



Evaluating the performance of Bank Melli in supporting the production of domestic goods by providing banking facilities for the purchase of goods based on the Kaplan and Norton Balanced Scorecards model

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Abstract

The main purpose of this study is to evaluate the performance of Bank Melli in supporting the production of domestic goods by providing banking facilities for the purchase of goods based on the Kaplan and Norton Balanced Scorecards model. To achieve this goal, the theoretical foundations and related internal and external studies have been examined. In the next step, based on the research model and its dimensions, a research questionnaire was designed and distributed among a sample of 150 managers and experts of Bank Melli and examined and descriptive and inferential statistical analysis (testing of research hypotheses). The results show that there is a significant difference between the current and favorable situation of purchasing domestic goods by providing facilities for purchasing goods of Bank Melli in all four dimensions of the balanced evaluation model (value, finance, work processes and education and learning). Finally, in the framework of the research results, proposals were presented to support domestic production based on the mentioned dimensions with the help of facilities granted for the purchase of domestic goods of Bank Melli.

Keywords: Facilities for purchasing goods, support, production of domestic goods, Alkoi Balanced Scores, Bank Melli Iran

Introduction

As a result of the global financial crisis that began in mid-2007, the international stock markets and numerous corporations have fallen sharply or some have been bought off. Financial institutions face more competitive challenges around the world, especially during the effects of the financial "tsunami" chain, so it is imperative that banking institutions increase their competitive

advantage to outperform many competitors in the industry. These institutions should place more emphasis on improving internal performance. Banking institutions need to develop an effective way to align their strategies with the company's goals, based on performance analysis. Structural analysis of an evaluation model that links strategic goals as effective improvement processes becomes an important issue for banking institutions if

they want to maintain their competitive advantage (Yi Wu, 2012).

Domestic trade, on the other hand, is when domestic operations are conducted within the borders of a country. This means that the focus of domestic business activities is meeting the needs from the arteries of domestic resources and transactions are based on the financial system of that country. But in foreign trade, it is a situation that all business activities that are done outside the borders of a country and the purpose of this type of business is to provide the required equipment with better quality and also to make a profit from trade (Tavassoli et al., 2021).

Therefore, the importance of export development by countries and governments has led the vast majority of countries in the world to establish financial and specialized institutions affiliated with the government for this purpose. Equipping financial resources is known as the lifeblood of economic activities. Therefore, domestic trade and exports is one of the economic activities whose growth over the last century has been dependent on the financial activities of banks. Theoretical foundations and research background.

Theoretical foundations

Types of facilities and loans to buy Iranian goods from Bank Melli

Bank Melli loan is one of the facilities that Bank Melli provides to its customers. Melli Bank loans are offered in the form of various facilities; Legal partnership facilities, masakat facilities, civil partnership facilities, good loan and deposit facilities, farm

facilities, predecessor facilities, installment sale facilities, conditional lease facilities, car rental facilities, marriage purchase facilities, housing facilities, facilities Used car replacement, direct investment facility. This article tries to provide a brief explanation about each of the types of facilities and loans of Bank Melli.

Melli Bank loan is one of the oldest loans in our country, which dates back to the establishment of the bank. Bank Melli officially started its work in 1961 in Tehran. The bank established its first savings fund in 1318. Also, the first economic magazine of Iran, which is about statistics, economy and finance of Iran, was published by the managers of Bank Melli in 1313. Banking operations in Bank Melli continue their banking activities based on the interest-free Islamic banking system and based on the economic growth of the deprived and the underprivileged.

Which is offered to customers in the form of credit cards in most banks, allows you to purchase the goods you need from the stores that are contracted with this bank. The interest rate of these facilities, like other credit card facilities, follows the rate approved by the Central Bank, which is 18%. For these facilities, the borrower must introduce 3 official guarantors to the branch for the loan ceiling of 200 million. You should know that the repayment period of this loan is a minimum of 12 and a maximum of 60 months, which is determined by the applicant in agreement with the bank. Since this facility is provided in the form of a credit card, the borrower must pay 1% of the loan amount, which is the cost of the annual subscription, to the bank. Also, the borrower



and the guarantors do not have returned checks and overdue installments. In order to receive a loan to buy goods from Bank Melli, you need to have or open a Qarz al-Hasna account, short-term, current or even long-term, and you must freeze 10% of the loan amount with the bank. These facilities are provided in Bank Melli up to a maximum of 200 million Tomans. Applicants can get a loan according to the amount requested and the conditions approved by the branch.

