



Police variables and their impact on the banking performance

by

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Abstract:

A large number of studies that have addressed the police theory in the areas of accounting changes, but this study focused on a number of conditional variables so that its impact was found on the banking performance in one of the banks listed on the Iraq Stock Exchange, where the research deals with three variants of the police theory and indicate their impact on variables banking performance and the research aims to determine the effect of the conditional variables which are strategic, organizational structure and size of the financial banking performance, it has reached a researcher to a number of findings and recommendations and the most important of which represent a conditional theoretical tool to clarify the statement and understand the interrelationships between subsystems and organizational units, consisting of the organization they contribute to linking internal and external variables and the statement of its impact on

company objectives, the integration of financial performance measures of financial and non contribute to reaching a comprehensive assessment of the financial performance of the economic unit by connecting based on the consolidated financial economic unit non-financial indicators, represented by the pillars of the internal and external environment and financial reporting indicators, and must reliance on policing theory to organize the company's business variables, the variables enhances the success and raise the company's value by connecting internal variables State Department and the linkage between the variables to achieve the goals of the company and enhances the financial performance has.

A company that focuses on the financial and non-financial performance measures in order to assist them in making their decisions whenever adopted these standards on its decision was more efficient and effective, and more impact and be more positive because it adopted the correct standards.

Introduction:

There are many schools and theories in the organizational thought, which appeared at the end of the nineteenth century and early twentieth century, these theories seek to improve the effectiveness of the work of organizations, which are based on different assumptions and principles. Examples include, the classical theories that one of the oldest regulatory theories that were based on assumptions and the idea that the organization "closed system" where he received the police theory, including the variables to help organizations and the origin of the business to improve its financial performance through a set of variables which touched search to three variables which are being important in terms of work and that is the strategy, organizational structure and size as it was her prominent role in the banking and financial performance.

Research Methodology :

Research problem :

That the business environment for rapid change and because of the big challenges, as well as banks and desire in the face of such challenges in order to survive and continue in the competitive business making traditional banking financial performance systems inadequate to achieve the goals, and the attention next financial performance only, without focusing on other aspects which no less importance in banks and the success of the financial aspect, and this related to strategy and

organizational structure and the lack of environmental sure, size and technology aspects, the banks adapt to these changes and by following the ways and new methods that enable them to achieve it, and can be formulated research problem through the following question:

First Is that the conditional variables have a positive impact on the banking and financial performance ?

Second, the importance of the study:

A large number of studies that have addressed the police theory in the areas of accounting changes, but this study focused on a number of conditional variables so that its impact was found on the banking performance in one of the banks listed on the Iraq Stock Exchange, where the research deals with five variants of the police theory variables and the statement of their impact on banking performance.

Third: The objective of this research:

The research aims to impact statement conditional variables, a strategy and organizational structure and the lack of environmental sure, size, technology, banking and financial performance.

Fourth: Research Hypothesis:

Through the research problem can be formulated the following hypothesis: There is the influence of the theory theory conditional variables on the

banking and financial performance of this hypothesis can be derived sub-hypotheses.

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Through the research problem can be formulated the following hypothesis :

There is the influence of the theory theory conditional variables on the banking and financial performance of this hypothesis can be derived sub-hypotheses Alataatah :

- 1 - There is the influence of the strategic variable on the banking and financial performance.
- 2 - there's the effect of a changing organizational structure of the banking and financial performance.
- 3 - there's the effect of the lack of environmental variable to make sure the banking and financial performance.
- 4 - there's the effect of variable size on the banking and financial performance.
- 5 - There are variable impact of technology on the banking and financial performance.

The first topic

What the police theory

First: the conditional theory :

The cop entrance or conditional theory (Contingency theory) in accounting thought Assuming essential Madahad existing accounting system could be accepted in general, and be appropriate with both the regulations

and that fits all situations , attitudes and circumstances and then Totya Shamat police theory in accounting thought in Baadina for Etienne .

- 1- The first dimension : to highlight the specific features of the accounting system, which can be applied , these specific features depend on the particular circumstances in which the organization exists and the specific situations they face .

Second, the definition of policing theory

To understand the evolution of the concept of policing theory should look at the following definitions which summarizes the various theorists and opinions contributions in this area.

Police knew the theory of pre- kats " on the theory that the police show aims to clarify and understand the interrelationships between subsystems or components of the Organization of organizational units , as well as the relationship between the organization and its environment .

