

Developing a model based on the relationship between the effectiveness of the budgeting system and the value-based performance evaluation indices in the Saderat Bank of Iran

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Abstract

According to financial management theories, there are different measures for assessing the financial performance of business units, and banks are not excluded from this rule. This research seeks to develop a model based on the relationship between the efficiency of the budgeting system and the indices of value-based performance assessment in Iran's Saderat Bank. A questionnaire was used for this purpose. The statistical population of this research is the employees of SADERAT BANK, Kermanshah Province, which is 490 people. The sample size was 216 people based on the random sampling method and with the help of the Kookran limited community formula. Then by statistical tests, using SPSS and AMOS software, information about respondents including 216 questionnaires completed by employees of SADERAT BANK of Kermanshah province revealed that the efficiency of the budgeting system and the indices of value-based performance assessment with correlation coefficient Positive and meaningful. Other research findings show a positive and significant relationship between the value-added of human resources, economic value-added, market value-added, cash value-added and economic value-added. According to the research results, proper management of the costs and capital employed could improve economic value added.

Keywords: Efficiency of Budgeting System, Economic Value Added and Market Value Added, Cash Value Added
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1 Introduction

Budgeting has various purposes and applications in formulating, approving, implementing and controlling the policies of government and organizations. In the first stage, the budget provides a framework for regulating the policies of the government and organizations, and various activities are defined to achieve the goals of development and the division of these activities among the implementers of activities. At the approval stage, the budget is a means of legal control. In the implementation phase, budgeting guides managers in the implementation of policies and finally budgeting is the most important tool to control and monitor the performance of government and organizations [17].

The idea behind the operational budgeting debate is that policymakers need to objectively plan, and make decisions based on efficiency, effectiveness, and cost-effectiveness so that at the end of each year be able to make a correct

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judgment of performance [14]. Budgeting is in fact a program that accurately and clearly analyzes the implementation of programs from a cost-benefit perspective, and by measuring the workload, the cost is obtained and smoothly and standards make comparative and analytical comparisons. On the other hand, there are different measures for judging the performance of companies and there are two categories of measures to determine the value of performance, one is called traditional accounting models and the other is called value-based economic models, which are measures of Economic value added, market value added and cash value added [11].

With the expansion of tasks and the rapid increase in costs and its link to other economic factors, traditional cost control has lost its importance and the need for improvement in resource planning, control and management systems has been raised. This led to attention to the efficiency, effectiveness and economy of resources or in other words financial management. Facing this situation not only revealed the need to improve existing budgeting methods and procedures, but also added a new dimension to decision-making in the management and financial management system and introduced the operational budgeting system [2].

Operational budgeting, despite its advantages at various stages, requires complex measures in the technical and political dimensions. In addition to the fact that the accounting system and management system must be transformed in accordance with the process of operational budgeting, agreement and coordination at different levels of management is one of the main requirements for the success of operational budgeting. Reforming budgeting methods and distributing its resources is one of the necessities of reforming the economic structure of companies. Considering that shareholders, creditors and customers devote their shares, material and financial resources, which are very limited, to economic enterprises, evaluating the performance of a company or economic enterprise requires recognizing several measures and indices, including two sets of financial and non-financial measures [18].

In public companies, meeting the expectations of shareholders is a basic need that in this regard, planning to achieve predetermined goals is also vital for managers to make and implement appropriate decisions. On the other hand, making a profit in privatized banks as a public joint stock company is a necessity for survival and ultimately economic growth. Also, the quality of profits in terms of their nature is doubly important that achieving it requires an efficient budgeting system [9].

Value-based performance metrics in the evaluation process in order to know the value of enterprises, are more useful than traditional indices based on historical data, which are more useful in informed and consistent judgment because the concepts It is based on value and value creation. Performance evaluation is the formal process of providing information about work results. This identifies the strengths of the organization and magnifies it in order to create more value and, in fact, better performance. Because by analyzing past activities, it looks to the future to help increase values [19]. According to financial management theories, there are many different measures for evaluating the financial performance of business units, and banks are no exception to this rule. Value-based performance can be a desirable measure for evaluating the performance of banks according to its conditions and also be a measure for determining the interest rate of the banking system. At first glance, it is expected that the result of a favorable budgeting system will be reflected in the financial statements, resulting in changes in financial indices, including profit margins and other value-based measures. In general, budgeting is a useful tool for controlling costs and increasing revenues, and in this regard, there are differences between operating budgets, flexible and traditional in terms of implementation. Profit margin approach and new valuation indices such as economic value added, market value added, etc. because it emphasizes how trends in cost items and their controllability. It is a valuable tool in reporting that makes and useful to use this approach to evaluate performance and make appropriate decisions [19].

