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Reviewing relationship between managers' risk taking power with improving competition position in branches of Noor Credit Institution.

Zeinab zareh arashlooi[1], Farzaneh Beykzadeh Abbasi[2*]
[1]Department of management kerman branch islamic azad university, kerman , Iran.
Email: hivazzzz@yahoo.com
[2]Department of management kerman branch islamic azad university, kerman , Iran.*
Email: farzanehbigzadeh@yahoo.com

Abstract: *This research has been done with the purpose of reviewing relationship between managers' risk taking power with improving the competition position in branches of Noor Credit Institution. Research methodology was descriptive-correlation. Statistical population of this research includes all senior and middle managers of Noor credit Institution in Kerman province (98 people). Sample population were 78 people. Sampling method was simple random method. In order to gather data, risk taking questionnaire with validity of0.89 and stability of 0.902 and improving the competition position with validity of 0.81 and stability of 0.953 was used. Analyzing and synthesizing was done with Spss 22 software. Pearson and spearman correlation coefficient test was used. Results indicate that there is direct and meaningful relationship between mangers' risk taking and improving the competition position. It is suggested that selection will be done according to competency, and risk taking of managers to improve the competition position.*
Key words: *managers' risk taking power, improving the competition position, Noor Credit Institution*

INTRODUCTION

In competition, proper reviewing of competition position is an important necessity. Such importance is so much that we could consider it as a successful strategy that is compared to competitors. In industrial system of our country, such reviewing and comparison is so denied. For the first time, Michael Porter, provided response to this question in form of competition strategy with following methods: cost reduction strategy, product differentiation strategy and market segmentation strategy.

Such general strategies are three main methods for presenting products or better or more effective services for customers. Basically companies compete with considering three subjects price (cost), value (differentiation) or focus on specific group of customers (market segmentation).

The level of competition in an industry couldn't be related to chance or bad luck, however competition in an industry stems in economic bases and beyond competitor's performance. Porter (2000) believed that competition position in an industry depends on five basic criteria such as new investors' entrance, substitution threat, bargaining power of buyers, bargaining power of suppliers, and competition between available competitors. This viewpoint was applied for evaluating competition position in this research. Total power of such criteria determines level of profit gaining in an industry. Such level is calculated according to long-term output of investment. Potentials of all industries are not the same and total power of factors are different, so final profit potential are different.

Works with middle competition position, couldn't be guided to remove or reduce in attractive markets due to market's improving potential of profit. Work that has weak competition position and acts attractive in a market will try to keep such works and will use defensive strategies for them. According to studies, there are two ways for works with weak competition position: first way is to stabilize their position and increase their share in a market or exit from the market.

So an important issue for researcher of production matters is to find solution to compound production and successfulness in sale in competition market. In this regard, many methods like risk-taking, linear planning, prohibited search, genetic algorithm and etc. can be used. Risk-taking is an applied and simple method.

The importance of risk-taking is so high that is considered as an important factor in managers' success in decision making in risky situation. March and Shapira (1987) reviewed results of some studies about senior executive managers' risk taking. Results indicate that senior executive managers believe that risk-taking is a key factor in making successful decisions. Most of them explained that there is positive correlation between risk-taking and efficiency. Such managers believe that risk-taking is so important in management occupation. To them, risk-taking is accompanied by tension and pleasure. Satisfaction from success is directly related to level of risk-taking.

In Organizations and institutions, risk-taking behavior is more significant at senior positions. Managers should risk to design, arrange and select novel ideas and achieve success. All changes in all fields are dependent on power of risk-taking by people. History is written by those who took risk and didn't react positively to natural trends. They always think about finding other ways to discover. So they have different outlook to conventions and habitus. Even if they didn't protest against those conventions, they didn't accept such beliefs as proper method to reach success. So they always experience other methods to reach success easier and sooner. At first, they have to spend huge amount of money and even lose their lives.

Afkhami (2011) showed in his research that there is direct and meaningful relationship between mangers' risk-taking and competition power. Paula et al. (2012) found the same result.

Teimuri et al. (2010) found that power inequality is a positive expecting factor for understanding relation risk. Trust and dependency play as decreasing variable role in relation to unequal power and risk-taking conception. Vaez et al. (2009) showed in their research that severe attention to managers' risk-taking leads to competition efficiency in bank.

In line with prior researches that studied behavioral aspects of managers from risk-taking view, present research tries to evaluate risk-taking power of Noor Credit Institution managers and identify competition position of them. Then review relationship of managers' risk-taking power with competition position. Therefore, basic question is that is there any relationship between managers' risk-taking power and their competition positions?