This definition emphasizes that there are many surrounding the organization or subsystems variables , and how the organization can operate under certain circumstances or conditions characterized not sure or change in the environment . (1978) Kast & Rosenzweig



The other point of view from before (Tosi & Hamne,) confirms the theory of police liaison with the organizational behavior . As in the following definition : "The cop approach as an approach assumes that the single organizational unit 's behavior depends on its relationship with the smaller organizational units (departments) and the environmental as well as have some control over the actions required and actions by other units ". (Tosi & Hamne, 1974, P : 1)

Last definition of modern policing theory reported Covaleski and as follows: "police theory is, in essence, the perspective of the theory of organizational behavior that emphasizes how the conditional factors such as technology and the environment affect the design and the work of organizations" (Covaleski et al. 1996, p: 4). This definition is seen in a police theory that includes some of the factors, which relates to the behavior of organizations perspective. Instead, he explains the theory of organizational behavior from the perspective of the conditional approach. Thus discovered early work that the effect of one type of environment, structure and appropriate management of the organizations depends on certain variables of the units (Burrell & Morgan, 1979; Donaldson, 2001).

Therefore, the police theory is one of

the best ways to deal with the problems faced by organizations at the time, in this conditional theoretical context is Oovih part of the behavioral theory , which asserts that there is no better way to organize the organization, and its leadership or to make decisions , so the nature of the case of the optimal work the organization or units (subsidiaries) to rely on the internal and external situation of the surrounding environment (Howell et al. 2010).

Third: the evolution of policing theory

Like many schools here and in the organizational theories of thought , which appeared at the end of the nineteenth century and early twentieth century. These theories are seeking to improve the effectiveness of the work of the organizations , which are based on different assumptions and principles Examples include , the classical theories that one of the oldest regulatory theories that were based on the assumptions and the idea that the organization " closed system " (Burrell & Morgan, 1979). It included classical theories theories and models of the following :

1 - theoretical bureaucracy. 2 - scientific theory. 3 - administrative division of the theory . 4 - behavioral theory. 5 - management theory Sciences.

Nevertheless criticized those theories on a large scale and on the basis of the closed system, which was adopted in its



view of the organization model, and it is independent of the external environment and also assumes that there is one way to organize and manage the organization. In other words, the adoption of a holistic approach, which is built on the fundamental assumption that the principles and rules for the management and design organization consists suitable for all organizations under different circumstances, therefore, criticized the classic denies the fifties and early sixties of the last century by thinkers Aorua modern management who Niatkd that their approach was Gurmerno not seen the impact of environmental aspects (Emmanuel et al. 1990).

Consequently, the police theory is based on the assumption Anosasienh What: The first: There is no way one better or appropriate regulation and organizational feasibility depends on the fit between the organization and the environment (the term "suitable or appropriate" (fit) represents the role Ahacm or substantially in policing theory). The second is no way to regulate interaction is not as much. (Donaldson, 2001)

Fourth: the conditional variables:

1 –Strategy : Custom Johnson & Scholes strategy as the direction and scope of the organization in the long term: which achieves advantage for the

organization through its configuration of resources in a challenging environment, to meet the needs of markets and meet the expectations of stakeholders (Johnson & Scholes, 2005).) Cockburn pointed out Anna strategy represents plans administration to develop and sustain or maintain a competitive advantage (Cockburn et al. 2000). These definitions have many effects related to the strategic concept, and generally to discover the contents of the concept of strategic must ask questions of the following: What are you trying to do the organization and what you get in the long run (this point indicate the direction and the plan)? What are the fields or markets that must the organization concentrated on what types of activities in the markets or fields (refers to markets and range)? what are the needs of organizations on the survival and development and to be able to compete (this refers to the physical and human resources)? what are the external and environmental factors that affect their organizations and competitiveness and competitors (this refers to the environment)? What are the values and expectations of those who have power and influence in the organization and around (Ohz already Aichir to stakeholders). It can be classified strategy into three levels:

(1) corporate strategy, (2) business unit strategy, (3) Operational Strategy (Johnson & Scholes, 2005), associated with the company's strategy to the purpose and general scope of a



structured Atelt endodontic stakeholder expectations. The business unit's strategy is more concerned with how to organize to compete successfully in a given market. They relate to strategic decisions on the choice of products, and to meet the needs of customers and gain an advantage over competitors, exploit or create new opportunities etc. Operational Strategy refers to how to organize Kljze of governing the transport companies and the unity of the work to the level of strategic direction. Therefore operational strategy focuses on issues concerning the human and material resources. It should be noted here that the concepts such as strategic planning, strategic management, strategy formulation and implementation, and strategic thinking are separated from the above types of strategic (Bowhill, 2008).