Given the current competitive environment and the special importance of value-based performance budgeting in banks and financial institutions, as well as the special value of directing organizational budget in the strategic planning of organizational programs, the present study aims to provide a model to develop the relationship between the efficiency of the budgeting system and performance-based measures and attempts are made to provide solutions to improve the performance of Saderat bank. Accordingly, in this study, the following hypotheses have been considered:

- There is a positive and significant relationship between manpower specialization and economic value added in Iran Saderat Bank.
- There is a positive and significant relationship between manpower specialization and market value added in Iran Saderat Bank.
- There is a positive and significant relationship between manpower specialization and cash added value in Iran Saderat Bank.
- There is a positive and significant relationship between budget pervasiveness and economic added value in Iran Saderat Bank.

- There is a positive and significant relationship between budget pervasiveness and market value added in Iran Saderat Bank.
- There is a positive and significant relationship between budget pervasiveness and cash added value in Iran Saderat Bank.
- There is a positive and significant relationship between employees' belief in the goal and economic added value in Iran Saderat Bank.
- There is a positive and significant relationship between employees' belief in the goal and market value added in Iran Saderat Bank.
- There is a positive and significant relationship between employees' belief in the goal and cash value added in Iran Saderat Bank.

Therefore, considering the above, it can be said that at present, in some organizations, departments, ministries and companies, traditional budgeting is still going on. While the operational budgeting system can avoid the weaknesses of traditional budgeting and better control the collection, so the practical results of this research can be found in manufacturing companies, services, investment, institutions, government and private, ministries, government, and also in universities and research centers, the theoretical results of research can be used.

2 Research History

Ramezani et al. [15] leveled the indices of hotel service performance evaluation in order to increase profitability using ISM technique. The above research is descriptive in nature and method and case study in terms of type. The technique used in this research requires that information be received from experts and specialists related to hotel management. The research community was related to the subject in Guilan province and after extracting the dimensions and indices of the research using a review of the research literature, 12 experts in this field were used. By designing the ISM model, the growth rate of income and return on investment was identified as the most effective indicator and customer satisfaction as the most effective indicator. The effectiveness of the index does not mean that it is insignificant, but the index of customer satisfaction by being in this position shows that all other factors try to influence it and ultimately increase it. High impact also means the need for the presence of those indices in order to improve the work and their high importance.

Kashanipour et al. [6] explained the effect of the dynamics of capital structure, profitability and economic value added on the EPS of companies listed on the Tehran Stock Exchange. The purpose of this study is to explain the effect of the dynamics of capital structure, profitability and economic value added on the EPS of companies listed on the Tehran Stock Exchange. The statistical population of this research consists of companies listed on the Tehran Stock Exchange and the sample is 55 companies in the stock exchange from different industries during the years 2009 to 2015. The dependent variable of the present study is EPS. To test the hypotheses, multivariate regression models based on integrated data technique were used and performed using Eviews econometric software. The results show that the variables of capital structure, among which the variable coefficient of long-term debt ratio without end-of-service benefits to assets has a negative relationship with earnings per share and the rest of the variables of capital structure have a positive and significant relationship with earnings per share. There is also a positive and significant relationship between corporate profitability and economic value added with earnings per share.

Rojouei et al. [16] designed performance measures using BSC and AHP methods in Mashhad Social Security Organization. The purpose of this study is to design performance evaluation indices. This research is an exploratory research that has been done using the Delphi method. The population and statistical sample of the study are all senior managers and branch managers of the Social Security Organization, all managers (20 people) have been surveyed due to the small number. The data collection technique in this study was an interview and a researcher-made questionnaire. In this study, using Delphi method, the proposed indices were determined by senior managers and elites of the Social Security Organization, which was done in two stages. In the first stage, the main performance evaluation indices were identified using the library method and in-depth interviews, then these indices were provided to the samples in a hierarchical analysis questionnaire and Expert Choice software was used to prioritize the indices. The compatibility coefficient of the measures in the AHP model was less than one tenth, which indicates the acceptable compatibility of the system. The results also showed that customer perspectives, growth and learning, internal and financial processes are prioritized, respectively. The most important indicator in the customer's perspective is customer satisfaction; In

terms of growth and learning, in-service training; From a financial perspective, increase receivables; And in terms of internal processes, update the rules of the Social Security Organization according to the requirements of the time.

Desineh et al. [4] in a study compared the new indices of performance evaluation and earnings per share, before and after the VAT law in manufacturing companies on the Tehran Stock Exchange. Information includes earnings per share, net profit, economic value added, residual profit, net profit margin, adjusted economic value added and cash value added. The results of this study indicate that the new performance evaluation indices do not increase after the period of VAT implementation compared to the period before its implementation.

Dastgir et al. [3] in a study comparing economic models and accounting measures for evaluating financial performance in introducing market value added. The results showed that accounting measures and economic models of performance evaluation have a significant linear and positive relationship with market value added. This relationship between economic models, especially adjusted economic value added and market value added is more intense.

