

**Research Article**

**ANALYSIS OF FACTORS AFFECTING FINANCIAL PERFORMANCE DAMAGES APPROPRIATE TO BENEFIT ENDOWMENTS AND HOLY SHRINES (CASE STUDY WEST AZARBAIJAN CHARITABLE ORGANIZATIONS RELIGIOUS AFFAIRS)**

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**ABSTRACT**

The purpose of this research was to analysis of the factors affecting Financial Performance damages appropriate to benefit endowments and holy shrines Religious Affairs Office, West Azerbaijan Province is charity. For this purpose, the factors affecting the formation of addiction by reading books, articles, previous research has primarily been a defining factor of 51. The population of the study, 150 people. The estimated sample size of about 129 Cochran and stratified random sampling method is selected. Means of data collection questionnaire, a questionnaire with 21 items of financial performance, organizational efficiency questionnaire with 26 items empowerment questionnaire with 30 questions that assess the validity and reliability of the samples were analyzed. For statistical analysis of data collected descriptive and inferential statistical methods were used. Thus, classification, summarization and interpretation of statistical data through descriptive statistics and inferential statistics to measure financial performance empowering employees through the Office of Religious Affairs and the factors affecting organizational productivity Financial Performance right to benefit endowments and holy shrines Religious Affairs Office, West Azerbaijan Province is charity Lisrel and SPSS software used. Also according to the results of the exploratory and confirmatory factor analysis of the scale and reliability of the 51 primary factor identified in four categories, empowerment, control costs, value management, risk management, was classified. Empowering employees indirectly through intermediary financial performance variables significant impact on organizational efficiency. Empowering employees, the enterprise efficiency, empowerment, control costs, value management, and risk management is the direct effect of above average.

**Keywords:** *Productivity, Empowerment, Pathology, Risk Management*

**INTRODUCTION**

Every organization faces different issues during its lifetime and according to intensity effect and structure, these issues are different from each other. Some problems are simple. The purpose of decision making is clear and the data regarding the issue are easily defined and completed. Such a situation is called problems with fine structure and is considered as mere intellectual decision making theory. These types of problems do not impose any threads on the existence of the organization. Still there are situations that managers are faced with which are considered as problems with bad structures. These types of problems are new and unusual. Information regarding such problems is incomplete and ambiguous. Organizational traumas are problems with very bad structures which can lead to organization to deterioration if they are not patched on time. In fact, organizational traumas are referred to those basic and fundamental problems which continuously engage the organization and prohibit organizations' healthy and appropriate growth. Organizational pathology is the scientific interpretation of all types of signs and information which are observed and collected through scientific observations and this information indicate the undesirable status of the organization (Robins, 2004).

In terms of definition, Endowment is defined as giving away for free and for the love of god (Moein, 2006). The outcome of endowment is the saved main capital and given away interest. According to 55<sup>th</sup> section of civil laws, the legal and legitimate definition of endowment states that saving the original property and giving away the interest is called endowment. The saving of the original property must be

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permanent so that the structure which the endower has built lasts for a long time (Aminian, 2003). Religious authorities consider the permanency as the main term or condition for endowment as Imam Khomeini has mentioned in his book of Tahrir-Alvasile (Khomeini, 65) and Allameh Helli in his book of appendix (Heli, 1994). Saving the original property and giving away the interest. By giving away the interest it is meant that the endower doesn't use the interests for his personal consumption and instead gives it to charities. Under these conditions we cannot change our opinion once you have decided to endow a property or void your contract because it jeopardizes the nature of endowment. Some of endowments in some cities are placed at locations that if there are proper investments, their efficiency will be improved for 10s or 100s of time. It's only enough to have these types of endowments analyzed by the group of efficiency of endowments at provincial level which is formed up by employees and experts of this context (Aghdasi, 1999). Building tombs and its relation with Shia thinking is the first subject of debate. Except for mosques, building tombs had been considered important by general public in Iran more than any other structure. There were no sign of independently built holy tombs in pre-Islam Iran. Also based on the initial Islamic thinking and based on the thoughts of our holy prophet, Muhammad, there are no approvals on building tombs for elders even the prophet Muhammad himself. The basic Islam was specifically avoiding any type of tomb building. During the first two decades of emergence of Islam, the only place for burial of elders of Islam and their close parties were graves and a piece of wood or a shade was the marker of their graves. The application of this shade used to be considered as the sign of heavens and by passing of time, this tradition continued in some parts of Islamic world such as central Asia and eastern Asia and especially in Iran and gradually there were glamorous and majestic structures made out of simple graves and therefore, building tombs is totally a Shia thing (Chen and Line, 2012).

