

**Comparative study of the relationship between accountability and public confidence in state and private banks  
(Case Study of the Agricultural Bank and the Eghtesad Novin Bank Mazandaran Province in Iran)**

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**ABSTRACT:** Accountability refers to the tool development and continuous improvement of public services. Confidence, an important predictor of positive performance in the relations between the organizations. In this regard, this study is a comparative study of the relationship between accountability and public confidence in state and private banks (Case Study of the Agricultural Bank and the Eghtesad Novin Bank Mazandaran Province in Iran) pays. Process of data collection using a questionnaire, population size population consisted of 410 employees of the Agricultural Bank and Eghtesad Novin Bank Mazandaran province 205 persons selected as sample, using different methods of descriptive and inferential statistics for data analysis and hypothesis testing was done. The results showed that accountability and public confidence had significant correlation, so the response variable in promoting public confidence will have a significant positive impact. The relationship between accountability and its four dimensions (organizational, legal, political and professional) with positive public confidence and to promote public confidence in the solutions proposed.

**Keywords:** Accountability, Agricultural Bank, Eghtesad Novin Bank, public confidence.

### Introduction

Accountability the most basic concept to respond to a person, due to the expected performance interpreted. Accountability is often a challenge for management and reforms even more of a challenge. Because of the possibility of sending messages to communicate to employees about expectations and provides very great. Effectiveness and accountability in the conduct of the organization mission and make optimal use of opportunities and a resource to assess the main challenges depends. With the arrival of the third millennium, a new concept has emerged in accountability, so that as the basis for performance measurement and assessment techniques and methods and reporting in government agencies, private and non-profit considered (Zahir, 2009). Accountability refers to the tool development and continuous improvement of public services. The role of non-governmental organizations as part of civil society in the formulation, implementation and strengthening of policies to increase. After Accountability questions such as how they will come to mind. Accountability of NGOs (nongovernmental organizations) in civil society is an important issue. Debates in the area of Accountability, the origin of the emergence of NGOs are Accountability. Increasingly influence of NGOs need increased attention from donors, academics and policy makers. Official sources of the world (Commission for Africa Report, 2005; Kaldor, 2003; Lewis & Madon, 2004; Zadek, 2003) commonly from topics such as

"good governance" to achieve development, they spoke to one of the requirements to achieve it of NGOs are accountable to insert. NGO development due to increasing confidence of donors to NGOs (Zahedi and Khanloo, 2011). Confidence is an important predictor of positive performance in the relations between the organizations (Carcia - Canal *et al.*, 2002). The lack of citizens' trust in government agencies, leading to lack of their presence in the political, social, cultural and economic will be. Because of dissatisfaction with government agencies accelerate the distrust of the political system and, in time, to the indifference of the citizens to join the political system at the national and international scene will result. Studies show that most of the reforms that have taken place in different countries with different political systems based on this argument (Danaeefard, 2014). In this regard, this study is a comparative study of the relationship between Accountability with public confidence in the Bank's public and private (Agricultural Bank and Eghtesad Novin: A Case Study of Mazandaran province).

### Theoretical Definition Accountability

Accountability means to explain the actions and decisions of an individual or institution committed to the other person or entity that works with legal, political and administrative needs. Accountability sense to the community, organizations of entry and roll correctly and one-handed and biased attitudes prevent

(Khodaverdi, 2004). There have been numerous divisions' accountability, each of these categories, taking into account the criteria and parameters have been specified. This study examines four dimensions of Accountability including organizational professional, political, legal and they are described below:

### **Organizational accountability**

The first and most important type of accountability for government managers, the organizational accountability. Regulators and superiors in this type of accountability, including policy makers and senior managers and representatives of the people.

### **Professional accountability**

Some government managers in professional fields such as the medical, educational, cultural, industrial, military and other sectors operate. In such accountability, particular standards for management by professionals and experts in different fields, which according to the authorities, professional managers will be held accountable.

