AN EMPIRICAL STUDY: SOCIAL RESPONSIBILITY OF SMES ON EXPORT PERFORMANCE DUE TO THE MEDIATING ROLE OF CUSTOMER SATISFACTION (CASE STUDY: ACTIVE COMPANIES IN THE POLYETHYLENE INDUSTRY IN TEHRAN)


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Abstract: The aim of this study have been Investigating the relationship between the social responsibility of SEMs and their export performance due to the mediating role of customer satisfaction (Case study: Active companies in the polyethylene industry in Tehran). This study has been with the purpose of practical, way of descriptive, and type of correlational. Statistical population of the research have been including all managers and corporate vice president of active companies in the polyethylene industry in Tehran. 127 of these people chose simple random sampling method and answered the questionnaire. At the end of the distribution of normal data from Kolmogorov-Smirnov test and investigating the relationship between variables of the study has been analyzed Pearson Correlation Coefficient in the application of SPSS and data from the questionnaires by analyzing paths by Lizrel software and results show that there are significance relationship between all variables of this study.

Keywords: Social responsibility, Export performance, Customer satisfaction, Companies active in the polyethylene industry in Tehran.

1. INTRODUCTION

Exports are known as the most common way for companies, especially small and medium companies, to enter foreign markets. One of the most important reasons is that exports, require less resources in comparison with other internationalization methods. Therefore, export sales are being considered increasingly as a good way to grow the company. (Ghasemi et al., 2010). On the other hand, globalization, mass production and excess capacity in most markets, time-based competition, massive information and communication efficiency and knowledge, as well as increasing customer power, are the characteristics of the contemporary economic and commercial life. Which has led to the integration of global markets, the complexity of these markets and, of course, the dynamism of the environment for companies and production and service firms. In the meantime, organizations are working to identify, enhance and improve their capabilities in order to adapt and complete their knowledge and skills in adapting to this turbulent environment (Morgan et al., 2004). This competitive and complex environment that saturation of market and compaction of competition are its characteristics, the lack of a strategy, on the one hand, defeats industries in a weak competitive position and, alternatively, brings with it a high risk of applying a common approach to strategic planning (Griffith et al., 2014).

Nowadays, the business environment influenced heavily by the competition between companies, the rapid technological changes, and the continuous change in the demands and needs of customers. (Mathews et al., 2015). TahHsu (2011) said that the importance of corporate social responsibility is rising, and have strategic outcomes for companies. Large corporations are significantly investing in social responsibility measures. The willingness to invest in corporate social responsibility shows that this is not a cost. (Mojoudi et al., 2014). The corporate social responsibility covers the economy, law, ethics, and humanitarian expectations of business units that extends to all stakeholders (any individual or group that can influence the organization's activities, decisions, policies, procedures or goals) (Danko et al., 2008). To enter the global market, companies have used a variety of approaches, one of which is the export development approach and improved export performance. Since exports require the use of the lowest resources, it has the least risk and also has the lowest organizational commitment, so this approach is the most famous and easiest approach taken by companies in trying to enter and penetrate foreign markets. (VazifeDoost et al., 2009). In this way, the aim of the study be to examine the relationship between the social responsibility of small and medium enterprises and their export performance with the intermediate role of customer satisfaction in companies active in the polyethylene industry in Tehran.

2. LITERATURE REVIEW

2.1 Theoretical background of the subject

2.1.1. Company Social Responsibility

Social responsibility goes to institutions and organizations that over their legal obligations to manage and control its effect on their society and environment. Social responsibility specifically includes how the organization communicates with its employees, suppliers, customers, and communities in which it operates, and also includes the amount of effort that each organization takes in protecting the environment (Shahini, 2011).

In this study, we examine the corporate social responsibility in four dimensions: legal, ethical, economic, precautionary, so we explain four dimensions.

**Liability:** Organizations are required to determine in the framework of public laws and regulations, the community these laws, and all citizens and organizations must respect these regulations as a social value. The legal dimension of social responsibility is called social commitment. Legal liability refers to compliance by law with companies and organizations (Saiedi et al., 2015).

