



Exploring the relationship among financial supervision, organizational health and adjusting role of organizational commitment in executive organizations of North Khorasan province

Masoud TAHERI LARI, Abbas SHEKARI, Reza BAHMANPOR*

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Abstract. Organizational health in governmental organizations leads to correct decision making and policy implementation and results in effective and efficient public services. Various factors such as efficient control and supervision, organizational culture, organizational commitment, organizational environment and government structure affect organizational health. One of the main elements of organizational health is financial supervision. The main aim of this study is to explore the relationship between financial supervision and organizational health with the adjusting role of organizational commitment in North Khorasan government organizations. The present research is applied research by its nature and the data are collected by the use of survey and analyzed by correlation analysis. The population of this study comprise executive offices North Khorasan province and the sample include all 128 employees based on Kersi and Morgan Table. The data collection procedure were observation and document analysis, accounting checklist in four domains including payment, property, investment and how tenders are held, organizational health checklist and organizational commitment questionnaire based on Balfour and Wexler Model. For descriptive data analysis Tables, Means, Frequencies and for statistical data analysis partial correlation coefficient were used. The results of the study showed that there is a statistically significant and positive relationship between financial supervision and organizational health and also the organizational commitment plays the adjusting role here.

Keywords: Organizational health, financial supervision, organizational commitment

1. INTRODUCTION

Organizations have to enjoy a healthy bureaucracy in order to function effectively and efficiently in the society. A damage or deviation in the society may endanger organizational health and prevent it from obtaining its aims and goals. Nowadays, organizational health is the key point of each organization.

Organizational commitment is one of the main elements of organizational behavior and its presence in every organization can lead to its supremacy. Organizational commitment is a type of emotional commitment to an organization. Thus, the people who are completely committed to their organization, take their identity from it, participate in it wholeheartedly and enjoy being a member.

Financial supervision is a type of supervision that check the accuracy and truth of financial activities related to budgeting, conformity of costs and payments with financial regulations and limiting the costs to the funds.

Supervision of costs as it is distributed is the main responsibility of shareholders and if it is done accurately and precisely based on governmental accounting can lead to improvement in organizational health.

*Corresponding author. *Email address: r.bahmanpoor@gmail.com*

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Statement of the problem

Governments financial programs is the most important part of bureaucracy and as the government accomplish society's needs by the help of a correct budget, financial, organizational and technical controls and organizations' performance supervision according to the funding comprises the main elements of government responsibility. Committed stakeholders and financial managers that are employed based on effective criteria are required to improve supervision systems and financial performance. Also, the bureaucracy of every society is the arm of the politics in that society and its right performance may lead to betterment of political system of that society or vice versa. Therefore, it is necessary to pay attention to organizational system of a society and try to improve it.

A healthy organizational system, lead to the decrease in additional costs enforced on governments while a corrupted organizational system can lead to its collapse by wasting the financial resources that are required for the development of society or at least can increase the cost of transactions and prevent steady growth and prediction of economic situation.

Iran organizational system against its appearance is not able to perform efficiently in a modern society and this is a social problem and the employees, managers and clients completely see the pathologic situation. Evidences such as failure in obtaining the goals, low levels of efficiency, clients' dissatisfaction, lack of financial organizational health, low levels of job satisfaction, slow work procedure, etc shows that there are some elements of organizational corruption in this system (Hajizade meymandi, 1381).

Importance of organizational commitment of employees to an organization led to its recognition as one of the main elements of organizational research. Organizational commitment is a psychological state that shows a tendency and likeness toward working in an organization. Some people like their job, but don't like their organization and vice versa. Therefore, positive and negative feelings toward a job are only part of the tendency of employee toward its job and the overall tendency of a person toward its job is called organizational commitment. This tendency shows how much you can identify a person by its organization and how much that person belongs to that organization. Therefore, this study seeks to find the answer to the following question:

Is there any relationship between financial supervision and organizational health with the adjusting role of organizational commitment in North Khorasan government offices?

