7.654	.000
responsibility					
Fixed	1.197	171.		6.998	.000
Legal	435.	046.	142.	9.506	.000
responsibility					
Fixed	1.982	126.		15.790	.000
moral	279.	042.	229.	6.713	.000
Responsibility					
Fixed	1.021	098.		10.387	.000
Voluntary	527.	028.	195.	18.667	.000
Responsibility					

With regard to the significance level calculated via Fisher's test, the regression is significant at  $\alpha=0.001$  and the assumption for linearity of relationship between two variables is confirmed. As a result, there is a significant relationship between social responsibility and financial performance. In this regards, it can observe that there is a significant relationship between economic responsibility and financial performance, legal responsibility and financial performance, moral responsibility and financial performance, voluntary responsibility and financial performance.

**Table 7: A summary on testing the research hypotheses correlation coefficient**

hypotheses	independent variable	dependant variable	sig	sig	result of test
major hypothesis	social responsibility	financial performance	000./	599./	confirmed
the first secondary hypothesis	Economic responsibility	financial performance	000./	369./	confirmed
the second secondary hypothesis	Legal responsibility	financial performance	000./	142./	confirmed
the third secondary hypothesis	moral Responsibility	financial performance	000./	229./	confirmed
The fourth secondary hypothesis	Voluntary Responsibility	financial performance	000./	195./	confirmed

### Conclusion

With regard to the outputs from software, the hypotheses can be examined as follows:

*Major Hypothesis:* there is a significant relationship between social responsibility and financial performance in Commercial banks across Kurdistan.



### **Research Article**

The reason for why a significant relationship exists between social responsibility and financial performance lies on this fact that there are interest payments to the owners of deposits and security costs. The banks' effort to tolerate costs results in higher costs through social activities. Further, the assumption under effect of society as the basis for positive relationship between social performance and financial performance has been proposed. Indeed, this hypothesis suggests that meeting beneficiaries' needs at bank will have a positive effect on financial performance. From point of view of researchers, there is a linkage between social responsibility and financial performance. For instance, Kocher and his colleague (2002) in a research entitled "a linkage between financial performance and social performance of company" have examined the relationship between financial performance and social performance of company at banking industry of Netherlands, which the results indicated a positive relationship between financial performance and social responsibility. Tsoutsoura (2004) examined the relationship between financial performance and social responsibility of company, that the results indicated a positive and significant relationship between financial performance and social responsibility.

Web and his colleague (2008) examined the relationship between financial performance and social responsibility of company, that the results indicated a positive and significant relationship between financial performance and social responsibility.

Scot *et al.*, (2010) in a research entitled "financial performance and social responsibility of company" examined the relationship between financial performance and social responsibility of company, that the results indicated a positive and significant relationship between financial performance and social responsibility. Further, this research is consistent with the results of research by Sharbat *et al.*, (2010), Chavoshi (2010), Oana *et al.*, (2011), Wenbiao (2012), Jun (2012), Maden *et al.*, (2012), Fallah *et al.*, (2012). As a result, the relationship between financial performance and social responsibility of company is accepted. The reason for why a significant the relationship exists between financial performance and social responsibility of company lies on this fact that such relationship is an aspect of banking activity which indicates the health within organization encompassing the issues such as interest and benefit, salary and wage, expenditures. The more financial reports of banks are provided for the people within society, they will have more trust on banks, resulting in better financial performance. Further, it should be noted that when the managers reduce the costs pertaining to social responsibility, the short-term profitability increases and as a result the individual reward increases, whereby such negative events associate to economic responsibility. The significant relationship between legal responsibility and financial performance is accepted, that there is a positive significant relationship between legal responsibility and financial performance. The reason for why a significant relationship exists between legal responsibility and financial performance lies on this fact that the banks engage in setting rules to reduce administrative corruption, create the conditions for collaboration with other organizations, represent social reporting and so forth. As a result, setting rules for legal responsibilities causes increasing in trust on banks and improving financial and non-financial performance. Here, it should take this point into consideration that the legal responsibility is subjected to risk of negative events, because high cost claims will exist against them under disobservance of the risk of negative events and the bank's credit will undergo deterioration. The significant relationship between moral responsibility and financial performance is accepted, i.e. there is a significant and positive relationship between moral responsibility and financial performance. The reason for why a significant relationship exists between moral responsibility and financial performance lies on this fact that the banks pay a particular attention to formulation of moral charter, installation of board for clients in entrance, punctuality, fulfillment of an obligation, observance of privacy, altruism and so forth, because observance of moral responsibility has a positive effect on performance of banks. Observance of code of business and social responsibilities by banks has resulted in increase in legitimacy of organizational actions and improvement of competitive advantage, resulting in success of organization (Rahman, 2009). A manager who has code of ethics in addition to technical skills can be successful at his business. Respecting public benefits and considering social expectations have been regarded as the issues that the managers must take into their consideration (Alvani, 2007). In related works by Chonko and Hunt (1985), Bruce (1994), Rousseau and Fotes (1997), Babin *et al.*, (2000), Aschiker (2001), Sharma and

### Research Article

others (2009) and Gamro and others (2009), a positive and significant relationship between moral responsibility and financial performance has been reported. A positive and significant relationship between voluntary responsibility and financial performance is accepted, that the reason lies on this fact that the moral necessities are not sufficient for a decision, but voluntary responsibility of organizations is of great importance (Brenda & Dinah, 2002), because most of the banks have paid attention to social responsibility after emergence of people's severe reactions to the issues of protection from environment. Further, the concept of social responsibility of banks has appeared as the ethics-based voluntary concept which meets the needs of the people within society in addition to attention to organizational benefits. Managers must adopt the decisions and policies which are well suited to make balance between rights of shareholders, staffs, suppliers, customers, citizens, government and environment (Khosh niat, 1996). It should be noted that the banks have less likely paid attention to responsibility against the issues within society and observance of expectations and norms of society.