**Ethical Responsibility:** Organizations must respect other people's values and norms, beliefs, and to consider ethical issues in their activities. The moral dimension of social responsibility is called social accountability. Ethical responsibility refers to meeting social expectations that are not written as law, avoiding social loss, committing to rights and ethics, and exercising what is right (Saiedi et al. 2015).

**Economic responsibility:** Economic responsibility includes profitability for shareholders, employment for employees, and quality goods for customers. The most important aspect of social responsibility is the economic that economic activities and activities are taken. In other words, the primary responsibility of any firm is to earn profits, so it can take other responsibilities when the organization gains profits and guarantees its own life. In fact, the initial organizational goals are taken in this dimension (Saiedi et al., 2015).

**Caution responsibility:** Responsibility includes other responsibilities of the company, such as the
voluntary responsibilities, to achieve the desired activities and behaviors (Saeidi et al., 2015).

The United Nations Universal Declaration of Human Rights is a business and aligning work and strategy with ten universal human rights, environment, anti-corruption, and crime and labor-related commitments. This agreement is the first and the best communication to establish the social and legal responsibility of organizations in the business and the market. The United Nations Group participates in all organizations to ensure and support these principles, and the six United Nations delegations with the International Labor Organization, the United Nations High Commissioner for Human Rights, the United Nations Environment Program, UN Office for the Prevention of Fraud and Violence, United Nations Development Program and United Nations Industrial Development Organization, (Chavosh Bashi, 2010). The ten principles of the United Nations Working Group include:

The following are:
1. Organizations should observe and support human rights declared by international authorities.
3. Organizations should promote community freedom and effective identification of group negotiation rights.
4. Reducing and eliminating all forms of compulsory and coercive work.
5. Effective child labor cancellation.
6- Removing discrimination in employment and occupation.
7. Trade should be a preventive approach to environmental challenges.
8. Commitment and initiatives to strengthen and enhance environmental accountability.
10. Organizations must fight against all forms of corruption (Chavosh Bashi, 2010). If we compare the concept of social responsibility with the concepts of social commitment and social accountability, we can understand it better. Social responsibility in this midst, the evolution of social participation is from social commitment to social accountability (Chavosh Bashi, 2010). An organization operates its social commitment to do economic responsibilities, no more, that means, the minimum responsibility that the law requires. Social responsibility, with its introduction, adds a framework for moral rule that organizations engage in activities that improve quality of society and refrain that caused the status of the community worse. Finally, social responsiveness refers to the ability and capacity of the organization to act toward the demands and expectations of the community (Robbins, 2007). We distinguish between social responsibility and accountability based on four basic criteria:

Table 1. Differences of responsibility and social accountability

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1. Social responsibility states ethical principles and standards for the organization, while social accountability is more practical and affects the organization's activities and activities, so that its value is more tangible and therefore more tangible than social responsibility (Chavosh Bashi, 2009).

2. Social responsibility more attention is paid to goals and objectives, and in response, focus is on how the work is done and the issues and tools are needed (Chavosh Bashi, 2009).

3. Social responsibility is a kind of commitment that emphasizes the commitment of organizations and social accountability refers to the type of response and response of organizations to the problems of society (Chavosh Bashi, 2009).

4. In social responsibility, the decision framework has a long-term horizons. While social responses are short-term and sometimes intermediate-term decisions, relying on quick responses. Therefore, when there is no such liability, there is no accountability from organizations to society and the social responsibility is the default of social accountability (Chavosh Bashi, 2009).

The latest framework social responsibility can be derived from the well-known book "Strategic Management: The Beneficiaries". Although both Carroll and Wood have referred to corporate social responsibility towards the community, the realistic approach to stakeholder ownership undoubtedly is Freeman. The theory of stakeholders was introduced by Freeman in 1984. Generally, it emphasizes to accept interaction between firm and society. For many years this theory has been part of corporate social responsibility by various scholars such as
Clarkson pointed out that there are differences between responsibilities and exist for the community which interested the stakeholders. He identified these two responsibilities as separate from each other and stated that responsibilities towards the community are greater in local and regional law firms, while responsibility for the beneficiaries is often outside the legislature. He explains clearly. For example, issues of industrial safety and hygiene are a concern for municipalities in the United States. So these are social issues because they have legal rules, while the career path and training of employees do not have any legal backing and therefore, they are considered as social responsibility for the benefit of the "employees" of the benefit of the firm. Voluntary mode (Sharbat Oghly and Afshari, 2010).