Significance of the study

In financial and accounting laws and regulations of every country and based on 55 Act of Islamic republic laws and regulations, supervision over budgeting enjoys a great importance. The regulations available in 53 and 55 Acts of laws related to costs are the legal requirements of budgeting control and supervision. Besides following the above legal requirements, the budgeting control act led to extraction of efficient and helpful information that will help the managers a lot. Therefore, legal requirements and managers' needs to financial information are the main elements of obeying budgeting control act (Babajani, 1382).

As supervision and control are necessary acts in country management, an efficient and effective within organization supervising system can help a lot in bring about social justice and economic development. On the other hand, successful organizations employing effective human resources with high organizational commitment comprise the main aim of the managers. Therefore, it is necessary to examine the relationship between financial supervision and organizational health with the adjusting role of organizational commitment in executive offices of the province and the results can help a lot in decreasing additional costs, illegal use of government property, collusion in tenders, giving wrong financial statements and etc.

THEORETICAL BACKGROUND

Financial supervision

After declaring the annual budget of the country by Majlis to the government and in the phase of consuming the budget, supervision is performed and include financial, operational and development dimensions and ministry of economic is responsible for that based on the Act 90 of Islamic republic rules and regulations (Aghvami, Babajani 1383). Ministry of economic appoints stakeholders and managers as its agents in organizations. Based on the Act 31 of Islamic republic laws and regulations, these agents have the following responsibilities:

Supervision of financial and accounting acts and control and documentation of accounts based on rules and regulations

Supervision over keeping and maintaining documents and statements

Keeping and returning cash, investments and securities

Keeping account of government properties and supervision over them

Establishing an effective financial supervision system make a great deal in correct use of financial resources in projects, maintaining public properties, confidence in correct financial activities related to budgeting, adjusting costs and payments with rules and regulations and limiting costs to the budgets.

Organizational commitment

Commitment in an organization has attracted a lot of attention to itself in recent years. Kashmen argues that organizational commitment is a degree to which a person considers the values, aims, responsibilities and loyalties to an organization as important elements. This kind of commitment reflects a relationship between the needs and values of a person and the organization that lead to a powerful unified goal between the employees and the organization.

By reviewing the theoretical concepts of organizational commitment, we can find that psychological and behavioral experts don't give a comprehensive definition of organizational commitment and every person has tried to work on a particular aspect of organizational commitment. Herbinak describes organizational commitment as a structural phenomenon that is the result of interactions between person and organization and variation in investments.

Kanter considers organizational commitment as the inclination of employees toward spending their energy in the organization

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Bokanan defines commitment as follow: commitment is a type of emotional and dogmatic dependence to values and goals of an organization.

Salansk describes commitments as a state in which a person is efficient based on his or her performance in organization and that person tries to continue his/her effort.

Estiroz Porter (1983) denotes organizational commitment as determination of a person's identification with an organization and engagement with it.

Barrons and Greenberg (1990) believe that organizational commitment is a positive or negative attitude of a person toward the organization

Balfour and wechsler (1996) categorize organizational commitment into three dimensions including interactional commitment, replicated commitment and commitment to continuity. In interactional commitment, a person analyzes the salaries, promotions and benefits that he or she will use if leave the organization. Replicated commitment is based on the registration in an organization that is honored by most of people and makes a person proud of himself. In this type of commitment, the employees are eager to participate in decision making in different levels. Commitment to continuity is the title given to a group of people in an organization who consider it as coherent and relate to each other as the members of a family (Arizi, 1380).

Organizational Health

The opposite point of organizational corruption is organizational health. That is, organizational system enact its responsibilities and move toward its goals based on the organizational rules and regulations and discipline. Organizational health has been desired by the societies for a long time as organizational system is a tool of distributing justice between different groups in the society. Good government and good regime and providence of justice have been the most important topics in the history of politics. Organizational health is a part of good government and good political system. Therefore in order to have a healthy organizational system, we need to have a healthy political system and governments and that depends on democracy and participation of people and its accomplishment happens by distributing and handing over the power in different organizational levels. Decentralization reduces the power distance and that in turn leads to decrease in corruption rate. In the healthy state, an organism continues its growth and development. Healthy organization is more that short term efficiency of an organization. It comprises a set of relatively static features that is accompanied with work environment adjustment, high spirit of workforce, authority to solve the problem and etc. Healthy organization system takes its roots from powerful management and honest leadership. There are some important ways to improve organizational health, including:

1. Transparency of work procedure and increase in accountability
2. Increasing clients' satisfaction and respect to their rights
3. Meritocracy in selections and choices
4. Developing organizational culture and enhancing religious and ethical values

5. Increasing private sectors participation by removing the obstacles
6. Establishing an effective regulatory system to prevent and fight with corruption and increase the health of decision making and activities.