### **Legal accountability**

Legal accountability, in the sense of the extent to which operators comply with rules and regulations.

### **Political accountability**

The public administration, accountability to elected representatives and other political units, considered one of the most important facts and undeniable. In democratic systems based on the presidential such as Iran, the United States, Australia and many other countries, managers and ministers as well as ministers are accountable directly to the representatives of the people.

### **History Of Research**

vaezi *et al.*, (2011) in an article entitled "Accountability three-dimensional model: A Different Approach to reply" states are to meet one of the requirements of modern governance era and if it is realized to strengthen the relationship between citizens and officials, efficiency increase and transparency in the performance of organizations, corruption reduce (financial, administrative, etc.), to increase coherence and legitimacy of the political system will lead. Roger *et al.*, (2009) in his research entitled "Accountability schools (academies): An examination of knowledge Financial Officer (shareholders) medical schools to obtain a power of attorney (mandate) for this school" Canada argues that society demands greater social sensitivity and responsiveness of higher education institutions, including medical schools, and health centers are

University. Khanbashi *et al.*, (2011) in their study admitted that the accountability was to strengthen public confidence proved that accountability variable dimensions accountability with legal, moral, democratic, performance, financial and political promote public confidence in the country has a positive impact.

### **Research hypothesis**

#### **The main hypothesis**

Accountability of public confidence in the Agricultural Bank and Eghtesad Novin Mazandaran province has a significant relationship.

#### **Subsidiary Hypothesis**

Corporate accountability, with public confidence in the Agricultural Bank and Eghtesad Novin Mazandaran province has a significant relationship.

Political accountability with public confidence in the Agricultural Bank and Eghtesad Novin Mazandaran province has a significant relationship.

Legal accountability with public confidence in the Agricultural Bank and Eghtesad Novin Mazandaran province has a significant relationship.

### **Research Methodology**

The aim of the present study, the research group in terms of applications and data collection, descriptive and in terms of how it is implemented in the form of survey research. The population of the study consisted of 410 employees of the Agricultural Bank and Eghtesad Novin in which 205 samples were selected and questionnaires were distributed among them, simple random sampling method and the sample size was performed using Morgan table. The data is collected using a questionnaire was conducted. The validity of the questionnaire, the experts it is used. So that after reviewing the literature and theoretical foundations of research and exploration questionnaire related to previous research in this area is desirable questionnaire was designed, then the questionnaire was provided to professors and experts in the subject. To calculate the reliability of Cronbach's alpha coefficient was used. To calculate Cronbach's alpha coefficient variance must score each sub-questions in the questionnaire, and the total variance calculated using the following formula, coefficient alpha was calculated (Khaki, 2010).

$$\alpha = \left( \frac{j}{j-1} \right) \left( 1 - \frac{\sum_{j=1}^n s_j^2}{s^2} \right)$$

In this study, using the software SPSS<sub>v16</sub> were used different methods of descriptive and inferential statistics to analyze data and test hypotheses. Tests performed in this study include:

Descriptive statistics, in order to classify and investigate the characteristics of respondents and population.

Kolmogorov–Smirnov (Ks) test to determine the normality of the distribution: To show the normal and non-normal distribution (variables) is used the KS test. If sig If you determine that this test is greater than 0.05 Normal distribution parametric tests can be used for analysis, non-parametric tests used otherwise.

Appropriate tests according to KS test results.

**Results**

**Study of statistical population**

Characterized population according to gender, age, position, education and work experience are described below. Table (1) describes the variable gender in the sample is studied.

Table 1. variable gender in the sample of Agricultural Bank

Gender	Abundance	Abundance percent
Man	164	800
Female	41	200
Total	205	100

Profile population, Agricultural Bank of variable age in the sample in Figure (1) is shown.