In a study, Babakhani et al. [1] presented a model for establishing an operational budgeting system in the Government of the Islamic Republic of Iran. This study, while stating the fact that the paradigm governing the implementation of the operational budgeting system in the country is not considered appropriate, has presented a model for the establishment of the operational budgeting system in the Government of the Islamic Republic of Iran.

Ghadirzadeh et al. [12] in a study presented a suitable model for establishing a performance-based budgeting system in the Rural Water and Sewerage Company of Ardabil Province. The results of the research indicate that the implementation of performance-based budgeting is essential and in this regard, activity-based costing is a good tool.

Sayari et al. [20] examined the effect of value added components of GDP and FDI on economic freedom in Europe. In this paper, annual data were used and a combined analysis of Pedroni and KAO panels was performed to evaluate long-term relationships. The results show that there is a long-term relationship between the studied variables. In addition, evidence shows that services and value-added components of industry have a positive effect on EFI, while the value-added component of agricultural costs has a negative effect on EFI. However, unlike the previous literature, in this study a significant and negative relationship was observed between EFI and FDI in the random effects model.

Kramer et al. [8] in a study strongly examined the relationship between economic value added and market value added. The results of testing the research hypotheses indicate that there is no significant relationship between market value added and leverage ratios. Also, among the liquidity ratios, which include the current ratio and the current ratio, there is only a significant relationship between market value added and the current ratio, and also between activity ratios, which include inventory turnover, fixed asset turnover, total assets turnover and average period. Receipt of receivables there is only a significant relationship between market value added and inventory turnover, and among profitability ratios there is only a significant relationship between market value added and profit variables after tax to special interest and profit before tax to special interest. Finally, among the market ratios, which include earnings per share, profit-sharing percentage and price-to-earnings ratio, there is only a significant relationship between market value added and earnings per share.

Tian et al. [5] in a study examined the relationship between value added with capital structure and firm performance and concluded that between the ratios of short-term debt to total assets, the ratio of total debt and total assets, the ratio of long-term debt to total Assets and the ratio of total debt to total equity have a significant relationship with the rate of return on assets.

2.1 Efficiency of budgeting system

Operational definition the efficiency of the budgeting system in this study is the score given to the subject in response to 13 questions adapted from studies [5, 7, 8, 10]. It consists of components (manpower expertise 4 questions from the first to the fourth question, budget comprehensiveness with 4 questions from the fifth to the eighth question and staff belief in the budget goal with 5 questions from the ninth to the thirteenth question). The table below shows this division.

Table 1: Operational definition of efficiency of budgeting system

References	Scattering of Questions	Number of Question	Component	Variable
[5, 7, 8, 10]	1-4	4	Manpower specialization	Efficiency of budgeting system
	5-8	4	Budget inclusiveness	
	9-13	5	Employees believe in the purpose of the budget	

2.2 Value-based performance evaluation indices

The operational definition of value-based performance evaluation indices in this study is the score given to the subject in response to 12 questions adapted from studies [5, 7, 8, 10] Includes components (economic value added 4 questions from the fourteenth to seventeenth question of the questionnaire, market value added with 4 questions from the eighteenth to the twenty-first question and cash value added with 4 questions from the twenty-second to the twenty-fifth question) it will be obtained. The table below shows this division.

Table 2: Operational definition of value-based performance evaluation indices

References	Scattering of Questions	Number of Question	Component	Variable
[5, 7, 8, 10]	14-17	4	Economic added value	Value-based performance evaluation indices
	18-21	4	Value added market	
	22-25	4	Cash value added	

3 Research Method

The present research is an applied based on purpose, based on the nature and method of data collection, it is descriptive-survey type and qualitative in terms of data type. In terms of the relationship between variables, it is also post-event correlation. From the perspective of performance logic, this research can be considered in the category of deductive-inductive research. In the continuation of this research, the system of structural equations has been used to explain the dependent and independent variables. In this regard, structural modeling helps the researcher to be able to analyze the pattern consisting of different components, in general and in detail. Structural modeling includes modeling structural relationships in the form of path analysis and modeling relationships in the form of confirmatory factor analysis. In general, a structural modeling, the researcher tries to identify and measure a set of latent variables by a group of references. The researcher also intends to measure and analyze the relationships between latent variables in the form of structural relationships. However, in this regard, the researcher may be faced with a set of variables in the form of explicit variables. Therefore, a structural model can be considered as a combination of structural model and measurement model. This is while the measurement model is derived from the variable thematic literature under study and the structural model is derived from the conceptual model of the research [13]. Factor analysis is used to find the underlying variables of a phenomenon or to summarize a set of data. The primary data for factor analysis is the correlation matrix between the variables. Factor analysis does not have predefined dependent variables.