REVIEW OF THE LITERATURE

Ghahremani (1391) examined the relationship between organizational health and improvement in human resource performance in West Azarbayjan government organizations and reported the following points:

1. There is a relationship between legalism and improvement in human resource performance.
2. There is a relationship between supervision and improvement in human resource performance
3. There is a relationship between education and improvement in human resource performance
4. There is a relationship between Electronic government and human resource performance.

Valizade (1392) examined the relationship between organizational commitment and organizational health in tax office of Lorestan province. The research question explored if there is a relationship between organizational commitment and organizational health among the employees of this office. The results of the study showed that there is a relationship between organizational commitment and organizational health, emotional dimension of organizational commitment and organizational health, norm dimension of organizational commitment and organizational health and continuity dimension of organizational commitment and organizational health.

Emami (1386) in a research titling financial supervision over government organizations concluded that as stakeholder is responsible for adjustment of payment with rules and regulations, he/she should adjust them together otherwise he/she will be found guilty.

Mahdavi (1996) in the study titling financial control structure, accountability and accounting in Islamic republic of Iran and Australia argued that government accounting in Iran is not as developed as developed countries and there is a need for various financial information to increase efficiency and effectiveness of the work.

Theoretical model

The theoretical model of our research shows the relationship between the variables. In this study, four dimensions of financial supervision as independent variables and three indicators of organizational health as dependent variable and organizational commitment as moderator variables are considered. The following figure shows the theoretical model of our study:

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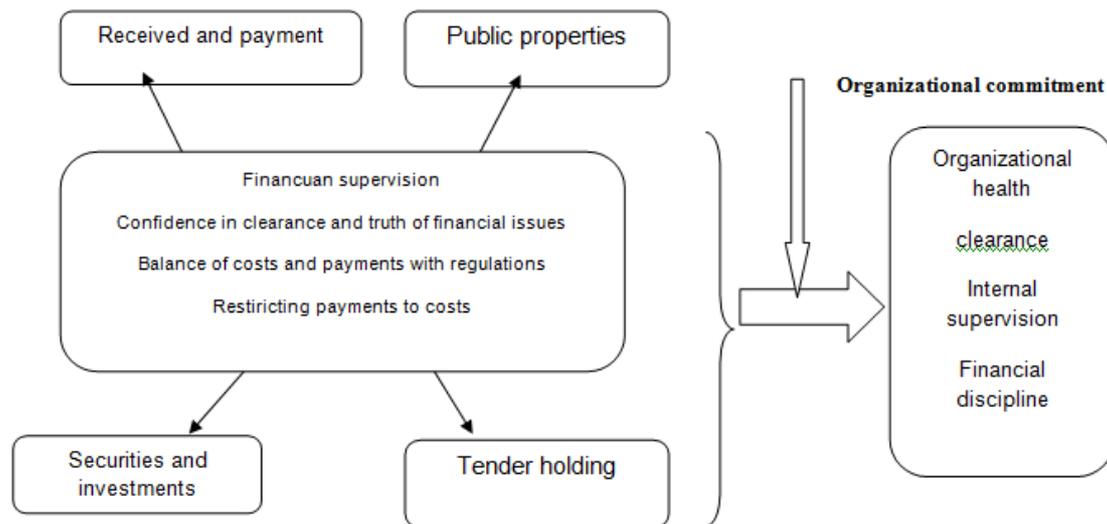


Figure 1. The theoretical model of our study.

RESEARCH HYPOTHESES

Main hypothesis

There is a significant relationship between financial supervision and organizational health.