The present research tries to provide answers to the following questions

- 1- What are the effective elements on adequate financial performance for efficiency of endowments and holy tombs in endowment offices and charities of western Azerbaijan province?
- 2- What are the pathologies of effective elements on adequate financial performance for efficiency of holy tombs of endowments office and charities of western Azerbaijan province?

**MATERIALS AND METHODS**

In terms of purpose the present research is considered as an applicable study and in terms of nature and methods it's considered as a descriptive-survey study. The population of research is consisted from the entire employees of West Azerbaijan's department of endowments and charities as 150 individuals. The sample of this research was determined through Cochran's formula as 129 individuals. The sampling method was a stratified sampling method with considering for the shares of each class.

$$n = \frac{t^2pq/d^2}{1 + 1/N(\frac{t^2pq}{d^2} - 1)} = 129$$

the data collection instrument in this research was questionnaires of financial performance with 21 items, the questionnaire of organizational efficiency with 26 items and the questionnaire of empowerment with 30 items. The reliability coefficients of each questionnaire are shown in table 1. These coefficients are calculated through the SPSS 22.0 software and by the application of Cronbach's alpha method.

**Table1: The reliability coefficients of questionnaires**

Number of questions	reliability coefficient (α)	Variable
26	0.90	Productivity
21	0.85	Financial performance
30	0.97	empowerment

Analysis of results of this research was performed at two levels of descriptive and illative. At the level of descriptive statistics, the statistics such as abundance, percentage, average and standard deviation were

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used and at the level of illative statistics the modeling method of structured equations and the method of PLS were used.

**RESULTS AND DISCUSSION**

**Results**

*Analysis of the Data Related to Research Hypotheses*

In this part of research, by the help of Smartpls application, the research hypotheses are subjected to analysis and test. Before testing research hypotheses, first the technical features of measurement instruments should be assured of. For doing so, criterions such as validity, mixed reliability, Cronbach's alpha, average mutual variance of structures, R-squares, effect size criterion, Eston and Gizer criterion, and the GOF criterion are used and the results of these calculations are as follows.

**Fitness of Measurement Models**

The measurement model is referred to a part of the main or original model which includes the relation between the questions of a structure and the structure itself.

Reliability criterion, Cronbach's alpha and average and variance and divergent validity

**Table 2: Results of three criteria of Cronbach's alpha, mixed reliability and extracted average variance**

The average variance extracted (AVE > 0.5)	Combining reliability coefficient (Alpha > 0.7)	Cronbach's alpha coefficients (Alpha > 0.7)	Hidden variables	As in the model
0.63	0.97	0.97	Financial performance	FINANCIAL
0.55	0.96	0.96	Productivity	PRODUCTIVITY
0.88	0.95	0.93	empowerment	ABILITI

The outcome of table 2 indicates that the calculated values for Cronbach's alpha which indicate the level of correlation between a structure with its indexes or internal compatibility is larger than adequate value (0.7). on the other hand the values of mixed reliability or the reliability of structures in other words are not calculated separately and instead they are calculated with respect to the correlation between its structures. And this value was also more than the adequate value (0.7) (Nanley, 1978). Also the value of extracted variance is larger than its adequate value (0.5) (Fornel and Larker, 1981). Therefore, we conclude that the entire criterions regarding the concealed variables are adequate values and it can be claimed that the research's convergent reliability and validity is in a good and suitable condition. For analysis and discussion of divergent validity in this research the method of comparison of level of correlation between a structure and its indexes versus the correlation of the same structure with other structures under the approach of Fornel and Larker (1981) was used.