With regard to the research hypotheses, the suggestions below have been proposed:

The managers at bank must make an attempt to report financial reports timely to the beneficiaries and have financial and economic transparency concerning the balance sheets proposed at social environments such as stock exchange and so forth and make attempt to cope with the ones who engage in money laundering. Further, they are suggested to hold Islamic banking course concerning their economic activities.

- the bank must make attempt for environmental standards and rules and regulations such as ISO 26000 and ISO 2008. Further, the banks must make an attempt to formulate the rules and regulations in line with social responsibility such as more use of e-banking services so as not to waste the resources.

- the banks must make attempt to formulate code of ethics and supervision on proper implementation of code of ethics, build equal rights between staffs and customers, train code of ethics to the staffs, install comments box, follow the expectations, observe women's rights at work environments and resolve discrimination to them, good treatment with clients, consider the customers' complaints, take honesty in dealing with customers, establish customers' club.

- the banks must make attempt for financial and non-financial support of organization in respecting the human rights such as establishment of school, release of prisoners, coping with the diseases such HIV and so forth. In addition, supply of cheap services to the citizens and spending time to conduct the customers to familiarize them with new products must be considered by the banks.

### REFERENCES

- Adnan MS, Othman AR and Perumal S (2012).** Corporate Social Responsibility And Company Performance In The Malaysian Context. *Procedia - Social and Behavioral Sciences* **65** 897 – 905.
- Alvani M and Ghasemi AR (1998).** *Management and Corporate Social Responsibility* (Public Administration Training Center).
- Aslan S and Sendogdu A (2012).** The Mediating Role of Corporate Social Responsibility in Ethical Leaders Effect on Corporate Ethical Values and Behavior. *Procedia - Social and Behavioral Sciences* **58** 693 – 702.
- Balaban O, Cicioglu F and Okutan E (2012).** A Survey Aimed at Role and Importance of NonGovernmental Organizations in the Corporate Social Responsibility (CSR). *Procedia - Social and Behavioral Sciences* **58** 1174 – 1182.
- Brenda EJ and Dinah P (2002).** Evolution and Implementa A study of value, Business Ethis and Corporate social Responsibility. *Journal of Business Ethics* **41** 30.
- Carrol AB (1991).** The Pyramid of Corporate Social Responsibility:Toward the moral management of organizational Stakeholders. *Business Horizon* 12.
- Chavosh Bashi F (2010).** Corporate social responsibility and its role in enhancement of productivity and competitive advantage. *Quarterly of Social Responsibility* **62** Strategic Research Institute.
- Ecimovic T and Esposito M (2008).** *The Individual and Corporate Social Responsibility* (Ansted University Malaysia) 1-7.

**Research Article**

**Fallah TS, Hosseini SF and Akbari Emami SH (2012).** Assessment the Corporate Social Responsibility according to Islamic values (Case study: Sarmayeh Bank). *Procedia - Social and Behavioral Sciences* **58** 1139 – 1148.

**Hosseini M (2010)** The role of corporate social responsibility. *Andishehgostar Saipa Magazine* **108**.

**Lee and Scotte (1996).** The Correlation Between Economic Value Added and the Market Value of Companies. MD Disserrtation, California State University 86.

**Li W (2012).** Study on the Relationships between Corporate Social Responsibility and Corporate International Competitiveness. *Energy Procedia* **17** 567 – 572.

**Ma J (2012)** Study on the Models for Corporate Social Responsibility of Small and Medium Enterprises. *Physics Procedia* **25** 435 – 442.

**Maden C, Arikan E, Telci EE and Kantur DB (2012).** Linking corporate social responsibility to corporate reputation: a study on understanding behavioral consequences. *Procedia - Social and Behavioral Sciences* **58** 655 – 664.

**Moshabaki A and KhaliliShojaei V (2010).** Examine the relationship between organizational culture and corporate social responsibility. *Journal of Applied Sociology* **XXI**(4).

**Nelling E and Webb E (2009).** Corporate social responsibility and financial performance: The virtuous circle revisited. *Review of Quantitative Finance and Accounting* **32**(2) 197-209.

**Pop Oana, Christopher Dina G and Martin C (2011).** Promoting the corporate social responsibility for a green economy and innovative jobs. *Procedia Social and Behavioral Sciences* **15** 1020–1023.

**Sandhu HS and Kapoor S (2010).** Corporate social responsibility initiatives: An analysis of voluntary corporate disclosure. *South Asian Journal of Management* **17**(2) 47-80.

**Sharbat Oghli A, Afshari D and Najmi M (2010).** Studying the social responsibility of the companies listed in the Tehran Stock Exchange. *Journal of Management Sciences* (19).

**Simpson W Gary and Kohers Theodor (2002).** The link between corporate social and financial performance: evidence from the banking industry. *Journal of Business Ethics* **35**(2) 97-109.