2ed research hypotheses:

Organizational commitments has moderating role in the relationship between financial supervision and organizational health

Alternative hypotheses

1.1. There is a significant relationship between supervision of payments and organizational health

1.2 Organizational commitment has a moderating role in the relationship between payments and organizational health.

2.1. There is a significant relationship between supervision of properties and organizational health

2.2. Organizational commitment has a moderating role in the relationship between supervision of properties and organizational health

3.1. There is a significant relationship between supervision of deposits and securities and organizational health

3.2. Organizational commitment has a moderating role in the relationship between supervision of deposits and securities and organizational health

4.1. There is a significant relationship between supervision of how tenders are hold and organizational health

4.2. Organizational commitment has a moderating role in the relationship between supervision of how tender are held and organizational health

Population and sampling

In this study, executive offices of North Khorasan are considered and the sample is taken from these organizations based on the following criteria:

1. End of financial period of offices for costs is 31/01 and for properties is 31/04
2. Those offices are considered that are registered in ministry of economics
3. These offices should be included under the tax payments regulations
4. The necessary information are available

Based on the above criteria, 30 executive offices comprising 128 employees were selected to participate in this study.

Research method

This is an applied survey research and the data analysis is descriptive and correlational.

Instrumentation

The necessary information for review of literature was gathered by library research and the data for the analysis was gathered by the observation of documents including accounting profiles, balanced sheets, payments costs and properties in the selected organizations. The following questionnaires were used in this study:

Supervision of financial control questionnaire: using accounting checklist in areas including payments, property, deposits and securities and supervision of how tenders are hold

Organizational health questionnaire: this questionnaire is validated and approved by policy making counsel of supervising organizations

Organizational commitment questionnaire: Balfour and Wexsler questionnaire

Reliability and validity of research

Validity of the questionnaires was confirmed by related scientific sources and supervisor and counselor professors of this research. In order to check for the reliability of the instruments Cronbach alpha index was used and the results showed high levels of reliability for the questionnaires.

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Table 1. Alpha index for checking the reliability of questionnaires.

Factor	Items	Alpha index
Organizational commitment	9	0.82
Financial supervision	241	0.78
Organizational health	67	0.76

Data analysis

This study used partial correlation coefficient to identify the kind and level of relationship between “financial supervision” and “Organizational health” and the moderating role of organizational commitment.

RESULTS

Results of the main hypothesis:

Main hypothesis: there is a significant relationship between financial supervision and organizational health.

In order to check this hypothesis, two following hypotheses were developed:

H0: there is a significant relationship between financial supervision and organizational health

H1: there is no significant relationship between financial supervision and organizational health

Table 2. Correlation coefficient of the main hypothesis.

Hypothesis	Independent Variable	Dependent variable	Correlation Coefficient	Sig.	results
There is a relationship between financial supervision and organizational health	Financial superviaion	Organizational Health	.88	0.000	Confirme d

Based on Table 2, the results show that there is a significant relationship between financial supervision and organizational health ($p < 0.05$), therefore the H0 is rejected.

2ed research hypothesis:

Organizational commitment has a moderating role in the relationship between financial supervision and organizational health.

In order to examine this hypothesis, the following alternative hypotheses were developed:

H0: Organizational commitment has a moderating role in the relationship between financial supervision and organizational health

H1: Organizational commitment doesn't have a moderating role in the relationship between financial supervision and organizational health

Table 3.

Hypothesis	Independent Variable	Dependent variable	Correlation Coefficient	Sig.	results
Organizational health has a moderating role in the relationship between financial supervision and organizational health	Financial superviaion	Organizational Health	91.7	0.00	Confirmed

Based on the above results, the researcher can claim that organizational commitment has a moderating role in the relationship between financial supervision and organizational health ($p < 0.01$). in the other words, organizational commitment has led to the increase in the relationship between financial supervision and organizational health.

Alternative hypothesis 1-1

Alternative hypothesis 1.1: there is a relationship between payments supervision and organizational health.

In order to verify this hypothesis the following two hypotheses were developed:

H0: there is a relationship between payments supervision and organizational health

H1: there is no relationship between payments supervision and organizational health

Table 4. Correlation analysis of 1.1 hypothesis.

Hypothesis	Independent Variable	Dependent variable	Correlation Coefficient	Sig.	Results
There is relationship between payments supervision and organizational health	Payments superviaion	Organizational Health	81	0.000	Confirmed

According to table 4, the results show that there is a significant relationship between payments supervision and organizational health.