The statistical population of this research is the staff of Saderat Bank in Kermanshah province, whose number is 490 people. Due to the size of the statistical population, a simple random sampling method was used. Taking into account the existing conditions in Saderat Bank of Kermanshah province, the sample size has been calculated using the following equation.

In Cochran’s formula: sample size= n

490= Statistical population size (population size of city, province, etc.)= N

1.96= Value of normal standard unit variable= Z

0.5= proportion of population with a certain trait= p

$$n = \frac{\frac{Z^2 pq}{d^2}}{1 + \frac{1}{N} \left(\frac{Z^2 pq}{d^2} - 1 \right)} \tag{3.1}$$

0.5= proportion of population without definite trait (q=1-p)

0.05= allowed error value or error percentage= d

By including the number of employees of Saderat Bank in Kermanshah province, the total number of which is 490 people, in the above relation, the sample number of 216 people is obtained. Due to the possibility of distortion of some questionnaires, 220 questionnaires were distributed. But in the end, the same 216 questionnaires were reviewed and analyzed.

In the questionnaire, 5-point Likert scale was used to answer the questions. Due to the use of the questionnaire, the reliability of the research tool should be checked. Because the issue of quality control results covers a wide range of

Table 3: Questions corresponding to the research hypotheses and the source of the questions

References	Number of questions	Component	Variable
Researcher made based on scientific and theoretical foundations	4	Manpower specialization	Efficiency of the budgeting system
	4	Budget inclusiveness	
	5	Employees believe in the purpose of the budget	
	4	Economic added value	Value-based performance evaluation indices
	4	Value added market	
	4	Cash value added	
	25	Total	

different issues. If we assume the data collection tool as a test, in general we can say that a good test should have the desired characteristics such as objectivity, ease of implementation, practicality, ease of interpretation and reliability to get the right results Leads. Among these features, reliability is more important. Cronbach’s alpha method is the most common method for calculating reliability. The method of using Cronbach’s alpha coefficient can be used to determine reliability with emphasis on internal correlation. In this method, components or parts of the studied data are used to measure the reliability coefficient of the test. In this regard, to calculate the Cronbach’s alpha coefficient, he first calculated the variance of the scores of each subset of the questionnaire (or subtest) questions and the total variance, then calculated the value of the alpha coefficient using the following formula, in which:

$$r_{\alpha} = \frac{J}{J - 1} \left[1 - \frac{\sum S_J^2}{S^2} \right] \tag{3.2}$$

J = Number of test questions

$\sum S_J^2$: Total variance of test questions

S^2 : Variance of total scores

In this study, Cronbach’s alpha was calculated using SPSS software.

Table 4: Assessing the reliability of research variables

Result	Cronbach Alpha	Component	Variable
Reliable	0.843	Manpower specialization	Efficiency of the budgeting system
Reliable	0.761	Budget inclusiveness	
Reliable	0.729	Employees believe in the purpose of the budget	
Reliable	0.818	Economic added value	Value-based performance evaluation indices
Reliable	0.875	Value added market	
Reliable	0.792	Cash value added	

4 Research results

4.1 Confirmatory factor analysis Efficiency of budgeting system

To check the confirmatory factor analysis of the efficiency of the budgeting system, enter the collected data into Amos software version 22 and by examining the fit indices to the confirmatory factor analysis of the budgeting system in the form of three components of manpower expertise, Budget inclusiveness, employees’ belief in the purpose of the budget, and if the output values are in acceptable intervals, the correct measurement of the efficiency of the budgeting system variable is ensured. The table below shows the results of the factor loads and efficiency of the budgeting system.

In Table 5, factor loads and critical ratios, efficiency of budgeting system , and budgeting are seen as one of the research variables. Paying attention to the statistical rules and regulations in this table indicates that all the values are in the allowed intervals and it can be deduced from these results that the structure of the questionnaire about this variable has a suitable fit. Since it is statistically suggested that factors with a regressive weight value (factor load) greater than 0.40 are considered significant and acceptable. Therefore, all regression weights in the study model have

Table 5: Results of factor loads and critical ratios Efficiency of budgeting system

C.R	sig	Factor load	Item	Component	Variable
		0.472	q1	Manpower specialization	Efficiency of Budgetting system
61.500	0.008	0.492	q2		
44.000	0.012	0.528	q3		
27.158	0.019	0.516	q4		
		0.423	q5	Budget inclusiveness	
64.222	0.009	0.578	q6		
0.022	28.5	0.627	q7		
30.429	0.021	0.639	q8		
		0.538	q9	Employees believe in the purpose of the budget	
46.000	0.014	0.644	q10		
76.500	0.008	0.612	q11		
45.615	0.013	0.593	q12		
0.017	41.294	0.702	q13		

