

# A Study of the Social Responsibility of Iranian Pharmaceutical Companies in 2019

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#### Abstract

**Background:** Corporate goals are to maximize efficiency and profit, but in the age of information and competition to succeed, they must respond to societal expectations. Corporate disregard for social responsibility can create problems for the company and cast doubt on the company's actions and mission and, consequently, its success. The purpose of this study was to investigate the social responsibility status of pharmaceutical companies in Iran in 2019.

**Methods:** This is a cross-sectional descriptive study that was done in the year 2019. The study population consisted of all staff working in pharmaceutical companies. In this study, 354 individuals were selected through the available sampling method. The data gathering tool was demographic information questionnaire and social responsibility scale. The dimensions of the social responsibility scale included political, cultural, economic, moral, social, legal, and environmental factors.

**Results:** Some 62.4% of the samples were male, and 53.10% had a bachelor's degree. Nearly 56% of the samples were occupationally in the middle management category, and 49.20% had human qualifications. Most of the samples (46.6%) were under 30 years old and 34.5% had 5-10 years old. The social responsibility components in all seven dimensions were higher than the median number three. They were political (3.91±0.69), cultural (3.69±0.80), social (3.65±0.90), ethical (3.45±0.85), legal (3.37±0.83), economic (3.23±0.78), and environmental factors (3.18±0.86).

**Conclusion:** From the point of view of pharmaceutical companies, all social responsibility indices, including political, cultural, economic, ethical, social, environmental and legal factors are important.

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## Introduction

Social responsibility is defined as the commitment of decision makers to actions that improve social welfare.<sup>1</sup>

<sup>2</sup> Companies have a great impact on society, so their activities should be designed to maximize the positive effects of their activities. One of the most important activities of companies to do this is to recognize and accept their social responsibility.<sup>1</sup> Corporate

social responsibility is one of those measures whose output will improve the social status of individuals.<sup>3</sup> Social responsibility includes volunteering, staff empowerment, employee and workplace safety and health, customer rights, environmental considerations, energy management and saving, compliance with human rights principles, codes of ethic and social activities.<sup>4</sup> Social responsibility is one of the most important elements of corporate philosophy and its importance will

promote corporate commitment and increase stakeholder satisfaction. In recent years, attention has been given to social responsibility in developing countries.<sup>5</sup> The health sector and its associated companies, which strive to deliver sophisticated, modern, and advanced health care to the community, must meet social responsibility to achieve their primary goals of ensuring community health.<sup>4,6,7</sup> Social responsibility enhances the ability to make independent decisions, creativity and thinking.<sup>8</sup> There has been little research on the responsibility of health care providers, while social responsibility is an urgent need in the health sector.<sup>9</sup> With the collapse and financial scandal of some companies, there has been increasing debate about the role of social responsibility in the world economy, and in particular international companies, for improving environmental and social conditions.<sup>10</sup> In the new millennium, social responsibility has played a prominent role in the academic field, and the concept of social responsibility has also emerged in some political and legal documents and has become increasingly important internationally. Today, responsibility executives are faced with the dynamic and challenging task of applying social ethical standards to accountability for their actions. In this regard, increasing pressure for social responsibility is one of the most important challenges for managers and companies.<sup>11</sup> While most companies today believe that social responsibility should focus on sustainable development, social responsibility studies have grown and new aspects of it being explored every day, but the scope and boundaries reporting and disclosing social responsibility for designated Iranian companies is not clear and has remained embarrassing in Iranian management literature.<sup>12</sup> On the other hand, various studies show that individuals' values and demographic characteristics influence their perceptions of social responsibility.<sup>8,13,14</sup> In Iran, it seems that based on an empirical study and its results, the perception of social responsibility in Iranian company's increases. Therefore, because few studies have been done on the social responsibility of drug companies and their relationship with demographic characteristics, this study aimed to investigate the social responsibility status of drug companies and its relationship with some demographic characteristics.

## Methods

This research is a descriptive cross-sectional study that is registered in the Islamic Azad University of Bandar Abbas Branch with Code of Ethics (No.1443684). The study population consisted of all staff working in pharmaceutical companies. Samples were included in the study if they had an informed desire to participate in the research and had work experience in pharmaceutical companies. Samples were excluded from the study if they did not wish to continue the survey. In this research, the researchers sent the questionnaires by e-mail to