**Table 3: Results of divergent reliability**

Financial performance	Financial performance	Financial performance	
----	----	0.96	Financial performance
-----	0.74	0.73	Productivity
0.93	0.73	0.96	empowerment

The outcome of table indicates that the average square value of extracted variance or AVE of financial management structure (0.79) is larger than the level of correlation for the other two structures (0.78) and in terms of the structure of efficiency it also can be said that the rule is accepted. Because the square value of organizational efficiency structure (0.76) is almost equal to the efficiency of two structures (0.78). But

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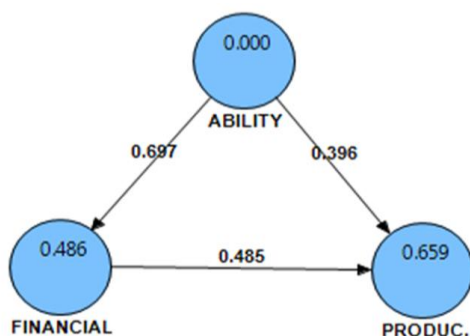
for increasing the square AVE of the structure of organizational efficiency we could eliminate questions which had load factors of less than 0.7, but the author should avoid elimination of his or her questions as much as possible so that the theoretical framework of the research is not exposed to any unwanted change. Therefore in this research with a small neglecting the issue could be accepted. With respect to the results of table 3, the divergent validity of the model is acceptable.

**The Fitness of Structural Model**

The outcome of table three indicates that with respect to increase of the value of square AVE, three variables of organizational efficiency, financial performance and empowerment of employees compared to the level of correlation between the variables, the convergent validity of model could be considered appropriate and therefore, accepted.

**The R2 or R-squares Criteria**

The criterion of R2 is used for showing the effect or lack of effects of the independent variable on dependent variables. The considered values for this criterion are 0.19, 0.33 and 0.67 which indicate the values of weak, average and strong respectively. According to the diagram 1, the R2 value related to two dependent variables of research (efficiency 0.66, financial performance 0.49) are larger than the average value of this criterion which is supposed to be 0.67, therefore the adequate and sound fitness of structure model of this research is approved.



**Diagram 1: R2 value**

**The Q2 Criterion**

This criterion signifies the model's anticipation power and is introduced by Eston and Gizer. The appropriate values for this criterion are 0.02, 0.15 and 0.35 which respectively indicate an anticipation power of weak, average and strong. According to table 4, the value of calculated Q2 is equal to 0.33 and 0.46 which indicates the fine anticipation ability of power of model in terms of this structure and the appropriate fitness of research's structural model is approved.

**Table 4: Q2 value**

Total	SSO	SSE	1-SSE/SSO
Financial performance	390.000000	212.019253	0.456361
Productivity	3380.000000	2232.603520	0.339466

**Fitness of the Total Model with GOF Criterion**

This model was introduced by Tenanhouse et al., (2004) which is used for total fitness of the model. It means that if its criterion values of 0.01, 0.25 and 0.36 are considered as weak, average and strong values respectively it reveals if the model is of adequate fitness or not. For calculation of this, the following formula is used. First we should calculate the average value of shared values between two structures of efficiency and financial management and then the calculated values should be squared in R2 value. The value of 0.45 for GOF in this research approves the adequate fitness of the total model.

=0.45  $GOF = \sqrt{\text{communalities} * R - \text{squares}}$

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**Research Hypotheses Test**

*First Hypothesis*

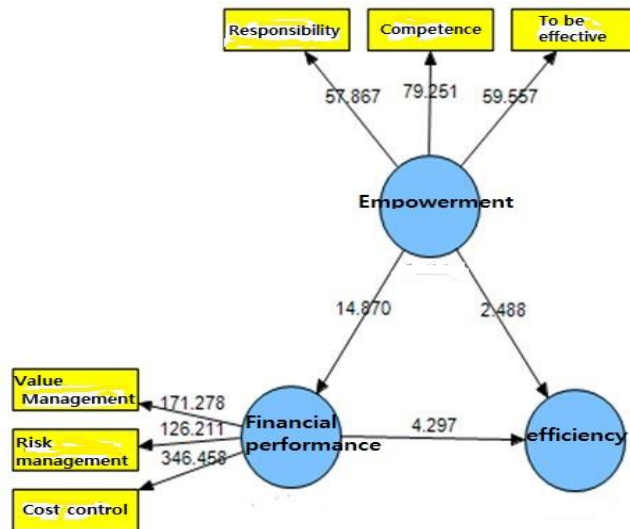
Implicit empowerment of employees through the moderator variables of financial performance is effective on organizational efficiency.