Table 6: Factor model fit indices

Accepted fit	First model	Abbreviation	Name of the index	Grouping of indicators
<i>GFI</i> > %90	0.906	GFI	Fit goodness index	Absolute fit indicators
<i>RMR</i> < %90	0.022	RMR	The root of the mean of the remaining squares	
<i>TLI</i> > %90	0.910	TLI	Tucker-Lewis Fit Index	Comparative fit indices
<i>NFI</i> > %90	0.961	NFI	Normalized fit index	
<i>CFI</i> > %90	0.906	CFI	Adaptive Fit Index	
<i>IFI</i> > %90	0.944	IFI	Incremental fit index	
<i>PNFI</i> > %50	0.588	PNFI	Normalized fitting index	Affordable fit indicators
<i>PCFI</i> > %50	0.602	PCFI	Affordable Adaptive Fit Index	
<i>RMSEA</i> < %50	0.003	RMSEA	The root mean square of the estimation error	

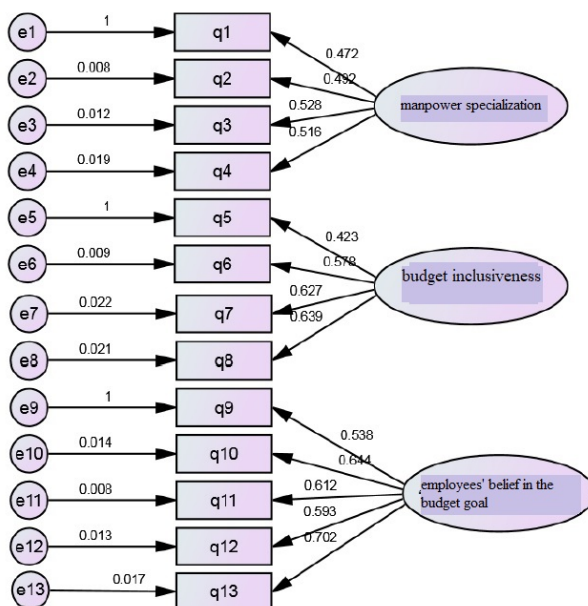


Figure 1: Structural model of the components of manpower specialization, budget inclusiveness, employees' belief in the budget goal

values greater than 0.40 and all critical ratios (t-value) are significant. Therefore, all factors are considered, approved, and the overall fit indicates a good fit of the studied measurement model with the observed data.

The model presented in Figure 1 shows the three components of human resource expertise, budget inclusiveness, and staff belief in the purpose of the budget.

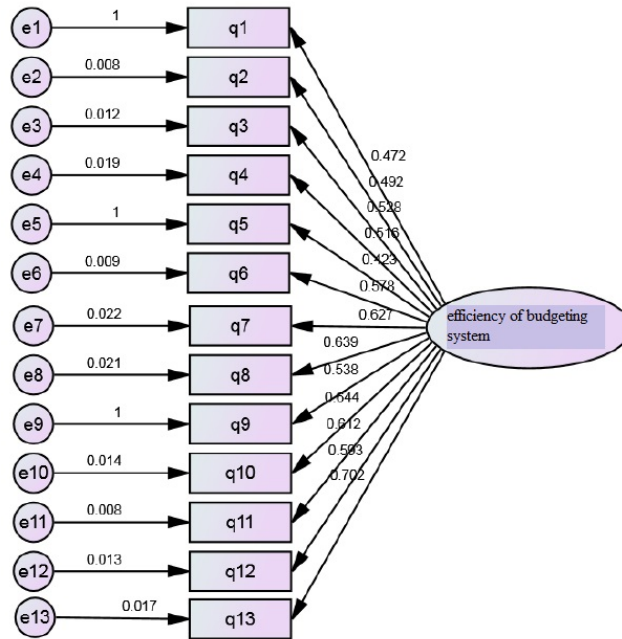


Figure 2: structural model of efficiency of budgeting system

The model fit indices are divided into three general categories of absolute, adaptive and economical fit indices. These indices and their acceptable range are listed in the table above. According to these results, all fit indices were in the acceptable range, which indicated a good fit of the research measurement model. That is, according to the above, it can be concluded that the measurement model of the observed variables have a good fit, and this means that explicit variables can measure hidden variables well.

4.2 Confirmatory factor analysis of value-based performance evaluation indices

To check the confirmatory factor analysis of value-based performance evaluation indices, enter the collected data into Amos software and by examining the fit factors for confirmatory factor analysis of value-based performance evaluation indices in the form of three components of economic value added, Market value added and cash value added act and if the output values are in acceptable intervals, the correct measurement of the variable of performance-based performance evaluation indices will be ensured. Table 7 shows the results of examining factor loads and ratios of value-based performance evaluation indices.

