

## Independent Organization Model Based on Managers' Economic and Organizational Policies

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**Abstract.** The costs of credit and accountability are good incentives for the Central Bank to increase independence. Independence of power and attention to economic policymaking in monetary decision-making can have a positive effect on the level of economic organization independence. The independent organization of the Central Bank has provided a plan for controlling inflation due to the importance of independent and appropriate banking policies in strengthening manufacturing firms. In this study, the sources of balanced power, paying attention to the upstream laws in macroeconomic decisions of economic elites and experts in banking field, and paying attention to organizational values in terms of independent decisions of economic elites, as well as the

excellence of the organization in monetary and exchange rate policies have shown the consistency of the components of balanced power resources.

**Keywords:** Independent Organization; Organizational Excellence; Balanced Power Sources; Organizational Policies

## 1. Introduction and literature review

An independent organization actually represents a decentralized decision structure or a regular organizational context in which managers can act without prior approval from senior management and sometimes without their awareness. In other words, organizational independence is the degree to which middle managers can act and make decisions without the approval of senior management. Independence through other organizational variables such as capabilities and adaptive behavior indirectly affect organizational performance or planning effectiveness. The Central Bank independence is required for regulating this institution against other organizations and its effective supervision in the functional segment to achieve and preserve financial stability of the economic sector. Strategic partnerships, balanced assessment, new roles and competencies of human resources have caused management change, culture management, creating intangible values and assets, talent management, human capital valuation, and similar concepts in independent organizations. Various studies on the political economy of Central Bank have shown that the degree of Central Bank independence is effectively influenced by political cycles.

## 2. Method

In this research, at the beginning and during the interviews, meaningful statements and their related concepts were identified and then the concepts were categorized. The underlying theory in this study used for data analysis process and presenting data-based theory was derived from data that was systematically collected and analyzed during the research process. In this method of data collection, final analysis and theories are closely linked. The data gathered from interviews with experts should be coded as they are qualitative data. One of the most important and effective data analysis tools is conceptual or thematic analysis of the

interview and its tools are MAXQDA Qualitative Data Analysis Software, version 10.

### 3. Findings

The results of open coding of systematic structure category are presented in table (1).

**Table 1.** Open coding of systematic structure category

Initial open codes (signs)	Concept	The main category
Monetary policy decision making Accountability integrity Understanding organizational tasks	Supportive policies	
The importance of decisions for managers Program-driven Solving administrative problems through organizational relationships Paying attention to the issued instructions Sustainable thinking in executing supportive guidelines		systematic structure
Setting a common goal across departments Respecting independence in decision making financial management alignment with operational policies Program-oriented objectives	A clear vision for politics	

The results of open coding of balanced power resources category are presented in table (2).

**Table 2.** Open coding of balanced power resources category

Initial open codes (signs)	Concept	The main category
Up- dated Employee and manager consultation Paying attention to material and spiritual needs	Organizational values	
Operational feedback The impact of managers on improving banking policies The importance of occupational duties The importance of presenting new ideas Applying elite's decisions Investing in research	Organizational excellence insights	Operational capability
Supporting the idea of new information and communication technologies Caring for new strategies The clear definition of the roles and duties		

The results of open coding of financial empowerment category are presented in table (3).

**Table 3.** Open coding of financial empowerment category

Initial open codes (signs)	Concept	The main category
Attracting creative and innovative staff Priority-based budgeting Adaptability of organizational decisions Analysis of the process of execution in macroeconomic policies	Success trend analysis	Financial empowerment
Re-analysis of macro decisions Strengthening the spirit of partnership and teamwork Technology in databank security	Dynamic databank	

The results of open coding of organizational policy conception category are presented in table (4).

**Table 4.** Open coding of organizational policy conception category

Initial open codes (signs)	Concept	The main category
Promoting technical knowledge of staff Information and communication Channels Transparency of administrative operations Applying staff ideas Sustainability of communication with respect to cultural values Managers and staff communication methods	Organizational communication	Organizational trust
Running administrative automation Issuing guidelines based on environmental factors Applying elite participatory decision making Strengthening staff trust Reducing redundant rules Paying attention to productive staff suggestions	Sustainable thinking	

The result of the interview with the experts is categorized are presented in table (5).