*Second Hypothesis*

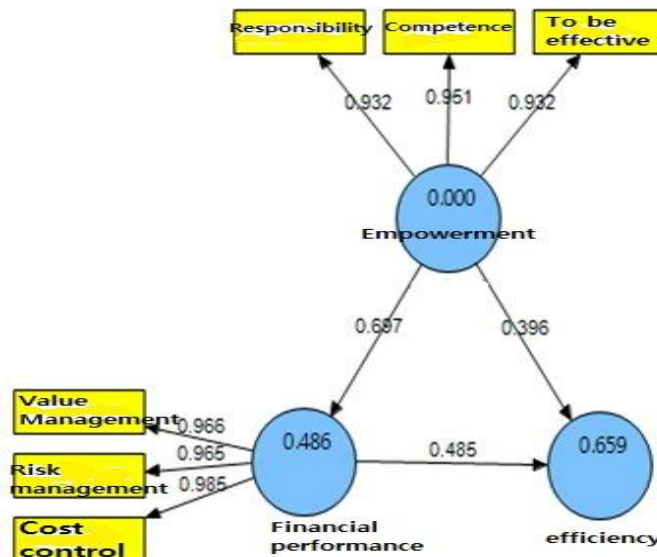
Empowering employees has direct impacts on organizational efficiency.

Significance coefficients for each of hypotheses

The outcome of diagram 2 shows that the significance coefficient of three routes between variables of organizational efficiency, financial performance and empowerment of employees are larger than the value of 1.96 at the error level of 0.05. Therefore, under a 95% confidence level it can be said that the effect of empowering employees on efficiency of the organization with moderation of financial performance is significant and meaningful and research hypotheses are accepted. For analysis and defining the strength of these impacts and their direction, the standardized coefficients are used and the results of related calculations are shown in diagram 3.



**Diagram 2: T-value values of the model**



**Diagram 3: standardized coefficients**

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According to diagram 3, the standardized coefficients of route between the variable of empowerment of employees and organizational efficiency are equal to 0.40 and this indicates the fact that 40 percent of changes of organizational efficiency are described by the variable of empowerment of employees. Therefore the research hypothesis is accepted and the empowerment of employees has impacts on organizational efficiency. On the other hand the two coefficients of 0.697 and 0.485 also reveal that the variable of empowerment of employees is implicitly and by the help of moderator variable of financial performance, affecting the 34 percent of organizational efficiency.

**Table 5: Analysis of research hypotheses**

Result	t	Path coefficient	Hypothesis
Confirmed	> 1.96	0.40	Empowerment of impact on organizational efficiency.
Confirmed	> 1.96	0.34	Empowering staff through intermediary variables affect financial performance to organizational efficiency.

With respect to the results depicted in table 5, at a confidence level of 95% it can be said that the effects of empowerment of employees is both directly and indirectly significant on organization efficiency.

*Third Research Hypothesis*

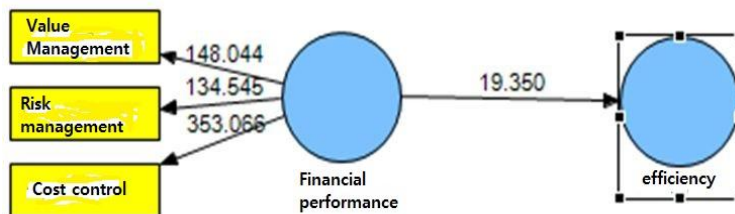
Financial performance has direct impacts on organizational efficiency  
 Fitness of the measurement model related to second research hypothesis

**Table 6: Results of criteria of Cronbach's alpha, mixed reliability, AVE and R2**

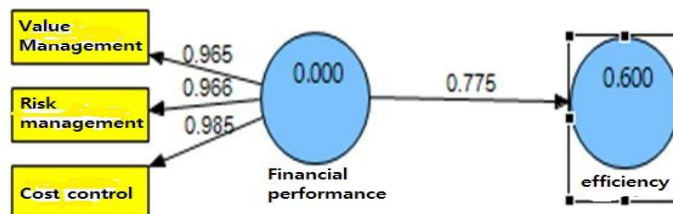
	AVE>0.5	Combining reliability	R- Square	Cronbach's alpha
Financial performance	0.55	0.97	0.60	0.96
Organizational efficiency	0.94	0.98		0.97

Results of table 6 indicate that the measurement model has an appropriate and adequate fitness because the measured values in upper table are all more than the proposed values of 0.5 and 0.7. For fitness of the structural model, the criterions of R2 and Q2 are used which are respectively equal to 0.60 and 0.30 which itself indicates and approves the fitness of structural model. The model's total fitness is calculated as 0.67. Therefore the highly adequate fitness of the total model is also accepted.