the research samples after obtaining their consent and necessary explanations. The data were collected through demographic questionnaires and Social Responsibility Scale, and finally, after completing the questionnaires, the data were analyzed. The number of staff working in the headquarters of pharmaceutical companies in the Social Responsibility / Managers and Deputy Directors and Board was estimated to be around 2000, which required a sample of 322 according to the Cochran formula. Therefore, 420 questionnaires were distributed in this section, out of which 354 were completed (84% return rate). In this formula,  $p$  and  $q$  were 0.5, and the error ( $d$ ) and significance level were considered 0.05. After developing the initial questionnaire framework by the researchers, seven experts' views were used to evaluate the research questions. Finally, after the requested modifications, the test questions were approved. Therefore, content validity was used in this study to assess the validity of the questionnaire. The items of this questionnaire were developed on a five-point scale (completely unimportant, low importance, medium importance, important, and completely important). The Social Responsibility Questionnaire consisted of 25 questions that examined seven dimensions, including political, cultural, economic, moral, social, legal, and environmental factors. Cronbach's alpha method was used to assess the reliability of the instrument. The estimated Cronbach's alpha for different dimensions of the social responsibility questionnaire was 0.87 to 0.93. After completing the questionnaires, the data were analyzed by using one-dimensional tables (number and percentage) and numerical indices (mean and standard deviation) in SPSS software version 25.

## Results

In gathering the required data, six characteristics of statistical sample including gender, age, level of education, work experience, the field of study, and corporate post were identified. Indicators related to the demographic characteristics of this study are reported in Table 1. Of the sample members, 37.6% were female, and the rest were male. Of the sample members, 0.8% had undergraduate or sub-diploma degrees, 0.8% had Ph.D., 2.8% Ph.D. students, 42.4% had postgraduate degrees, and 53.10% had bachelor's degrees. Also, among the sample members, 0.8% had senior managerial positions, 55.9% had administrative positions, 42.4% had expert posts, and 0.8% had other corporate jobs. 2.8% had a technical education, 93.3% had a degree in humanities (44.1% management), 1.1% had a primary science degree, and about 2.8% had a degree in other fields. Also, among the sample members, 8.5% were employed less than five years, 34.5% were in the "between 5 and 10 years" group, 22.6% were in the "between 10 and 15 years" group, 20.3% were in the group "between 15 to 20 years", 11% were in the group "between 20 to 25 years", and 3.1% had a history of more than 25 years. Among the sample

**Table 1:** Frequency and Percentage of Statistical Sample Properties

Variables	Sub Group	Frequency	Percentage
Gender	Female	133	37.6
	Male	221	62.4
Education	PhD	3	0.80
	PhD student	10	2.80
	Master degree	150	42.40
	Bachelor degree	188	53.10
	Other	3	0.80
Job	High manager	3	0.80
	Middle manager	198	55.90
	Expert	150	42.40
	Other	3	0.80
Field of Study	Technical	10	2.80
	Management	156	44.10
	Basic Sciences	4	1.10
	Human Sciences	174	49.20
	Other	10	2.80
Job history	Less than five year	30	8.50
	5-10 year	122	34.50
	10-15 year	80	22.60
	15-20 year	72	20.30
	20-25 year	39	11
Age	More than 25 years	11	3.10
	Less than 30 years	165	46.60
	30-40 year	108	30.50
	40-50 year	71	20.10
	More than 50 years	10	2.80

**Table 2:** Indices of central tendency and distribution of related components

Variable	Number	Mean	Std. Deviation	Variance	Skew	Kurtosis	Deviation of coefficients	
							Skew	Kurtosis
Political Factor	354	3.911	0.690	0.476	1.185	1.689	9.140	6.533
Cultural Factor	354	3.698	0.803	0.645	0.714	-0.082	5.511	-0.319
Economical Factor	354	3.233	0.783	0.613	0.133	-0.425	1.030	-1.644
Moral Factor	354	3.455	0.854	0.729	0.612	0.042	4.718	0.162
Social Factor	354	3.656	0.900	0.810	0.430	-0.898	3.318	-3.471
Legal Factor	354	3.379	0.831	0.691	0.395	-0.789	3.045	-3.051
Environmental Factor	354	3.185	0.864	0.747	0.133	-0.837	1.028	-3.236

members, 46.6% were in the age group of “thirty years and younger”, 30.5% in the age group of “between 30 and 40 years”, 20.1% in the age group of “between 40 and 50 years” and 8 / 2% belonged to the group of more than 50 years.

The details of the statistical indices of central tendency and dispersion of variables are shown in Table 2. The political factor with a mean of 3.911 and a standard deviation of 0.690 and a variance of 0.476 has negative skew and positive kurtosis. The cultural factor with a mean of 3.698, the standard deviation of 0.803, and a variance of 0.645 had negative skew and kurtosis. The economic factor with a mean of 3.23 and a standard deviation of 0.783 and a variance of 0.613 had negative skew and kurtosis. The ethical factor with a mean of 3.455, standard deviation 0.854 and variance 0.729 has negative skew and positive kurtosis. The social factor with a mean of 3.656, the standard deviation of 0.900, and variance of 0.810 had

negative skew and kurtosis. The legal factor with a mean of 3.379 and a standard deviation of 0.831 and a variance of 0.691 had negative skew and kurtosis. Environmental conditions with a mean of 3.85 and a standard deviation of 0.864 and a variance of 0.747 have negative skew and kurtosis.

## Discussion

All social responsibility indices, including political, cultural, economic, ethical, social, environmental and legal factors are important.