**Table 5.** Qualitative interview results

Concept	Dimensions	Category	Index
	Systematic structure	Supportive policies	<p>Monetary policy decision making</p> <p>Accountability integrity</p> <p>Understanding organizational tasks</p> <p>The importance of decisions for managers</p> <p>Program-driven</p> <p>Solving administrative problems through organizational relationships</p> <p>Paying attention to the issued instructions</p> <p>Sustainable thinking in executing supportive guidelines</p>
		A clear vision for politics	<p>Setting a common goal across departments</p> <p>Respecting independence in decision making</p> <p>financial management alignment with operational policies</p> <p>Program-oriented objectives</p>
Operational empowerment		<p>Organizational values</p> <p>Organizational excellence insights</p>	<p>Up- dated Employee and manager consultation</p> <p>Paying attention to material and spiritual needs</p> <p>Operational feedback</p> <p>The impact of Managers on Improving Banking Policies</p> <p>The importance of occupational duties</p> <p>Up-dated employee and manager consultation</p> <p>Paying attention to material and spiritual needs</p> <p>Operational feedback</p> <p>The impact of managers on improving Banking Policies</p> <p>The importance of occupational duties</p>

Concept	Dimensions	Category	Index
			<p>The importance of presenting new ideas</p> <p>Applying elite's decisions</p> <p>Investing in research</p>
Financial empowerment		<p>Analysis of success process</p> <p>Dynamic databank</p> <p>Organizational communication</p>	<p>Attracting creative and innovative staff</p> <p>Priority-based budgeting</p> <p>Adaptability of organizational decisions</p> <p>Analysis of the process of execution in macroeconomic policies</p> <p>Rea-analysis of macro decisions</p> <p>Strengthening the spirit of partnership and teamwork</p> <p>Technology in databank security</p> <p>Promoting technical knowledge of staff</p> <p>Information and communication channels</p> <p>Transparency of administrative operations</p> <p>Applying staff ideas</p> <p>Sustainability of communication with respect to cultural values</p> <p>Managers and staff communication methods</p>
		Sustainable thinking	<p>Running administrative automation</p> <p>Issuing guidelines based on environmental factors</p> <p>Applying elite participatory decision making</p> <p>Strengthening staff trust</p> <p>Reducing redundant rules</p> <p>Paying attention to productive staff suggestions</p>

Table 7 show the path coefficient value of variables, prioritization of factors affecting the independent organization of the Central Bank of the Islamic Republic of Iran.

**Table 7:** Prioritizing factors affecting independent organization

Variables	Path coefficient	Priority
Organization values	0.90	1
A clear vision for politics	0.85	2
Supportive policies	0.81	3
The organizational excellence insight	0.65	4
Dynamic databank	0.60	5
Success trend analysis	0.55	6
Sustainable thinking	0.47	7
Organizational communication	0.38	8

The final research model is characterized based on main research variables and their criteria shoe in table (8) and fig. (1) and (2). This model is adapted from the LISREL software output.

**Table 8.** The final research model

Fit index	SRMR	RMSEA	GFI	NFI	NNFI	IFI
Acceptable value	< 0.05	> 0.8	> 0.9	> 0.9	> 0.9	100
Calculated value	0.042	0.067	0.97	0.96	0.96	0.68

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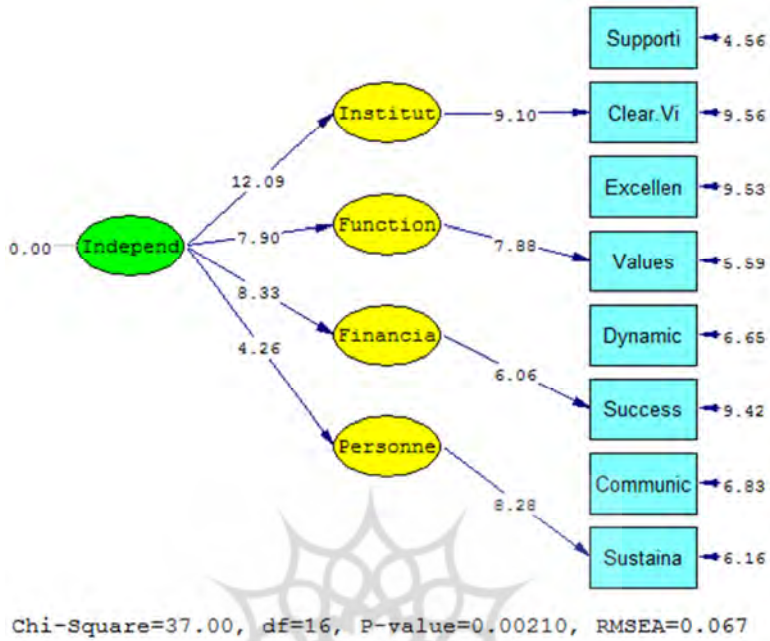