Investigating the significance coefficients and standardized load factor coefficients between financial performance and organizational efficiency



**Diagram 4: t-value values**



**Diagram 5: Standardized coefficients of load factor**

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Diagram 5 shows that the route coefficient between financial performance and organizational efficiency is significant and meaningful because its value is more than 1.96 at significance level of 0.05. Therefore, the impact of financial performance on organizational efficiency is positive and significant and meaningful at the same time. For investigating the extent of this effect the standardized coefficient of load factor is used. Diagram 5 indicates that the route coefficient between financial performance and efficiency is equal to 0.86, in other words financial performance can anticipate up to more than 78% of the changes in organizational efficiency. Therefore we conclude that the research hypothesis is acceptable under a confidence level of 95 percent.

*Fourth Research Hypothesis*

Value management has significant effects on organizational efficiency

Fitness of the measurement model for fourth research hypothesis

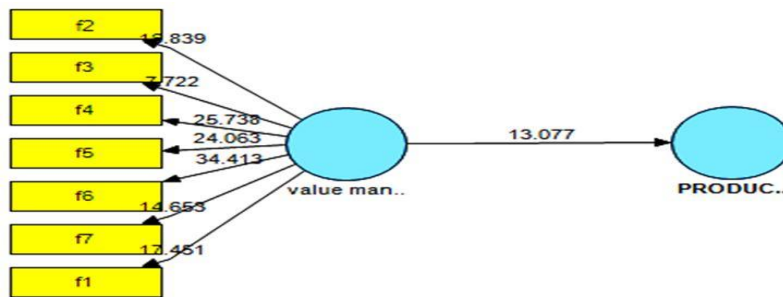
**Table 7: Results of criterions of Cronbach's alpha, mixed reliability, AVE and R2**

	AVE>0.5	Combining reliability	R- Square	Cronbach's alpha
Value Management	0.65	0.93		0.91
Organizational efficiency	0.55	0.97	0.57	0.96

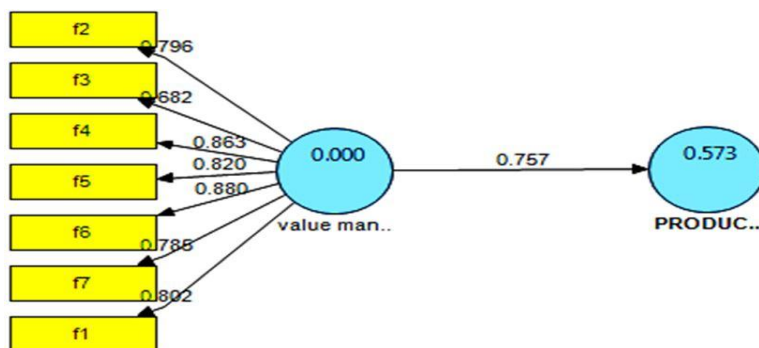
Results of table 7 indicate that the measurement model has an appropriate and adequate fitness because the measured values in upper table are all more than the proposed values of 0.5 and 0.7. For fitness of the structural model, the criterions of R2 and Q2 are used which are respectively equal to 0.57 and 0.29 which itself indicates and approves the fitness of structural model. The model's total fitness is calculated as 0.57. Therefore the highly adequate fitness of the total model is also accepted.

**Table 8: Estimated amount of acetone - Gyzr**

Total	SSO	SSE	1-SSE/SSO
Organizational efficiency	3198.000000	2279.724840	0.287140



**Figure 6: The amount of t-value**



**Figure 7: Standardized factor loadings**

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Check significant standardized coefficients Baramly path between the management and organizational efficiency.

Results of table 7 indicate that the measurement model has an appropriate and adequate fitness because the measured values in upper table are all more than the proposed values of 0.5 and 0.7. For fitness of the structural model, the criterions of R2 and Q2 are used which are respectively equal to 0.54 and 0.27 which itself indicates and approves the fitness of structural model. The model's total fitness is calculated as 0.58. Therefore the highly adequate fitness of the total model is also accepted.