2.1.2. Export performance

Exports are considered as an engine for economic growth for developing countries. One of the most important economic issues in many countries, including developing countries, are facing todays the deficit in foreign currency balance and the lack of foreign exchange that led to currency imbalances, the devaluation of the national currency and the withdrawal of capital from the country. Although there are several ways to secure a currency deficit, it should be said that the most principled and most appropriate of these methods in the same increasing exports as a fundamental and economical solution (Sadeghi, 2009). Although different operational and conceptual definitions of export performance are provided, most performance studies include the results of the company's export activities. The factors affecting export performance include internal characteristics such as product and company specifications, as well as external characteristics such as market and industry characteristics. This study accepts resource-based theory and industry-structure theory and considers product alignment strategy as the company’s strategy for product innovation, export dependence, openness for innovation (internal characteristics), industry alignment, and market similarity (external attributes) Combines (Madhooshi and Tari, 2011).

Export performance is usually measured using the unit index approach, and export sales, export sales growth, export profits, and export intensity that they are the most commonly used indicators (Zou & Stan, 1998). However, there are many documents and reasons Exports are considered as a multifaceted structure and should not be measured by a single index (Cavusgil & Zou, 1994).

In general, we define export performance as the result of the company from international sales (Shoham, 1998). The results include the strategic and financial aspects of performance, and should include a timeline for incorporating changes. Cavusgil & Zou (1994) point out that most of the past research has used export-oriented exports to measure export performance, which is related to financial aspects. In addition to the problem related to the content, the other problems are related to how the export performance will be measured. Measurable measures are objective and subjective options are possible. Interestingly, although both measurement approaches have weaknesses, evidence suggests that findings do not differ significantly from one approach to the other. The three dimensions of export performance are: (1) export effectiveness (2) export intensity (3) export sales. The benchmark used to combine export effectiveness is to overcome the critique of single-case indicators and gain managerial perceptions of changes in strategic and financial outcomes. Export intensity and export sales go back to financial dimensions and are used as objective measurements. The goal is to use triple dimensions to overcome different aspects of performance (Arabi and Rezvani, 2013).

2.1.3. Concepts of customer satisfaction

Customer satisfaction The customer response was defined as the observed performance differences after taking the product or receiving service relative to what was thought of before using the product (Hussain et al., 2015). In this definition, the three main indicators in the Satisfaction Literature the customer have been abundantly observed, which is specifically mentioned below.

- Consumer expectations of goods or services
- Product or service performance (perceived quality)
- Matching or inconsistent product performance or serving consumer expectations.

Customer satisfaction is the result of a series of marketing activities that continually reinforce the factors affecting customer satisfaction and affect their buying behavior in different stages. Accordingly, satisfying customers are more likely to talk about their opinions and experiences with others, resulting in positive face-to-face advertising. In contrast, dissatisfied customers are likely to cut off their relationship with the company and engage in
face-to-face advertising. Both of these behaviors directly affect the survival and profitability of the company (Chopra, 2014).

2.2. Empirical background of the topic

2.2.1. Internal background

The explanation of the competitive strategy and the technical knowledge innovation on the export performance of the environment have a significant effect on the relationships between the exogenous variables (types of strategy and innovation of technical knowledge) and the endogenous variable (export performance), which moderates the relationships (Karampour and Ibrahimi, 2014).

The study of the effect of social responsibility of the organization on customer loyalty showed a positive relationship between satisfaction and behavioral loyalty and attitude of the bank's customers (Mojoudi et al., 2014).

The role of fame and innovation variables on restaurant loyalty by considering the intermediate role of satisfaction and perceived value showed that fame and innovation due to perceived value variables and customer satisfaction of restaurant, on loyalty and behavioral intentions of customers in a restaurant had a significant effect (Nazemi and Saadatyar, 2013).