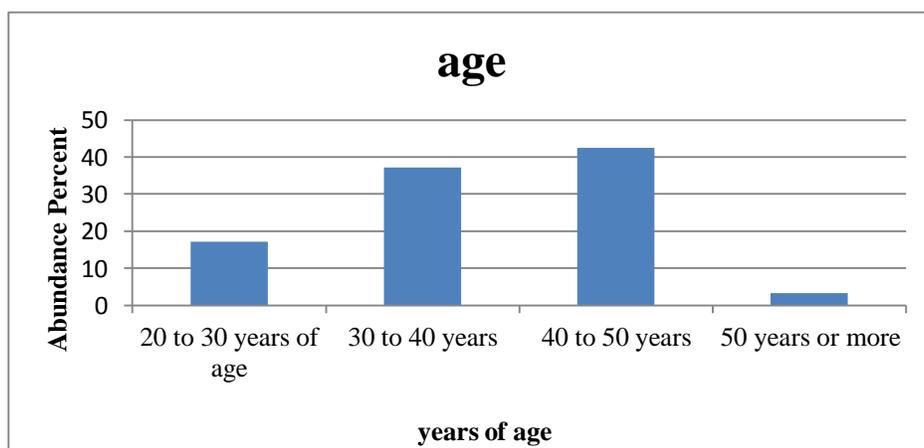


Figure 1. Assessment of Agricultural Bank sample age

Check the educational status population of 205 people, the statistical sample 4 percent skill, 78 percent of bachelor's and 18% master's degree or higher (Figure 2).

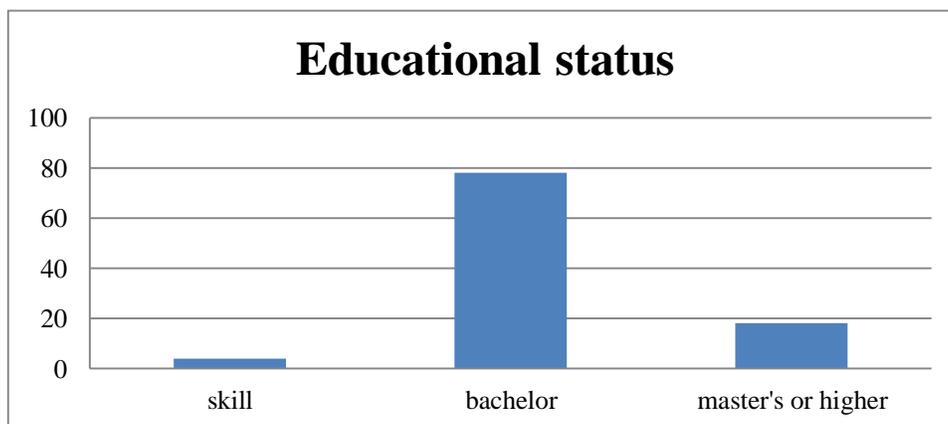


Figure 2. Assessment of Agricultural Bank Education statistical sample



Figure 3. Check the status of work experience Agricultural Bank statistical sample

A total of 205 person’s statistical sample of the Agricultural Bank, 3% less than 10 years, 44 percent of 10 to 15 years, 18 percent of 15 to 20 years and 3% had more than 20 years. Figure (3) shows the profile of population, ranging from work experience, in the statistical sample Agricultural Banks.

Variable reviews the age of Eghtesad Novin Bank statistics indicate that a total of 205 person’s statistical samples, 42% are female and 58 percent male. In terms of experience in the Eghtesad Novin Bank statistical sample of 205 person’s statistical sample, 13% less than 10 years, 32 percent of 10 to 15 years, 43 percent of 15 to 20 years and 12% had more than 20 years. The age of the total statistical sample 205 persons, 6% of 20 to 30 years, 32 percent of 30 to 40 years, 39 percent of 40 to 50 years and 4% are 23 years or older and the level of education of a statistical sample 205 people, 16 per cent of high school, 11 percent of associate's, bachelor's, 52 percent and 21 percent of master's degree or higher. According to the results of Kolmogorov - Smirnov (KS) in all variables, (sig <0.05) and were zero as a result of the study variables are abnormal.