Table 7: Results of factor loads and critical ratios of value-based performance evaluation indices

C.R	sig	Factor load	Item	Component	Variable
79.375	0.008	0.635	q14	Economic added value	Value-based performance evaluation indices
25.190	0.021	0.529	q15		
51.462	0.013	0.669	q16		
81.714	0.007	0.572	q17		
		0.552	q18	Value added market	
0.021	31.666	0.665	q19		
54.000	0.011	0.594	q20		
62.566	0.009	0.563	q21		
		0.551	q22	Cash value added	
71.143	0.007	0.498	q23		
50.357	0.014	0.705	q24		
26.291	0.024	0.631	q25		

Since it is statistically suggested that factors with a regressive weight value (factor load) greater than 0.40 are considered significant and acceptable. Therefore, all regression weights in the model under study have values greater than 0.40 and all critical ratios (t-value) are significant. Therefore, all factors are considered, approved, and the overall fit indicates a good fit of the studied measurement model with the observed data.

Table 8: Factor model fit indices

Accepted fit	First model	Abbreviation	Name of the index	Grouping of indicators
$GFI > \%90$	0.926	GFI	Fit goodness index	Absolute fit indicators
$RMR < \%90$	0.013	RMR	The root of the mean of the remaining squares	
$TLI > \%90$	0.949	TLI	Tucker-Lewis Fit Index	Comparative fit indices
$NFI > \%90$	0.963	NFI	Normalized fit index	
$CFI > \%90$	0.995	CFI	Adaptive Fit Index	
$IFI > \%90$	0.908	IFI	Incremental fit index	
$PNFI > \%50$	0.802	PNFI	Normalized fitting index	Affordable fit indicators
$PCFI > \%50$	0.771	PCFI	Affordable Adaptive Fit Index	
$RMSEA < \%50$	0.009	RMSEA	The root mean square of the estimation error	

In the table above, factor loads and critical ratios of value-based performance evaluation indices are seen as one of the research variables.

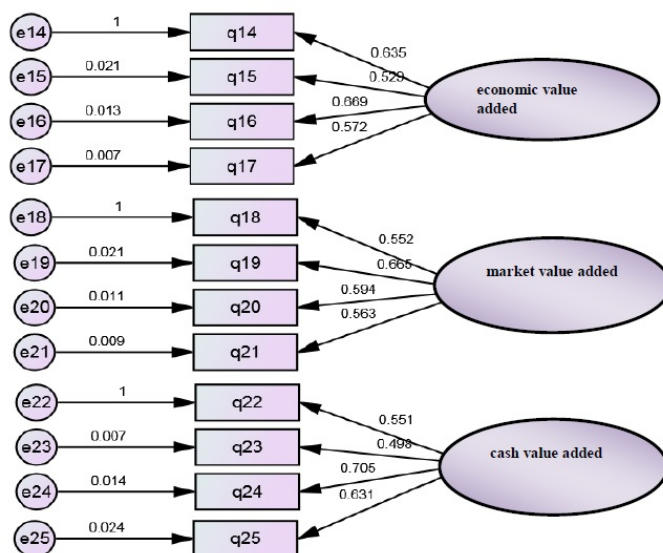


Figure 3: Structure model view of three components of economic value added, market value added, cash value added

Attention to statistical rules and regulations in this table indicates that all values are in the allowed intervals and it can be deduced from these results that the structure of the questionnaire about this variable has a good fit. The following model 4 demonstrates the variability of value-based performance evaluation indices.

4.3 investigating the research model fit

After ensuring the accuracy of the measurement model, the structural model is examined as the information in the table below shows. . As can be seen from the table below, the GFI index is 0.928 and because it is more than 0.90 it has a suitable fit. Also, the root mean square of the estimation error (RMSEA) is another criterion that is considered an inappropriate model if it is more than eight percent. Considering that the value of this error is obtained in the model of 0.033, the fit of the model is considered appropriate. Also, other fit indices of the model, as shown in the table 9, and by comparing them with an acceptable limit, show a suitable situation.