Investigating the Effect of Porter’s Implementation of Competitive Strategies in Response to the Market-Oriented Needs of Petrochemical Customers, showed that each of Porter’s strategies has a positive effect on responding to the market orientation of the customers of polyethylene products, and the effect of the leadership strategy on the cost is of a higher priority (VazifeDoost and Colleagues 2013).

The role of export development programs on improving the export performance of firms showed that although export development programs have no direct effect on the export performance of companies, they have indirect effects on export performance due to internal environmental factors (Moshabaki and Khademi, 2012).

2.2.2 External background

Investigating the relationship between corporate responsibility and corporate performance with the intermediate role of customer satisfaction showed that corporate social responsibility has a significant relationship with the performance of companies and the customer satisfaction also on this relationship has a significant impact (Saeedi et al. 2015).

Factors affecting customer satisfaction and loyalty showed that the variables of the general mind, discount rate and price, type of customer activity, bargaining possibility and insurance coverage range had a significant effect on customer satisfaction and loyalty (Zakaria et al., 2014).

The impact of government-designed export-led services and tools on 143 small and medium-sized companies in the developing country of Turkey’s export development programs has affected export performance (Dormusoglu et al., 2012).

Examining the impact of export support programs and support for the export distribution of 487 small and medium-sized companies in Ireland showed that firm experience and export support programs directly affected its export performance (Sousa and Bradley, 2009).

3. RESEARCH METHODOLOGY

This research in terms of purpose is applied research and in terms of methodology is Survey-correlational research. The data were collected through a questionnaire and characterized by Likert scale.

3.1 Research Hypotheses

The main Hypothesis:
There is significant relationship between the social responsibility of SMEs and their export performance with the intermediate role of customer satisfaction.

The Minor Hypotheses:
H1: There is significant relationship between the corporate social responsibility and customer satisfaction.
H2: the customer satisfaction has a mediator role in the relationship between corporate social responsibility and export performance.
H3: There is significant relationship between the Company’s social responsibility and export performance.

3.2. Conceptual Model

If:
C.S.R = Corporate Social Responsibility (Legal, Ethical, Economic, Precautionary Dimensions)
E.P = Export program
C.S = Customer satisfaction
We have:

H1

C.S.R

H2

C.S

H3

E.P

Conceptual Model: (Saeidi et al., 2015)
3.3. Statistical Population

Polyethylene is a variety of thermoplastic polymers, which means that this material turns into a melting point to a liquid state and when it reaches the freezing point to solid state. Polyethylene is a chemical synthesis of ethylene, which is usually compounded by the combination of crude oil and natural gas. Some of its unofficial names are polythene, in addition to the term PE, also called. Polyethylene is often used to make plastic compounds to be used purely. This material can be harmful for humans and the environment, although it is used in a wide range of applications. Polyethylene is used to make the following items:
- Making polyethylene pipes and fittings for the transfer of water and sewage, oil and gas.
- Build artificial organs of the body, including artificial limbs.
- Making water reservoirs.
- Making safety accessories.
- Making toys and accessories for parks.

The statistical population of the study consisted of directors and deputies of companies active in the polyethylene industry in Tehran, which numbered 190 people and 127 random samples were selected and responded to the research questionnaire. To determine the sample size, Cochran formula was used for a limited population.

3.4. Information analysis methods

Analysis of the data obtained from this study consists of two sections:

3.4.1 Descriptive statistics

In this research, we used frequency tables and bar graphs to describe the findings (especially demographic variables). Meanwhile, in order to better describe the data, central indicators such as the mean and also scattering index such as standard deviation were used.

The descriptive findings of the research indicate that 22.8% of the subjects are women and 77.2% of them are male (gender). 28.3 percent of the subjects were single, and 71.7 percent were married (married).

13.4% of the subjects were under 25 years of age, 17.3% were 25-30 years old, 28.3% were 31-35 years old, 26% were 36-40 years old, and 15% were more than 40 years old (Age). 65.4% of the sample had a bachelor's degree, 26% had a master's degree and 8.7% had a doctorate (education). 23.6% of the sample were 5 years old and younger, 18.1% were 6-10 years old, 18.1% were 11 to 15 years old, 13.4% were 16-20 years old and 26.8% had history. Serving more than 20 years (service record).