*Fifth Research Hypothesis*

Risk management significantly affects organizational efficiency

Fitness of measurement model related to fifth research hypothesis

**Table 9: Results of results of criterions of Cronbach's alpha, mixed reliability, AVE and R2**

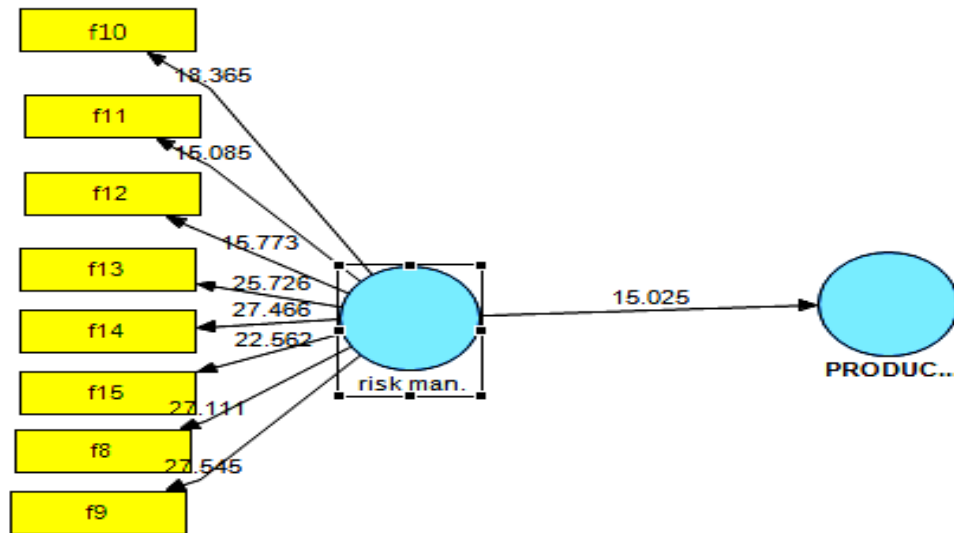
	AVE>0.5	Combining reliability	R- Square	Cronbach's alpha
Risk management	0.71	0.95		0.94
Organizational efficiency	0.55	0.96	0.54	0.96

Results Table (9) shows that the model is a good measure of fitness. The amounts in the above table are calculated over the proposed criterion values (7.0 and 5/0) respectively. R2 and Q2 is used to model the structure of the criteria that values 54/0 and 27/0 respectively, which is appropriate to confirm the structural model. Overall fit of the model was estimated by 58/0. The good fit of the model was confirmed.

**Table 10: Estimating the value of Q2**

Total	SSO	SSE	1-SSE/SSO
Organizational efficiency	3198.000000	2322.212466	0.273855

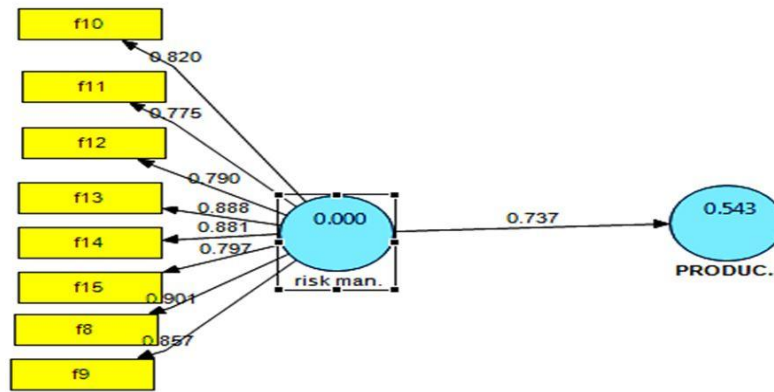
Check significant standardized coefficients barely route between risk management and organizational efficiency.



**Diagram 8: t0value significance coefficients**



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**Diagram 9: load factor standardized coefficients**

Diagram 9 shows the significance values of t-value and the calculated values at significance level of 0.05 are larger than 1.96. Therefore the effect of risk management on organizational efficiency is approved. Also the diagram number 9 indicates that the route coefficient between risk management and organizational efficiency is equal to 0.727 therefore we conclude that more than 73 percent of the changes in organizational efficiency are able to be anticipated by risk management. Therefore the research hypothesis related to this point is also accepted.