**Hypotheses Testing**

**The null hypothesis (H<sub>0</sub>)**

Mean accountability (organizational, legal, political and professional) and public confidence in the Agricultural Bank and Eghtesad Novin Mazandaran province is not different.

**Alternative hypothesis (H<sub>1</sub>)**

The mean accountability (organizational, legal, political and professional) and public confidence in the Agricultural Bank and Eghtesad Novin Mazandaran province is different.

$$H_0 : \rho=0$$

$$H_1 : \rho \neq 0$$

**The first hypothesis testing**

The results show that the correlation between two variables, accountability and public confidence in the Agricultural Bank amounted to R = 0.766 and R = 0.644 is the Eghtesad Novin the direct and positive correlation between the two variables show accountability and public confidence (Table 2). Considering that the significance level of less than 5% in both banks (Table 3). The null hypothesis is rejected and therefore the assumption is confirmed. This means that between accountability and public confidence in the Agricultural Bank and Eghtesad Novin Bank there is a significant relationship.

Table 2. Correlation hypothesis

Variables	The number of Accountable	Spearman coefficient	$\alpha$	p-value
Corporate accountability and public confidence: Agricultural Bank	205	0.732	0.05	0.000
Eghtesad Novin Bank	205	0.413	0.05	0.000
Legal accountability and public confidence: Agricultural Bank	205	0.783	0.05	0.000
Eghtesad Novin Bank	205	0.546	0.05	0.000
Professional accountability and public confidence: Agricultural Bank	205	0.532	0.05	0.000
Eghtesad Novin Bank	205	0.635	0.05	0.000
Political accountability and public confidence: Agricultural Bank	205	0.249	0.05	0.000
Eghtesad Novin Bank	205	0.507	0.05	0.000
Accountability and public confidence: Agricultural Bank	205	0.766	0.05	0.000
Eghtesad Novin Bank	205	0.664	0.05	0.000

**The second hypothesis testing**

The results show that the correlation between two variables organizational accountability and public confidence in the Agricultural Bank and Eghtesad Novin Bank of  $R = 0.732$  and  $R = 0.413$ , respectively, is. The direct and positive correlation between the two variables shows (Figure 2). Because of organizational

accountability and public confidence in the Agricultural Bank and Eghtesad Novin there was a significant relationship reject the null hypothesis and thus assuming a confirmed (Table 3). Also according to the correlation between the two variables in the Agricultural Bank is higher (Table 2).

Table 3. Evaluation of the accountability, accountability dimensions and public confidence in the Agricultural Bank and Eghtesad Novin

Components	Department	The number of sample	Average	Test statistics	The probability
Accountability	Agricultural Bank	205	237.19	14516.500	0.000
	Eghtesad Novin Bank	205	173.81		
Corporate accountability	Agricultural Bank	205	264.14	8.992E3	0.000
	Eghtesad Novin Bank	205	146.86		
Legal accountability	Agricultural Bank	205	278.07	6.136E3	0.000
	Eghtesad Novin Bank	205	146.86		
Professional accountability	Agricultural Bank	205	253.13	1.125E4	0.000
	Eghtesad Novin Bank	205	157.87		
Political accountability	Agricultural Bank	205	125.75	4.664E3	0.000
	Eghtesad Novin Bank	205	285.25		
Confidence	Agricultural Bank	205	229.65	1.606E4	0.000
	Eghtesad Novin Bank	205	181.35		

**Third hypothesis testing**

The correlation between two variables legal accountability of public confidence in the Agricultural Bank and Eghtesad Novin Bank amounted to  $R = 0.783$  and  $R = 0.546$ . The positive correlation directly between two variables shows (Table 2). Considering that the legal accountability and public confidence in the Agricultural Bank and Eghtesad Novin there was a significant relationship, so the null hypothesis is

rejected and therefore the assumption is confirmed (Table 3). According to the correlation between the two variables in the Agricultural Bank is higher (Table 2).