Balanced evaluation pattern

There are several frameworks for measuring performance, including the performance appraisal framework (Haghshenas, 2007) in the NHS (Private Sector Scorecard), the Kaplan and Norton Balanced Scorecard (Kaplan and Norton, 1996) for use. In public sector organizations that evaluate the performance of the organization from the five dimensions of achieving strategic goals, user satisfaction of stakeholders, organizational advantage, financial goals and training and innovation. The 3P model interprets performance, productivity, and profitability in relative proportions from output to input.

Efficiency focuses on input and effectiveness on output to reflect customer value, and the Charter of Performance (Neely, 2002) outlines five dimensions that assess stakeholder satisfaction, strategies, processes, capacities, and stakeholder contributions.

Among the well-known performance measurement models, the evaluation model and the balanced score, which is considered as a conceptual model in this research, is a management strategy that aims to turn the

strategy into criteria; which conveys the attitude and perspective of the organization in a unique way in the organization. Successful organizations and agencies, in each of these four aspects, determine their goals and to achieve these goals in each aspect, select metrics and quantitative goals of each of these metrics for the evaluation courses they determine the opinion. In the next stage, they plan and implement executive measures and initiatives to achieve these goals (Khosravani, 2021).

Background Research

In a study entitled "The Impact of Bank Credits on Formal Employment in Uruguay", Gondleiman and Rastletti (2019) found a reduction in financial investment in various sectors of the economy, resulting in a reduction in formal employment. They also found that the effects of this reduction in formal employment on women and young workers were far greater. Despite the severe economic crisis and the sharp contraction of bank credits in the period under review, there was no evidence of the effectiveness of bank credits in formal employment. Also, Babukk and Janker (2018), using monthly data from the Czech banking sector (1993 to 2005), used a comprehensive, unbound VAR model to measure the impact of economic shocks on loan quality. The ratio of overdue loans to total facilities was considered as an indicator of loan quality. According to the fitted model, strong relationships between loan quality and some economic variables were confirmed based on the instantaneous reaction function. Variables such as unemployment, consumer price index (CPI), inflation and credit risk shocks increased the real exchange rate and

MI, in theory, reduced deferred receivables. The stress test was also used to measure the fragility of the Czech banking sector due to the effects of extreme economic shocks. The acceleration of the Non-performing Loan Ratio (NPL), high unemployment and inflation expectations were recognized as important warning indicators to identify the deterioration of the credit portfolio.

According to other stress tests, the stability of the banking system depends on price stability and economic growth. On the other hand, Burgess and Pand (2017), in their research in India, examined the impact of the increase of newly established branches by the Central Bank of India (at the time of the liberalization between 1969 and 1992, about 50,000 branches, mainly established in rural areas). Have been) have focused on rural development. The results of their study show that these branches have led to changes in the structure of production and employment and ultimately reduce poverty and inequality (Mong Naranjo and Hall in their article examined the effect of access to credit on manufacturing companies called Costa Rican. The results show that access to credit has a positive effect on the performance of manufacturing companies and their employment. (Khodadad Hatkeposhti, 2021)

Data analysis (testing of hypotheses)

Research method and Variables of research model:

This research is applied in terms of purpose and descriptive-causal in terms of implementation. Also Research variables are:

1. Domestic goods: All goods that are produced within the geographical borders of the country.

2. Balanced evaluation model: In order to study and measure the performance of the National Bank in relation to the subject under study, several indicators can be considered. Value, finance, internal business processes, and management) were selected and reviewed as follows:

A) Value dimension: the level of participation of villagers, the level of safety of applicants for the purchase of goods, the level of satisfaction of borrowers, the promotion of the image of the organization in the minds of applicants for the purchase of goods, continuous communication with applicants, strengthening the sense of value, responding to applicants.

B) Financial dimension: cost reduction, cost productivity, sustainable income growth percentage, budget compliance, return on investment, service growth and revenue growth percentage.

C) The dimension of internal work processes: reducing the steps of doing work, speed and manner of doing work, innovations and creativity, time of delivery of services (on time or with delay) to applicants for goods purchase facilities, improving the quality of services.

D) Management and training dimension: improving skills, proper introduction of new services and new plans, quality of training courses, effectiveness of training courses, costs spent on research and development, knowledge of the rights of applicants for goods purchase facilities and the amount of feedback from applicants for goods purchase facilities.



Descriptive study of variables:

In this section, we describe the variables in terms of central criteria and dispersion.

Variables Research is composed of different questions. We consider the sum of these questions as variables. The table below shows the results for the research variables.