*Sixth Research Hypothesis*

Cost control has significant effects on organizational efficiency

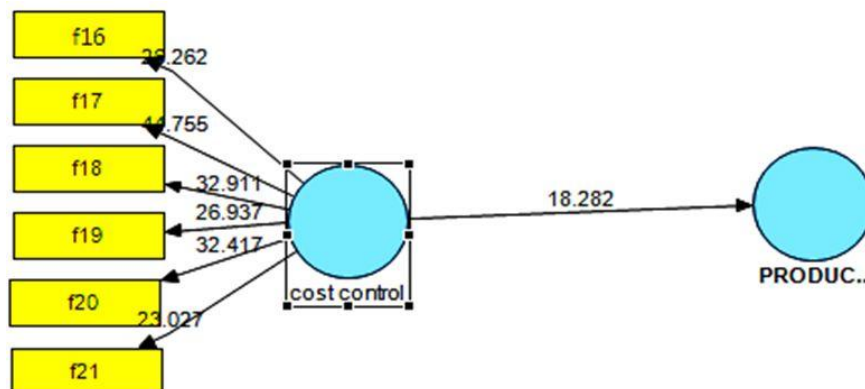
**Table 11: Results of results of criterions of Cronbach's alpha, mixed reliability, AVE and R2**

	AVE>0.5	Combining reliability	R- Square	Cronbach's alpha
Cost control	0.78	0.95		0.93
Organizational efficiency	0.55	0.96	0.56	0.96

Results of table 11 indicate that the measurement model has an appropriate and adequate fitness because the measured values in upper table are all more than the proposed values of 0.5 and 0.7. For fitness of the structural model, the criterions of R2 and Q2 are used which are respectively equal to 0.64 and 0.27 which itself indicates and approves the fitness of structural model. The model's total fitness is calculated as 0.61. Therefore the highly adequate fitness of the total model is also accepted.

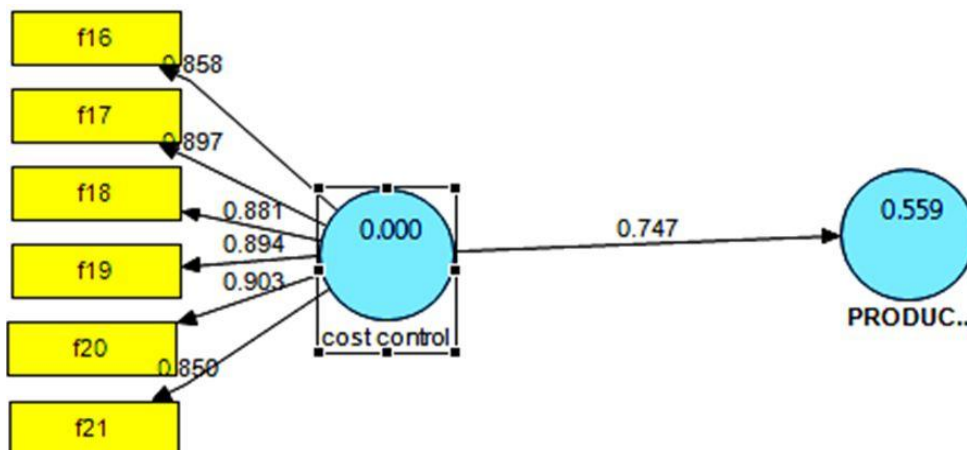
Investigating the significance coefficients and standardized coefficients of load factor of the route between risk management and organizational efficiency

Check significant standardized coefficients barely route between risk management and organizational efficiency.



**Diagram 10: t-value significance coefficients**

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**Diagram 11: standardized coefficients of load factor**

Diagram 11 shows the significance values of t-value and the calculated values at significance level of 0.05 are larger than 1.96. Therefore the effect of cost control on organizational efficiency is approved. Also the diagram number 11 indicates that the route coefficient between cost control and organizational efficiency is equal to 0.747 therefore we conclude that more than 74 percent of the changes in organizational efficiency are able to be anticipated by cost control. Therefore the research hypothesis related to this point is also accepted.