3.4.2 Inferential Statistics

Inferential statistics test used in this research is:
- Pearson Correlation Coefficient: In this research, correlation coefficient test was used to investigate the relationship between research variables.
- Path analysis: In this research, in order to investigate the relationship between the social responsibility of small and medium enterprises and their export performance with the intermediate role of customer satisfaction, the path analysis method was used in the software environment of the LISREL by 8/8 version.

The inferential findings of the research have shown that in order to use parametric tests in analyzing research data, these data should have a condition for the normal distribution of variables, which has been analyzed using the Kolmogrov-Smirnov test. The results of the Kolmogrov-Smirnov test show that the distribution of the research variables is normal and one can use the parametric tests in which Pearson correlation coefficient and path analysis are used in this study to analyze the research hypotheses.

4. RESEARCH FINDINGS

4.1 Information Analysis

According to the results of Pearson correlation coefficient and standard and confirmation model, there is a relationship between the social responsibility of small and medium enterprises and their export performance with the intermediate role of customer satisfaction (P <0/05) has it. Fit indicators including GFI, AGFI and RMSEA show that the model's results are reliable. The GFI and AGFI indices are both above the desired level (0.90), which is higher than the contract limit of 0.91. Also, the RMSEA error criterion is estimated at 0.076, which is less than the 0.08 limit. It can be concluded that the tested model in the target community has relatively good and acceptable fit. Therefore, the results of the research model show that the model used in this study has a suitable fit and to study the research hypotheses of adequacy.

4.2 Research Hypotheses:

The main Hypothesis:

There is significant relationship between the social responsibility of SMEs and their export performance with the intermediate role of customer satisfaction.

The Minor Hypotheses:

H1: There is significant relationship between the corporate social responsibility and customer satisfaction.
H2: the customer satisfaction has a mediator role in the relationship between corporate social responsibility and export performance.

H3: There is significant relationship between the Company’s social responsibility and export performance.

Social responsibility has a direct and significant impact on customer satisfaction and has a direct and indirect impact on export performance. Customer satisfaction on the export performance have a direct and indirect direct effect. The hypotheses are accepted according to the output table.

5. CONCLUSION

The corporate social responsibility of recent years has become a major global issue, especially the United Nations, in terms of achieving sustainable development that’s a sign of the importance of social responsibility. It is aimed at improving internal and external processes. The goal of exporting companies is to supply goods to foreign markets, profit making, continuing earnings and increased competitiveness over time. For some time now, coordination efforts have been initiated by industries and the government to improve export performance, which requires indigenous surveys. In this regard, the present study also investigated the relationship between corporate social responsibility and export performance and showed results there is a significant relationship between these two variables. This finding is in line with the results of Saeidi et al. (2015) and Zakaria et al. (2014). Therefore, it is recommended that:

1. such research be carried out on other companies active in the industry.
2. Study on the factors affecting the social responsibility of the company’s active in the polyethylene industry in Tehran.
3. Research using other research tools such as interviews with managers.

Among the limitations that the researcher faced are lack of cooperation of some directors and deputies in completing the research questionnaire. The research community consists of directors and deputies of companies active in the polyethylene industry in Tehran, which generalized the results to the community outside this area should be treated with caution.

Information exchange, capable of innovation and flexible for changes and obligated to its goals, the more satisfied its employers are.

Korkmaz, Mehmet (2007) investigated the effect of leadership styles on organizational health of Turkish schools. In this paper, he investigated the effect of evolution and exchange leadership styles with teachers satisfactory on organizational health.

The main goal of this paper is to what extend the organizational health of school are related to the leadership styles and job satisfaction of teachers. In order to reach this goal, a Likert questionnaire was distributed among 635 teachers working in schools. For explaining the direct and indirect relationship between dependent and independent variables, statistical analysis was used. The results of this paper and most findings show that the evolution and change leadership styles has a fundamental effect on teachers’ job satisfaction. While this leadership style directly and the job satisfaction of teachers indirectly influence the organizational health of schools.

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