Table 1. Descriptive statistics of research variables

Variable	S.D	Mean	Status
Valuable dimension	.72556	2.6995	Available
	.54020	4.0161	Optimal
Financial dimension	.70355	2.7711	Available
	.66074	3.7886	Optimal
work processes dimension	.73617	2.8878	Available
	.66074	3.7886	Optimal
learn and growth dimension	.88372	2.6105	Available
	.72157	3.7913	Optimal

Source: Research Findings

Purposes and hypotheses of the research

Purposes of the research:

General (Scientific) Purposes:

To evaluate the performance of Bank Melli in supporting the production of domestic goods by providing banking facilities for the purchase of goods based on the Kaplan and Norton Balanced Scorecard model.

Practical Purposes:

The success rate of Bank Melli based on the Kaplan and Norton Balanced Scorecard model in supporting the production of domestic goods through the provision of banking facilities.

Specific Purposes:

A comparative study of the role of Bank Melli facilities in supporting the production of domestic goods from the perspective of managers and experts of Bank Melli headquarters by providing facilities for

purchasing goods between the current situation and the desired situation in terms of the effectiveness of these facilities based Four dimensions of balanced assessment model (value, finance, work processes and learning and growth).

Research Hypotheses

In this research, according to the above questions, the following hypotheses are tested:

The first main hypothesis: There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of facilities for the purchase of goods of Bank Melli Iran in terms of value.

The second main hypothesis: There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of goods purchase facilities of Bank Melli Iran in the financial dimension.

Third main hypothesis: There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of facilities for the purchase of goods of Bank Melli Iran in terms of work processes.

Fourth main hypothesis: There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of goods purchase facilities of

Bank Melli Iran in terms of learning and growth.

The first main hypothesis Test:

There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of facilities for the purchase of goods of Bank Melli Iran in terms of value.

Table 2. Single sample t-test Paying attention to the valuable dimension in the available and optimal status

p. value	df	t. statistic	Status
0.000	148	-5.056	Available Status
0.000	123	20.946	Optimal Status

Source: Research Findings

According to the results of Table (2), since the level of significance was less than 5%, this result. It can be said that there is a significant difference between the current and favorable situation of supporting the production of domestic goods by providing facilities for the purchase of goods of Bank Melli Iran in the valuable dimension and this hypothesis was confirmed.4. Results and Recommendations.

The second main hypothesis Test:

There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of goods purchase facilities of Bank Melli Iran in the financial dimension. The first main hypothesis test:

Table 3. One-sample t-test according to the financial dimension in the available and optimal status

p. value	df	t. statistic	Status
0.000	149	-3.985	Available Status
0.000	130	12.552	Optimal Status

Source: Research Findings

According to the results of Table (3), since the level of significance was less than 5%, it is concluded that between the current situation and the desired support for the production of domestic goods by granting

facilities to purchase goods of Bank Melli Iran in the dimension There is a significant financial difference and this hypothesis was confirmed.



The Third main hypothesis Test:

Third main hypothesis: There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of facilities for the purchase of goods of Bank Melli Iran in terms of work processes.

According to the results of Table (3), since the significant level in the desired situation was less than 5%, but at the current level is more than 5%, it is concluded that between the current situation and the desired production support Domestic goods There is

a significant difference in the process of business processes due to the provision of goods purchase facilities of Bank Melli Iran, and this hypothesis can be rejected.

Fourth main hypothesis:

There is a significant difference between the current and favorable situation of supporting the production of domestic goods through the provision of goods purchase facilities of Bank Melli Iran in terms of learning and growth.

Table 3. Growth dimension in the available and optimal status

p. value	df	t. statistic	Status
.000	149	-5.398	Available Status
.000	131	18.700	Optimal Status

Source: Research Findings

According to the results of Table (4), since the level of significance was less than 5%, it is concluded that the fourth main hypothesis: between the current situation and the desired support for the production of domestic goods by granting facilities to purchase bank goods National Iranian There is a significant difference in learning and growth and this hypothesis was confirmed.4 Results.

Research regression analysis:

Table (5) shows the results of regression analysis for the effect of the independent variable on the dependent variable. The dimensions of the independent variable are: value dimension, financial dimension, work processes dimension, and growth and learning dimension.

