

The Effect of Financial Development Indicators on the Gas Company's Competitive Advantage in Fars province, Iran

Fateme Naderi, Dr. Hamid Ravanpak Noodezh*, Dr. Mohammad Mohebbi

Department of Management, Qeshm Branch, Islamic Azad University, Qeshm, Iran

*Corresponding Author Email: hamid.ravanpakwin7@gmail.com

Abstract: The aim of this study was to evaluate the effect of financial development indicators on the gas company's competitive advantage in Fars province, Iran. The statistic population included gas company employees of Fars province, among them 208 individuals were chosen randomly using Cochran Formula. Data collection tools included questionnaire of development of financial, competitive advantage and scale of the enterprise value, validity of three questionnaires were evaluated based on expert opinion and confirmation of the supervisor and reliability through Cronbach's alpha (0.82, 0.81, 0.78). SPSS 22 software was used for analysis. The results suggested that financial development in the province of BSC had significant effect on competitive advantage of Fars Gas Company.

Key words: Financial Development, Competitive Advantage, Companies.

Introduction

Today, information has become a weapon for the social and economic benefits. Opening the flow of information and the effective share in decision-making and social progress, leading to fundamental changes in society and in decision-making and planning as well as play an important role, raise awareness, personal insight and behavior change in the community and this is the political revolution information (Aslani et al., 2014). In the current era, one could say that decision-making is a key element of management and some thinkers in management science, decision-making duties by all know, and some consider it one of the principal tasks. Optimal decision making with respect to resource scarcity and increasing costs provide certain positions within organizations which can be said an organization is successful which has a tasteful decision which is timely and it will be overcome to adopt the right decision (Shirkhodayi et al., 2013). Providing management with a reliable information system that can improve the management to make decisions of planning, organizing and controlling which have become basic necessities of our time. However, this data can be analyzed to help manage multiple systems (Tirandaz and Farsad, 2011) and intensifying the competition between companies and increasing the environmental turbulence and uncertainty caused by the inefficiency of the traditional tools of strategic planning. The problem of many traditional models of strategy and competitive advantage, such as the classic tool of strategic planning is not the competitive dynamics. In addition to the traditional theories assume that organizational and environmental systems, as well as transparent and clear causal relationships are known and unknown. If the new business environment, due to the unbridled

competition become very unstable and unpredictable, many scholars may believe that companies with a focus on developing new strategic management skills, planning and forecasting, focusing on skills development to do effectively competitive interactions are able to deal with the increased uncertainty and therefore will be successful. To achieve superior performance of a business, it must be sustainable competitive advantage. Organizations are constantly looking for how their competitive advantage in this uncertain environment and rapidly changing their business. Some researchers believe that competitive advantage is achieved through its emphasis on quality products and superior customer service. Other researchers believed that organizations should consider searching for the best between the external environment and the activities and strategic initiatives, to take realistic approach (Ataran et al., 2012). Competitive advantage is an issue that has been the emphasis on literature management and strategic marketing in recent years. Over time provided different perspectives about the factors determining and influencing it (Mehri and Khodadad hoseyni, 2005). Some believed that the theory of competitive advantage is essentially the corporate level, but these theories are applicable to the industry and country levels. What distinguishes the competitive advantage of the firm and industry levels are mainly related to risk factors of competitive advantage (imitation barriers at the firm level, and barriers to entry in the industry). Accordingly, firm-level competitiveness is influenced by factors such as the characteristics of tacit knowledge resources and business and competitiveness in the industry by factors such as economies of scale, product differentiation, capital requirements, access to distribution channels, government policies, curves learning, trademarks, geographical location and access to raw materials. As well as competitiveness at the national level by the different economic structures are cultural values, institutions, and historical places. Thus, this study sought to evaluate the effect of financial development on the company's competitive advantage in Gas Company in Fars province.

Materials and Methods

The research method was descriptive. The statistical population included all experts, managers and employees of gas companies in Fars province who were 500 individuals, among them 208 individuals were selected randomly based on Morgan table. The implementation of new findings from the investigation indicated the license on the staff and company executives received in Gas Company of Fars province, Iran and how to answer questions and the purpose of study were described for the participants. All participants completed their agreement to participate in the study. To collect data, a questionnaire was used in accordance to Table 1. According to the objectives of the study, questions related to the evolution of financial value were analyzed.

Table 1. The general framework of the questionnaire and questions related to the variable.

| Dimensions | Questions |
|---|-----------|
| Financial developments in the BSC model | 22 |
| Competitive Advantage | 13 |
| Organizational value | 12 |
| Total Inventory | 66 |

Its validity was approved by faculty experts. For reliability, Cronbach's alpha was used. The results showed that the questionnaire was reliable. For data analysis Pearson's correlation coefficient and Kolmogorov-Smirnov test was used. In all analyzes, the significance level of $p < 0.05$ was considered.