The we examined the role of organizational commitment in the relationship between supervision of payments and organizational health. Table 5 shows the results of the correlation analysis.

Table 5. Correlation coefficient results.

Hypothesis	Moderating variable	Independent Variable	Dependent variable	Correlation Coefficient	Sig.	Results
There relationship between payments supervision and organizational health	Organizational commitment	payments superviaion	Organizational Health	86	0.000	Confirmed

As Table 5 clearly shows, there is a significant relationship between payments supervision and organizational health with the moderating role of organizational commitment ($p < 0.01$).

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The next hypothesis that was examined was the relationship between supervision of property and organizational health. To examine this hypothesis, the researcher again used correlation coefficient. The result of correlation coefficient is provided in the table below.

Table 6. Correlation coefficient result.

Hypothesis	Independent variable	Dependent variable	Correlation Coefficient	Sig.	results
There is relationship between property supervision and organizational health	property superviaion	Organizational Health	68	0.000	Confirmed

As you can see in the above table, the relationship between property supervision and organizational health is significant ($p < 0.01$). Then, the researchers examined the moderating role of organizational commitment in the relationship between property supervision and organizational health. The result of correlation coefficient is provided in the following table.

Table 7. Correlation coefficient results.

Hypothesis	Moderating variable	Independent Variable	Dependent variable	Correlation Coefficient	Sig.	Results
There is relationship between property supervision and organizational health	Organizational commitment	Propety superviaion	Organizational Health	74	0.000	Confirmed

The result of the above correlation clearly shows that the relationship between property supervision and organizational health with the moderating role of organizational commitment is statistically significant.

The next hypothesis that was examined was the relationship between supervision on deposits and securities and organizational health with the moderating role of organizational commitment. The result of the correlation analyses is provided in the following table.

Table 8. Correlation analysis results.

Hypothesis	Moderating variable	Independent variable	Dependent variable	Correlation Coefficient	Sig.	results
There is relationship between deposits and securities supervision and organizational health	-	Deposits and security superviaion	Organizational Health	90	0.000	Confirmed
There is a relationship between deposits and securities supervision and organizational health	Organizational commitment	Deposits and security superviaion	Organizational Health	91	0.000	Confirmed

Based on the results of the above table, it can be claimed that there is a significant relationship between deposits and securities supervision and organizational health with the moderating role of organizational commitment ($P < 0.01$).

The last hypothesis that was examined in this study was the relationship between how tenders are held and organizational health with the moderating role of organizational commitment. The results of correlation analysis is provided in the below table.

Table 9. Correlation analysis results.

Hypothesis	Moderating variable	Independent Variable	Dependent Variable	Correlation Coefficient	Sig.	Results
There is relationship between how tenders are held and organizational health	-	How tenders are held	Organizational Health	79	0.000	Confirmed
There is a relationship between how tenders are held and organizational health	Organizational commitment	How tenders are held	Organizational Health	83	0.000	Confirmed

As it is clear from the above table, the results showed that there is a significant relationship between how tenders are held and the organizational health with the moderating role of organizational commitment.

DISCUSSION

Based on the findings of this study, the following suggestions are presented here:

1. It is suggested that the financial and accounting laws and regulations should be transparent in government offices and organizations. Also, the budget reports should be delivered to the related institutions on time and regularly and there should be regular supervision of all the different parts of the organization. There should be clear laws regarding the corruption and the laws should be implemented.
2. Based on the findings of this study, the budgeting system of Iran should move toward an operational budgeting system so to distribute the public properties based on the missions and goals of the organizations. Cash accounting should be replaced by Accrual accounting system to make the process more clear. The banks should be required to follow the rules of opening and transferring money from the government accounts.
3. Based on the findings of this study, based on act 49 of constitution law of Islamic republic of Iran, the corrupted personnel of government offices should be imprisoned and all the public money should be returned to the people.
4. Based on the results of above research, all the deposits should be transferred to central account in order to have better supervision over them.
5. Based on the results of the research, it is suggested that how tender are held should be carefully considered in order to stop any act of law breaking and corruption.

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6. Based on the results of the study, it is suggested that the organizations should pay enough attention to professional commitments besides organizational commitments

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