Fig. 1. T- Values

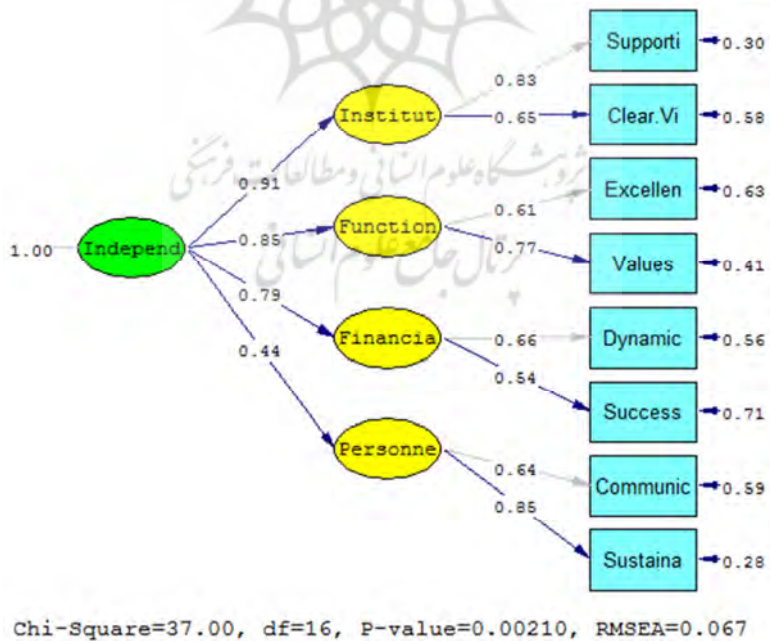


Fig. 2. Final confirmation of the relationship between variables

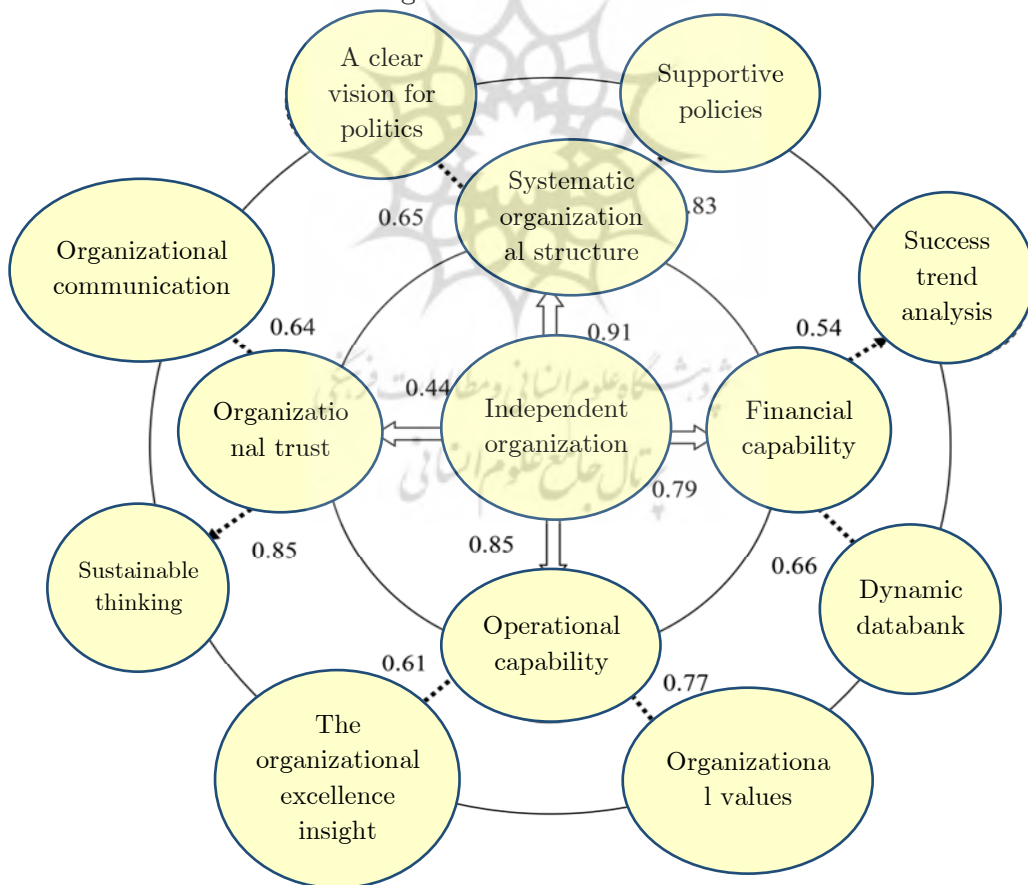


Table (9) shows the results of hypothesis testing.

**Table 9.** The results of hypothesis testing

Path	Path coefficient	t-statistics	Sign	Result
Independent organization- independence based on systematic organizational structure	.91	12.09	+	confirmed
Independent organization- independence based on operational capability	.85	7.90	+	confirmed
Independent organization- independence based on financial capability	.79	8.33	+	confirmed
independent organization- independence based on organizational trust	.44	4.26	+	confirmed

The final model show in fig. 3.



**Fig. 3.** The final model

#### 4. Discussion and Conclusions

Supportive policy questions in the formation of independent organization of economic organization includes monetary policy decisions based on business environment developments, integrated accountability of managers, awareness of the value of staff organizational duties, respect for the elites' decisions from senior and middle managers, the organization plan, managers' organizational relationships to solve intra-organizational problems, paying attention to the instructions and enforcing the upstream laws of the economic organization. In the dynamic databank component, the exploratory factor analysis indicated the relevant questions with factor loadings greater than 0.5. Corresponding questions included paying attention to the discipline of electronic archiving of laws and having a proper databank, full knowledge of operational information for decisions and elites, paying attention to infrastructures of informative methods for better decision-making of the economic elites. In the component of organizational excellence insight, the corresponding questions obtained had factor loadings greater than 0.4. Related questions included paying attention to new ideas and solutions, applying the economic elites' perspective in policymaking, paying attention to economic, organizational, and managerial research in the Central Bank, paying attention to secure electronic and internet infrastructures, respecting suggestions and strategies of the staff occupational excellence, correct