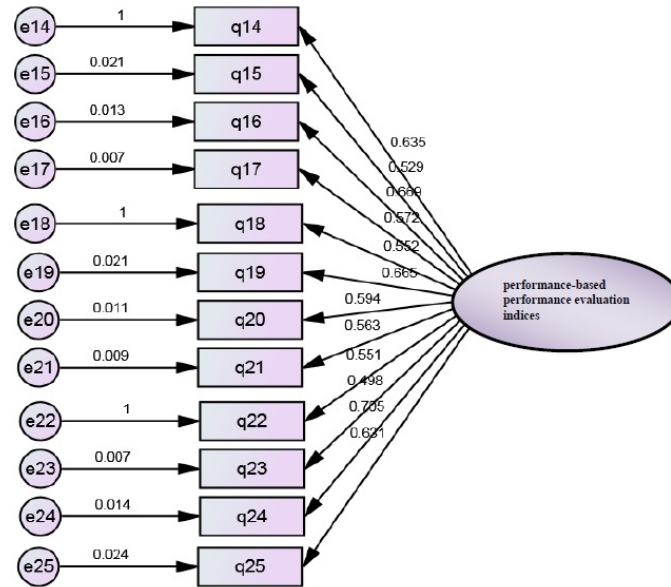


Figure 4: structural model of performance-based performance evaluation indices

Table 9: Fit indices for the proposed research model

Accepted fit	First model	Abbreviation	Name of the index	Grouping of indicators
$GFI > \%90$	0.928	GFI	Fit goodness index	Absolute fit indicators
$RMR < \%90$	0.014	RMR	The root of the mean of the remaining squares	
$TLI > \%90$	0.926	TLI	Tucker-Lewis Fit Index	Comparative fit indices
$NFI > \%90$	0.958	NFI	Normalized fit index	
$CFI > \%90$	0.923	CFI	Adaptive Fit Index	
$IFI > \%90$	0.961	IFI	Incremental fit index	
$PNFI > \%50$	0.655	PNFI	Normalized fitting index	Affordable fit indicators
$PCFI > \%50$	0.717	PCFI	Affordable Adaptive Fit Index	
$RMSEA < \%50$	0.033	RMSEA	The root mean square of the estimation error	

4.4 Hypothesis test results

After reviewing and confirming the proposed research model, two partial indices of T-value and P were used to test the significance of the hypotheses. Based on the significance level of 0.05, the value of T should be greater than 1.96 or less than -1.96. The values between these two values indicate that there is no significant difference between the calculated values for the regression weights with a value of zero at the 95% level.

5 Discussion

The purpose of this study is to develop a model based on the relationship between the efficiency of the budgeting system and performance-based performance evaluation indices in Saderat Bank Iran. After the statistical analysis of the information collected by the questionnaires distributed among the employees of Saderat Bank in Kermanshah province and relying on the results of these analyzes, the relationship between efficiency of budgeting system Classification and performance evaluation indices based on value and profit margin in Saderat Bank have been proven, now and after confirming this issue, some thoughts in the organization can be changed and organizational plans can be designed based on it. Accordingly, the executive and senior managers of the organization should be able to synchronize their organizational decisions with the interactive programs of the organization to create a suitable environment that while observing the rules and standards of monetary and financial and specialized budgeting, organizational efficiency and performance to the highest Increase as much as possible.

Table 10: Results of research hypotheses

Result of test	Pearson coefficient	P	Relationship	Hypothesis
Confirmed	0.705	0.008	Between budget system performance and value-based performance evaluation indices	Main
Confirmed	0.448	0.007	Between manpower specialization and economic added value	1st sub-hypothesis
Confirmed	0.511	0.024	Between manpower specialization and market value added	2nd sub-hypothesis
Confirmed	0.625	0.015	Between manpower specialization and cash value added	3rd sub-hypothesis
Confirmed	0.592	0.008	Between budget pervasiveness and economic added value	4th sub-hypothesis
Confirmed	0.643	0.023	Between budget pervasiveness and market value added	5th sub-hypothesis
Confirmed	0.507	0.013	Between budget pervasiveness and cash value added	6th sub-hypothesis
Confirmed	0.799	0.016	Between employees' belief in purpose and economic added value	7th sub-hypothesis
Confirmed	0.559	0.028	Between employees' belief in purpose and market value added	8th sub-hypothesis
Confirmed	0.583	0.007	Between employees' belief in purpose and cash value added	9th sub-hypothesis

Main Hypothesis: There is a significant relationship between the efficiency of the budgeting system and value-based performance evaluation indices in Saderat Bank of Iran.

The results of refining the research data show that the Pearson correlation coefficient is equal to 0.705. Since the value is $P = 0.008 < 0.05$, all cases are in the acceptable range and the first main hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

In a way, the efficiency of the budgeting system and the proportionality between systems of organizational structures can put performance evaluation indices in a good position and provide the basis for accurate and fact-based evaluation. The value of such feedback from an organization's performance will crystallize.

First Sub-hypothesis: There is a significant relationship between manpower specialization and economic value added in Saderat Bank of Iran. Findings from the refinement of research data show that Pearson correlation coefficient is equal to 0.448. Since the value is $P = 0.007 < 0.05$, all cases are in the acceptable range and the first sub-hypothesis is confirmed. The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

Due to the direct relationship of the bank's executive processes to human resources and the dependence of profitability and presence in a competitive market to create added value, the allocation of appropriate human resources can be a way as a vital need.

Second sub-hypothesis: There is a significant relationship between manpower specialization and market value added in Saderat Bank of Iran. The results of refining the research data show that the Pearson correlation coefficient is equal to 0.511. Since the value is $P = 0.024$, all cases are in the acceptable range and the second sub-hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

As mentioned in the previous hypothesis, proper allocation of human resources can provide the grounds for profitability, value of activities and appropriate output of the organization's activities. Focusing on this topic can create the conditions for the proper guidance of human resources in line with the goals of the organization.