**Fourth hypothesis testing**

The correlation between the two variables of political accountability and public confidence in the Agricultural Bank amounted to  $R = 0.249$  and the

Eghtesad Novin Bank in the  $R = 0.507$ . The positive correlation directly between two variables shows (Table 2). Considering that the significance level of less than 5% in both banks, so the null hypothesis is rejected and therefore the assumption is confirmed (Table 3) and according to the correlation between the two variables in the Eghtesad Novin Bank is higher (Table 2).

#### **Fifth research hypothesis testing**

The correlation between two variables professional accountability results with public confidence in the Agricultural Bank amounted to  $R = 0.532$  and the Eghtesad Novin Bank in the  $R = 0.635$ , the direct positive correlation between the two variables above shows (Table 2). And between professional accountability and public confidence in the Agricultural Bank and Eghtesad Novin there was a significant relationship, so the null hypothesis is rejected and therefore the assumption is confirmed (Table 3). According to the correlation between the two variables accountability professional relationship with public confidence, in the Eghtesad Novin Bank is higher (Table 2).

#### **Discussion**

The results showed that accountability and its four dimensions (organizational, professional, legal and political) were significantly associated with public confidence. The results of the study showed that the mean difference of the Agricultural Bank in the corporate accountability, legal and professionals as well as in the confidence has performed better than Eghtesad Novin Banks, but in political accountability weaker. The results Danaeefard (2003) suggest that legal accountability, ethical, financial, practical, and political have the greatest effect on public confidence (through the impact of citizen satisfaction), which is in line with the results. Based on the results Monavarian *et al.*, (2009) in his research showed that between public accountability and public confidence in government organizations in 22 districts of Tehran are related. In the current study show that between accountability and public confidence in the Agricultural Bank and Eghtesad Novin in Mazandaran province there is a significant relationship. Khanbashi *et al.*, (2011) study showed that the response variable in promoting public confidence a positive and significant impact, which is in line with the results. Bahari (2010) in the research showed that 6's accountability and all aspects of it (moral accountability, financial accountability, accountability legal, performance accountability, democratic accountability and notification), has a significant relationship with public confidence that the results is near.

#### **Conclusions**

The results show that the accountability and public confidence significant and direct, variable accountability to promote public confidence will have a significant positive impact. The relationship between accountability and its four dimensions (organizational, legal, political and professional) with positively assessed public confidence and to promote public confidence following factors will be useful:

cheerfully and handle bank staff to respond to customer service and timely advice for solving customer problems due to the positive view of the banking services in the branch is established (organizational accountability).

the timely and regular employees to meet the needs of customers and the same attention to all clients and taking into account the interests of all of them and try to provide better facilities and conditions for services and work arrangements so that the client knows exactly what time it is delivered (organizational accountability).

Clarification of the rules, instructions and circulars in the bank, along with providing timely notification and explanation to customers (legal accountability).

Knowledge and enough skill of bank employees with proper training in providing timely and useful explanations to customers and according to the wishes of clients and earn their trust and confidence in the proper provision of services is one of the essential (professional accountability).

The advanced equipment, basic amenities and necessary for modern service organizations and without them, fast and accurate service will not be possible (professional accountability).

Is trying to make use of customer feedback in various sectors according to their views and needs of their demands have been informed and to improve the provision of banking services (political accountability).

#### **Future Research Suggested**

The Relationship between accountability and public confidence in other banks.

Factors contributing to increased accountability in the Agricultural Bank and Eghtesad Novin in Mazandaran province.

The effect of financial accountability, legal accountability, performance accountability, democratic accountability of public confidence.

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