**Discussion and Conclusions**

Results indicate that the route coefficient between financial performance and organizational efficiency is significant because the value is larger than 1.96 and is significant at 0.05. Therefore the effect of financial performance on organizational efficiency is positive and significant. For estimating the extent of affecting, the standardized coefficient of load factor is used. Results indicated that the route coefficient between financial performance and efficiency is equal to 0.86, in other words, financial performance is able to anticipate more than 78 percent of the changes of organizational efficiency. Results indicated that the model has a good state of fitness because the calculated values in upper tables are all larger than proposed values of 0.5 and 0.7. For fitness of structural model, the criteria of Q2 and R2 are used and their values are respectively calculated as 0.57 and 0.29 which indicate the appropriateness of structural model. Results also indicated that the route coefficient between value management and efficiency is significant because its value is larger than 1.96 and is significant at 0.05. Results indicated that the calculated values are larger than 1.96 at significance level of 0.05 therefore the effect of risk management on organizational efficiency is approved. Results also indicated that the significance values of t0value indicate that the calculated value at the significance level of 0.05 are larger than 1.96. Therefore the effect of cost control on organizational efficiency is approved. Also the results have shown that the route coefficient between cost control and organizational efficiency is equal to 0.747 and therefore, it is concluded that more than 74 percent of the changes in organizational efficiency are anticipated and described by the variable of cost control. Implicit empowerment of employees through the moderator variable of financial performance has direct impacts on organizational efficiency. Results indicated that the coefficient of significance for three routes between organizational efficiency, financial performance and empowerment of employees are larger than 1.96 at the error level of 0.05. Therefore under a confidence level of 95 percent it can be said that the effect of empowerment of employees on organizational efficiency with moderation of the variable of financial performance is significant and meaningful.

Research literature also indicates that there exists a significant relation between financial performance, value management, risk management, cost control and dimensions of financial performance and organizational efficiency. Therefore it is recommended to put efforts on improving the efficiency of endowments and holy tombs in West Azerbaijan's department of charities and endowments.

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### **Financial Performance**

With respect to the fact that research results indicated that there exists a significant relation between financial performance and efficiency of organizations, for increasing the efficiency of holy tombs and endowments of West Azerbaijan's department of charities and endowments the following are recommended:

- 1- Serious support of vice managers from formation of a dynamic environment and innovation.
- 2- Development of our country's endowment and holy tombs under the light of increased efficiency which is the result of increased use of human intelligence and materialistic sources.
- 3- Transformation of organizational structure towards innovation and reaching new technologies

### **Risk Management**

With respect to the fact that research results indicated that there exists a significant relation between risk management and efficiency of organizations, for increasing the efficiency of holy tombs and endowments of West Azerbaijan's department of charities and endowments the following are recommended:

- 1- Paying attention to continuous researches aimed at identification of needs of customers and subsequent categorization of them
- 2- Transformation of perspective and adjustment of macro purposes and goals and development of holy tombs
- 3- Creating incentives among employees in terms of ideology which is the effective leverage of management in promotion of services.

### **Cost Control**

With respect to the fact that research results indicated that there exists a significant relation between cost control and efficiency of organizations, for increasing the efficiency of holy tombs and endowments of West Azerbaijan's department of charities and endowments the following are recommended:

- 1- Since a large amount of expenses are expended towards construction of endowments, therefore adopting an appropriate approach and strategy for optimized efficiency of endowment should be considered more than before.
- 2- Creating a long term context for cost control in terms of efficiency of holy tombs.
- 3- Creating appropriate contexts for receiving opinions and ideas from employees and customers.

### **Dimensions of Financial Performance**

With respect to the fact that research results indicated that there exists a significant relation between dimensions of financial performance and efficiency of organizations, for increasing the efficiency of holy tombs and endowments of West Azerbaijan's department of charities and endowments the following are recommended:

- 1- Appreciation of exemplary employees in organization through holding scoring periods for promotion of their incentives.
- 2- Amplification of the sense of belonging to the organization through providing loans and facilities for employees who have higher precision in performance of their bureaucratic affairs.
- 3- High holding the value of humanity in organization through holding specified courses for cognition.

1- With respect to the fact that research results indicated that there exists a significant relation empowerment of employees and efficiency of organizations, for increasing the efficiency of holy tombs and endowments of West Azerbaijan's department of charities and endowments the following are recommended:

- 1- Empowerment must be managed and performed at the same time.
- 2- Empowerment must include on time feedback providing for employees
- 3- For the purpose of updating the technical specifications and expert capabilities of employees, the organization must take steps towards improved empowerment of employees in terms of their jobs.

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