definition of the organizational tasks and roles to direct and coordinate the activities and actions of the staff and managers. In the component of organizational values, four relevant items had factor loadings greater than 0.6. The items included paying attention to the consultation of employees and managers through information exchange, paying attention to the spiritual and material demands of employees, paying attention to feedback on employee and manager performance, paying attention to promoting the economic, banking and managerial knowledge of employees and managers in an economic organization. In the component of success trend analysis of the responsible person, the factor loading was greater than 0.5. Recruitment of creative staff for banking policies,

proper budgeting based on understanding the process of administrative and executive function of the economic organization, and executive risk taking of the policies of the economic organization on the basis of recognizing the impact process of intra-organizational decisions have led to the formation of a set of relevant questions of success trend analysis in the independent organization of economic organization. Corresponding and relevant questions included a clear vision for politics, a favorable outcome on the common basis of independent policies, freedom of policy making, alignment and consistency of intra-organizational activities and performance. For the structural model, goodness of fit indices were evaluated to confirm the theoretical model and the goodness of fit indices consisted of SRMR, RMSE which have values lower than final values of these indices in the research. Also in the final model based on the obtained questions and components, which confirms the remaining set of questions in order to form the components. Prioritization of the factors influencing the establishment of the independent economic organization is paying attention to the organization values to have a clear vision for politics, paying attention to supportive policies, paying attention to the organizational excellence insight, having a databank based on success trend analysis, sustainable thinking and organizational communication knowledge.

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