Research Methodology

Research methodology was descriptive-correlational. Statistical population of this research includes all senior and middle managers of Noor credit Institution in Kerman province (98 people). Sample population were 78 people. In this research, two power risk questionnaires according to Andrews's model (2008) with relational risk and understood risk components and with validity 0.89 and stability of 0.902 were used. Improving competition position Questionnaire based on Porter model (2000) with 30 questions and components including new investors' entrance, substitution threat, bargaining power of buyers, bargaining power of suppliers, and competition between available competitors were used. The validity was 0.81 and stability was 0.953. Analyzing and synthesizing was done with Spss 22 software. Pearson and spearman correlation coefficient test were used.

Results

According to results from correlation test, Pearson correlation coefficient is 0.343 and Spearman correlation coefficient is 0.356. This indicates that there is meaningful relationship between risk-taking of managers and improvement of competition position in branches of Noor Credit Institution. So the assumption of 0 is rejected and relationship between these two variables is direct (Table 1).

Table 1: statistical findings of Spearman and Pearson Correlation test of relationship between risk-taking of managers and improvement of competition position

Variable	improvement of competition position			
Test	Pearson	meaningfulness	Spearman	meaningfulness
risk-taking of managers	0.343	0.002	0.356	0.001

According to results from correlation test, Pearson correlation coefficient are 0.296 and 0.339 and Spearman correlation coefficient are 0.308 and 0.353. This indicates that there is meaningful relationship between perceived risk and relational risk of managers and improvement of competition position in branches of Noor Credit Institution. So the assumption of 0 is rejected and relationship between these two variables is direct (Table 2).

Table 2: statistical findings of Spearman and Pearson Correlation test of relationship between perceived risk and relational risk of managers and improvement of competition position

Variable	improvement of competition position			
Test	Pearson	meaningfulness	Spearman	meaningfulness
perceived risk	0.296	0.009	0.308	0.006
relational risk	0.339	0.002	0.353	0.002

Conclusion

Competition between present competitors is like effort to achieve position that is performed by using tactics like competition on price, advertising campaigns, introducing products and increasing services or guarantee for customers. The reason of such competition is that one or some of competitors feel a pressure or they might feel that chances are provided for them. In most industries, competition acts have important effects on other competitors. So it might be a retaliatory effort or an effort to struggle. This shows that companies are dependent to each other. If acts and reacts increase, all companies in an industry face problem and their conditions get worse. Many forms of competition especially on price are unstable. They might weaken whole industry. On the other hand, advertising campaign might increase level of demand or level of variation of industrial goods.

In Organizations and institutions, risk-taking behavior is more significant at senior positions. Managers should risk to design, arrange and select novel ideas and achieve success. All changes in all fields are dependent on power of risk-taking by people. History is written by those who took risk and didn't react positively to natural trends. They always think about finding other ways to discover. So they have different outlook to conventions and habitus. Even if they didn't protest against those conventions, they didn't accept such beliefs as proper method to reach success. So they always experience other methods to reach success easier and sooner. At first they have to spend huge amount of money and even lose their lives. Competition advantage is a main conception in international business. It determines competition position of an organization and enables an organization to compete with rivals. An organization takes advantage of competition when considered more value for costumers than others.

Results of research assumption indicate that there is meaningful relationship between risk-taking of managers and improvement of competition position in branches of Noor Credit Institution. Such results correspond to results found by Teimuri et al. (2011), Paulo et al. (2012), and Vaez et al. (2009) and also results found services that there is direct and meaningful relationship between mangers' risk-taking and competition power. So, if managers have power of risk-taking and if they could accept its consequences, then that organization is ready to provide different services to customers in a more flexible manner compared to its rivals. In case of any threat, that organization tries to provide better and novel services.

Results of research assumption indicate that there is meaningful relationship between perceived risk and relational risk of managers and improvement of competition position in branches of Noor Credit Institution. Such results correspond to results found by Teimuri et al. (2011), Paulo et al. (2012), and Vaez et al. (2009). So we could say that a manager could risk in his relations to gain benefit for their organization and risk in their decisions to attract human resources to improve organization conditions. To gain capital or credit, they enter into big business deals and put much effort to make decisions that needs negotiations. They provide new services for employees. If managers are able to take risk in important decision of organization, and if could take risk to gain benefit and use available network properly, organizations enhance their defending strategies, human resources management abilities and their completion abilities.

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