The highest mean ratings belong to the political, cultural, social, moral, legal, economic, and environmental factors, respectively. The results of this study show that pharmaceutical companies had good attention to all social responsibility indices, including political, cultural, economic, moral, social, legal and environmental factors. Also, the comparison of

attention to the components of the social responsibility of pharmaceutical companies in the country is low compared to their importance in social responsibility. Social responsibility is now readily related to various areas such as financial performance, management and management decisions, and different frameworks for different corporate operations. In the last decade, the social responsibility of companies in different geographical areas has been considered.<sup>15</sup> Azvar and Kazemi conducted a study titled "Identifying the impact of corporate social responsibility on the quality of employee relations and its consequences". The findings of this study showed that among the four dimensions of social responsibility, only the economic dimension had a positive and significant effect on corporate trust, and only ethical and humanitarian dimensions had a positive and significant effect on job satisfaction. In addition, the relationship between all variables (except the effect of corporate trust on intention to job quit) had a significant effect on the outcome of the relationship.<sup>16</sup> Heidarzadeh and Samadzadeh have conducted a study titled "Investigating the role of social responsibility in creating sustainable competitive advantage by increasing intellectual capital". The main purpose of this study was to find out the relationship between social responsibility with the firm's dynamic capabilities and competitive advantage. Based on the results, company group members have been able to step up and effectively differentiate themselves among others by observing and implementing different principles and dimensions of social responsibility to manage and enhance their intellectual capital, effectively.<sup>17</sup> Nejat et al. conducted a study titled "Investigating the impact of corporate social responsibility on employee emotional commitment - the mediating role of corporate culture". Findings indicate that corporate social responsibility has a positive and significant effect on corporate culture and the emotional commitment of employees.<sup>18</sup> Research shows that emphasizing the importance of social responsibility can have a positive effect on corporate commitment.<sup>19</sup> Fakhari et al. conducted a study entitled "The impact of social responsibility disclosure on investment performance". The findings indicate that disclosing social responsibility will lead to improved investment efficiency in companies. Overall, the findings of the study highlight the important and prominent role of social responsibility in shaping investment behavior and its efficiency.<sup>20</sup> Saeida et al. conducted a study entitled "The impact of corporate social responsibility on customer loyalty due to the mediating role of trust and satisfaction". The purpose of this article was to investigate the impact of social responsibility on customer loyalty with regard to the mediating role of trust and customer satisfaction. The results of this study show that social responsibility has a positive and significant effect on customer trust and satisfaction.<sup>21</sup>

Abasi et al. conducted a study entitled "The impact of corporate social responsibility on customer confidence and purchasing intent with emphasis on the mediating role of customer satisfaction". The results of the study indicate that social responsibility has a direct impact on customers' purchase intention. It is also indirectly influenced by customer satisfaction through mediation.<sup>22</sup> Bazrafken and Faith conducted a study entitled "A critical study of corporate social responsibility and development". This research has been conducted with a sociological perspective, aimed at a critical study of social responsibility, from the perspective of local communities as part of external stakeholders. The findings of this study show that the people of this region have been positively evaluating economic prosperity and some of the opportunities arising from economic development, but the performance of corporations regarding their corporate social responsibility towards ecology and development sustainable and balanced consideration of the rights of local people is poor.<sup>23</sup> Bagheri et al. conducted a study entitled "Metaanalysis of corporate social responsibility in marketing research: Related trends and structures". The findings of this study indicate that social responsibility in marketing has grown rapidly and prominently among researchers, and there are significant differences in studies of this concept in marketing with management and other areas of business.<sup>24</sup> Kim, Sung, and Lee have conducted a study entitled "The effects of corporate social responsibility and legal factors on corporate commitment and intention to quit". The results indicated that employees' perceptions of social responsibility were positively correlated with employees' corporate commitment and negatively related to employees' intention to job quit, indicating that adding social responsibility programs to existing corporate programs, It probably improves employees' attitudes to work, such as corporate employee commitment, which in turn reduces employees' intention to leave work.<sup>25</sup> One of the limitations of this study was the inability of some people to respond to questionnaires by email. Also, in this study, only pharmaceutical companies were investigated, so it is recommended that other companies be considered for social responsibility.

## Conclusion

The findings of this study indicate that from the perspective of pharmaceutical companies, all social responsibility indices, including political, cultural, economic, ethical, social, environmental, and legal factors, are essential. So companies must act in a way that adheres to the rules of social responsibility. Companies that fail to adapt to this challenge will not be successful in action. In other words, companies need to pay attention to social responsibility to maintain or

improve their position to continue to survive and succeed in the business. With considering these factors, they can better achieve their long-term goals.

### Contributing authors

Masume Bazrafshan designed, implemented, and analyzed the study. Hamid Reza Vakili Fard, Bijan Abedini, and Davood Khodadadi supervised the research well and edited the final version of the article.

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**Conflict of Interest:** None declared.

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