Table 5. The result of regression estimation of the research model

Variables	P.Value	t	Beta
constant number	.309	-1.021	-
Valuable dimension	.000	7.426	.380
growth and learn dimension	.000	9.179	.571
work processes dimension	.308	1.023	.054
Financial dimension	.518	-.648	-.025
F= 237.434 Sig= 0.000			
R= 0.923 0.868 R ² = R ² Adjust = 0.865			

Source: Research Findings

The dependent variable in this research is domestic trade. The value of F is calculated at the 95% level (Sig = 0.000) indicates the significance of the regression model. This means that the regression model can appropriately predict the changes of the dependent variable. Among the dimensions of the independent variable (granting facilities of Bank Melli), the dimension of value and the dimension of growth and learning have a significant impact on the purchase of domestic goods? And among these dimensions, the variable of growth and learning (has a larger beta) has a greater impact on the purchase of domestic goods. Also, the results of Table 4-11 show that the predictor variable (independent) predicts 86% ($R^2 \text{ Adjust} = 0.865$) of the fluctuations of the criterion variable or the dependent variable (domestic goods purchase).

Conclusion

According to the research hypothesis test, the following results were obtained:

1. According to the results of the first hypothesis test, it was concluded that there is a significant difference between the current and favorable situation of supporting the production of domestic goods by providing facilities for the purchase of goods of Bank Melli Iran in terms of value. Therefore, the first hypothesis of the research can be accepted.
2. According to the results of the second hypothesis test, it was concluded that there is a significant difference between the current and favorable situation of supporting the production of domestic goods by granting goods purchase facilities of Bank Melli Iran in the financial dimension. Therefore, the

second hypothesis of the research can be accepted.

3. According to the results of testing the third hypothesis, it was concluded that there is a significant difference between the current and favorable situation of supporting the production of domestic goods by providing facilities to purchase goods of Bank Melli Iran in terms of domestic work processes. Therefore, the third hypothesis of the research can be rejected.

4. According to the results of testing the fourth hypothesis, it was concluded that there is a significant difference between the current and favorable situation of supporting the production of domestic goods by providing facilities to purchase goods of Bank Melli Iran in terms of learning and growth (managerial and educational dimension). Therefore, the fourth hypothesis of the research can be accepted.

Recommendations

1. According to the confirmation of the first hypothesis to strengthen the components of the valuable dimension based on the research questionnaire, the following cases are suggested:

- Calling and informing the public about the priorities of granting Bank Melli facilities in support of domestic goods
- The level of participation and culture building at the community level and the purchase and support of domestic products
- The level of satisfaction of the applicants of the goods purchase facilities from the manner of payment of the credits granted by Bank Melli in order to support the production of domestic goods



- Leadership and support of government departments and agencies from industries to create export-oriented businesses

- Providing guidance and advice to technical experts on how to provide transparent and accurate facilities granted by Bank Melli to achieve the goal of supporting domestic industries

- Continuation and development of sustainable employment in the domestic industry sector from the location of the facilities granted by Bank Melli

2. According to the test results of the second hypothesis, in order to strengthen the components of the financial dimension based on the research questionnaire, the following is suggested:

- Reducing the costs of providing financial services to applicants for domestic goods purchase facilities

- Financial support and opportunities to use the facilities granted by Bank Melli in the rate of economic growth and earning income from the purchase of domestic goods

- The extent of matching the facilities granted by Bank Melli with the necessary budget provided by Bank Melli to develop the purchase of domestic goods

- Participation period and breathing time Repayment of credits received to maintain and sustain jobs related to the domestic production sector

- Supporting entrepreneurial funds to obtain collateral and expedite the payment of credits in order to support domestic production

3. According to the test results of the third hypothesis, in order to create and then

strengthen the following components of work processes, the following cases are suggested:

- Prioritizing entrepreneurship and sustainable employment projects in the domestic industries and products sector

- Reducing the steps of administrative bureaucracy to obtain the facilities granted by Bank Melli with the aim of supporting domestic production

- Supporting various devices and working groups for the development of domestic products

- The level of innovation and creativity of the plans and programs of the domestic production sector to obtain the facilities granted by Bank Melli

4. According to the results of the fourth hypothesis test, the following is suggested to strengthen the components of the learning and growth dimension:

- Providing the necessary training to active investors in the domestic production sector of the country

- Providing appropriate training for marketing and completing the business value chain with the approach of using the existing capacities in the domestic production sector

- Improving and applying the acquired skills resulting from the implementation of training courses required to create jobs and develop the activities of the domestic production sector

- Strengthening and expanding research and development units in active jobs in the domestic production sector

- Satisfaction and participation of applicants for facilities for purchasing goods and domestic consumers and all activists related to domestic products from holding

training courses for more efficient use of resources and facilities

- Managing stable and active jobs in the domestic production sector of the country
- Preserving the jobs created from the facilities granted by Bank Melli in the public minds and activists of the domestic production sector
- Ability of domestic producers to use the capacities of science and technology parks, growth centers and innovation and entrepreneurship networks for sustainable employment in the domestic production sector.

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