Results

Kolmogorov-Smirnov test showed the normal distribution of the data ($p > 0.05$). Results are presented in Table 2. In Table 2 the Pearson correlation coefficient was 0.666 and its significant level is 0.00 which was less than 0.05, which represents a direct and meaningful relationship between financial development in line with the BSC and the company's value. The coefficient of determination was 0.44 which shows that financial development in the BSC was about 44% of the total value of the company.

Table 2. Summary of model.

| Statistic | Values |
|---------------------------------------|--------|
| Pearson correlation coefficient | 0.666 |
| Significance level | 0.000 |
| The coefficient of determination | 0.444 |
| Adjusted coefficient of determination | 0.441 |

In Table 3 studied the significance of the regression. Since, the significance level of 0.00, and a reception error rate (0.05) was less; hence, the regression was significant

Table 3. Analysis of variance

| Model | SS | df | MS | F | Sig. |
|------------|-------|-----|-------|---------|-------|
| Regression | 4.228 | 1 | 4.228 | 164.585 | 0.000 |
| Remaining | 5.292 | 206 | 0.026 | | |
| Total | 9.519 | 207 | | | |

According to the results of table 4, the significant intercepts factor was 0.00 less than 0.05. Also, the significant level of financial development variable coefficient was 0.00 less than 0.05 and the estimated value ratio to 0.5700 which can be said is positive and the financial development in the province of BSC with the gas company had direct relationship with regression equation apartments available and is as follows: Financial development in line with the BSC $2.021 + 0.570 =$ value of company in Fars province, Iran.

Table 4. Regression coefficients.

| Variable | parameter estimation | standard error | T statistics | Significance level |
|---------------------------------|----------------------|----------------|--------------|--------------------|
| Intercept β_0 | 2.021 | 0.172 | 11.727 | 0.000 |
| Financial development β_1 | 0.570 | 0.044 | 12.829 | 0.000 |

Discussion and Conclusion

The aim of this study was to evaluate the effect of financial development indicators on competitive advantage of Gas Company in Fars province, Iran. The results showed that financial development was in line with the value of BSC of competitive advantage of Gas Company in Fars province and had meaningful and positive relationship. In this field, there has been done no research inside and outside. To explain these findings, it can be said that competitive advantage had direct with value of the customers, as a comparative range presented in a way that values the values of an organization closer to the customer or to be more consistent, it can be said that the organization, in relation to its competitors on one or more criteria of excellence and competitive advantage (Mehri & Khodadad hoseyni, 2005). Competitive advantage and a set of capabilities that the company has always been to show enable a better performance than the competition (Sadri & Lees, 2001). In other words, competitive advantage is factor or combination of factors in a competitive environment which is much more successful than other organizations and competitors cannot easily imitate it. So, as to achieve a competitive advantage, an organization must also pay attention to position of its foreign and considered domestic capabilities. In the competitive advantages there are two important points that should be considered: First, this path is a continuing process that will lead to superior performance and competitiveness of the organization. This means that if the organization is able by its own, it will create sustainable competitive advantage which is valuable for the customers, and will always be superior to the competitors, in fact the good performance left and has brought competitiveness. Second, due to the increasing complexity and highly competitive environment, competitive advantage or easily be imitated by competitors or customers soon fades and should be replaced with new advantages (Sadri & Lees, 2001). Accordingly, organizations should be thinking about finding competitive advantage. Creating and sustaining competitive advantage by relying on the capabilities of the unworthy takes creates value for clients. Company resources included a variety of assets, capabilities, organizational processes, information, knowledge and control them so that companies that develop and implement value-creating strategies. These three categories: tangible, intangible and organizational capabilities

which can be seen as company's capabilities (Rudra et al., 2015). Company capabilities are a combination of skills, knowledge and behaviors over time and in people, systems, processes and structures which are reflected. In other words, the skills which companies are working to convert the output data is in the form of a combination of tangible and intangible organizational processes to achieve goals such as: Customer service, superior product development capabilities, innovative use of services and goods. Qualifications are as a perfect combination of assets, resources and processes that allows the company to respond to customer needs. Those competencies are a strategic value that can create value for its customers. As mentioned, the main objectives of creating a competitive advantage is by relying on the resources and capabilities at its disposal, competitiveness and achieve a privileged position in terms of customer satisfaction which is based on the market performance (Montazeri & Hashemzade, 2012). The key of this issue is achieving competitiveness, sustainable competitive advantages based on the knowledge and understanding of customer needs and customer focus and improve processes of customer visibility. Sustainable competitive advantage refers to those competitive advantages by utilizing the competencies of the organization which is valuable to customers, easily imitated and copied by competitors but for the good performance and brought competitiveness.

Conflict of interest

The authors declare no conflict of interest

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