Third sub-hypothesis: There is a significant relationship between manpower specialization and cash value added in Saderat Bank of Iran. Findings from the refinement of research data show that Pearson correlation coefficient is equal to 0.625. Since the value is $P = 0.015 > 0.05$, all cases are in the acceptable range and the third sub-hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

Focusing on employing specialized manpower or trying to improve expertise among human resources along with organizing specialized programs with the approach of benefiting the organization from the knowledge and expertise of

human resources can increase the value of organizational processes, improve productivity and improve the output of organizational activities and consequently create Provide cash added value to the organization.

Fourth Sub-hypothesis: There is a significant relationship between budget inclusiveness and economic value added in Saderat Bank of Iran. Findings from the refinement of research data show that Pearson correlation coefficient is equal to 0.592. Since the value is $P = 0.008 < 0.05$, all cases are in the acceptable range and the fifth sub-hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

Appropriate budget allocation, along with considering all departments and infrastructures of the organization and trying to clarify the share of each department and bank subdivision of the allocated budgets, can determine the areas for evaluating the economic added value of the organization.

Fifth Sub-hypothesis: There is a significant relationship between budget pervasiveness and market value added in Saderat Bank of Iran. Findings from the refinement of research data show that Pearson correlation coefficient is equal to 0.643. Since the value is $P = 0.023$, all items are in the acceptable range and the sixth sub-hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

Learning the budget is one of the requirements of proper budgeting and as one of the pillars of proper budgeting can lead to the correct implementation of organizational processes and activities in various areas and by providing adequate funding for all components of the organization, become a suitable support for the implementation of programs. Be organized and be useful by creating order and uniformity of the organization's activities to create added value in the capital market.

Sixth Sub-hypothesis: There is a significant relationship between budget inclusiveness and cash value added in Saderat Bank OF Iran. The results of refining the research data show that the Pearson correlation coefficient is equal to 0.507. Since the value is $P = 0.013 < 0.05$, all cases are in the acceptable range and the seventh sub-hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

Continuity in activities and paving the way for the integration of budgeting system s in all parts of the organization can be combined with the approach of continuous presence and creating appropriate support for customers and with the continuation and proper presence of the bank in different economic areas provide grounds for creating cash value.

Seventh sub-hypothesis: There is a significant relationship between employees' belief in the goal and economic value added in Saderat Bank OF Iran. The results of refining the research data show that the Pearson correlation coefficient is 0.799. Since the value is $P = 0.016$, all items are in the acceptable range and the seventh sub-hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

One of the views that have long been of special value to human resource management researchers is the association of employees' ideas and thoughts with organizational goals and approaches. And facilitate the management of organizational programs and cause economic added value of the bank's activities and processes.

Eighth Sub-hypothesis: There is a significant relationship between employees' belief in the goal and market value added in Saderat Bank of Iran. Findings from the refinement of research data show that the Pearson correlation coefficient is 0.559. Since the value is $P = 0.028 < 0.05$, all cases are in the acceptable range and the eighth sub-hypothesis is confirmed. The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

As mentioned in the previous hypothesis, the development of strategic human resource management plans and the tendency of senior managers and planners to spend on human resources matters and pave the way for building trust among employees towards the bank's lofty goals can align employees' ideas and beliefs. Follow the strategies of the organization and in this way, by creating coherence in the processes and activities of the organization, provide the grounds for profitability and create a successful brand, etc., and bring added market value to the shares of the organization.

Ninth sub-hypothesis: There is a significant relationship between employees' belief in the goal and cash value added in Saderat Bank of Iran. Findings from the refinement of research data show that the Pearson correlation coefficient is 0.583. Since the value is $P = 0.007 < 0.05$, all cases are within the acceptable range and the eleventh sub-hypothesis is confirmed; The results of this hypothesis are consistent with the studies of [5, 7, 8, 10].

Successful management of human resources in the shadow of creating a strong belief of employees in the goals of the organization can provide the grounds for receiving a proper output of employees' activities through more compassion and effort of employees, reducing organizational costs, economical efforts of employees and, ... and create cash added value in organizational assets and processes.

- Suggestions in the area of efficiency of budgeting system

- Using human resources with appropriate knowledge to facilitate the implementation of organizational strategies
- Consider specialized training to enhance the specialized capabilities of employees
- Managers' interest in professional training programs to improve staff expertise
- Specialized budget planning for all parts of the organization
- Suggestions related to the field of value-based performance evaluation indices
 - The amount of organizational capital is clear
 - Planning organizational processes to receive the appropriate return on capital employed
 - Accurately monitor stock market value
 - Proper management of costs and capital used can improve economic value added.

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