2-Shape Organizational: Miles knew the organizational structure as follows; in general expresses the structure division and specialization of work and methods of coordination and control. ' It is believed that this definition Miles tried to show that the terms of the division and specialization refers to how the organization division of labor and allocation of resources for the activities of its constituent organizational units. At the same time, coordination and control refers to the way of working which is articulated to the fragmentation of public and private

achievement of organizational goals both (Miles, 1980).

He said Nedlko that the effects of the organizational structure of the organizations are as follows: organizational structure refers to official relations for reporting, and management levels, and the scope of supervision, as well as shows the divisions and the distribution of work between individuals and work in the organization, any correlation between the organization as a whole sections. In addition, it is a system for linking organizational factors, and communication, coordination and integration of work and behavior shows. (Nedlko & Potocan 2011))

Generally, there are four forms of the characteristics of the organizational structure discussed in the literature. These include the following; formalize the integration and centralization and complexity. (Dalton et al., 1980)

Central is the degree to which the right to exercise in decision-making and control activities. And the degree of concentration of decision-making power along with the vertical dimension of the organizational structure. The official refers to formalize, to what extent used the organization and implement rules and procedures of conduct, such as details about how and where, and the tasks to be performed. The complexity usually describes the many interconnected parts of the organization. This includes a number of hierarchical levels, and the scope of



control, or the geographical spread of operating sites, among other things, and therefore, it refers to the extent of differentiation in the parts of the organization. Integration refers to the coordination of activities between the different specialization within the organization. (Emmanuel et al. 1990)

To access information regarding the organizational structure of the literature shows how the police theory and the theory of organization behavior and organizational structure is considered an important factor in the study and design organizations and the relationship between the organization and the environment. Thus, how can the organization that develops the organizational structure Oostratejaa to deal with the environment (the essence of the concept of policing theory). In this context, the pioneers theorists discussed in the organization and its theory as a theory of the organization and conduct of police and theoretical organizational structure of many points of view, for example, the analysis of the organizational structure into two types of structure: automated and organic. The use of the concept of diversity and integration. (Miles, 1980)

3 -ahadjm: I used many of the definitions and standards for determining factor or variable size. According to the European Commission (EC, 2004) the size of companies can be defined and Ranked as follows: very small, small and medium-sized enterprises. An institution is a medium-

sized enterprise which employs fewer than 250 people, or the circulation of capital where the rate does not exceed 50 million Ioroa or annual balance sheet total not exceeding 43 million Ioroa. The establishments or small enterprises employing less than 10 and the rate of circulation of capital which does not exceed 2 million Ioroa turnover and / or annual balance sheet total. This definition numbers and amounts of these projects take into account economic developments and on the basis of the number of employees and the rate of capital turnover or balance sheet size (EC, 2004). Thus, many researchers adopted many of the standards to describe and measure the size of the company, (Kumar et al. 1999) and in accordance with the size of the company discussed the three theories: the technological and organizational and institutional. The researchers examined the theories in a number of industrialized countries in 16 European countries. According to the theory of technology, there was a positive relationship with the market and the size of companies in richer countries, which must be greater, and investment in working positively been linked to company size. The results showed, the company should increase with the size of human capital and increase the wages per worker. The organizational theory pointed to the following conclusions; higher levels of capital, vital resources for the project and legal environment better with the

larger size of the company Owalparwa, Mnkhalal provide better guarantee of critical resources, and legal environment that best leads to the large size of companies and the companies that Tatmdaly vital resources intangible largest disproportionately with the legal environment is improving. The institutional theory assumes that the strict liability and combating the production Ctcaro laws lead to a smaller size companies, finance and development practice and a clear impact on the size of the company. In addition, should the high quality of the legal environment leads to the reluctance of the largest companies. Liu, P., Chen, W. and Tsai, C. (2005)

As Kumar pointed out many of the indicators to measure the size of the company, such as number of employees, value added, and the output of companies (goods and services) in this context. (Kumar et al. 1999)

Ifinedo pointed to the use of powers employee working / or annual turnover / sales rate to measure the size of the company (Ifinedo, 2007). Discuss cop literature variable size for a long time and yet where many studies have focused on police theory on the relationship between size and changes in the organization of the internal environment of the organization Foreign surrounding environment hand (Lawrence & Lorsch, 1969), and suggested that size affects way the organization design and use of systems to manage to fit the environment

changes, (the effects on organizational structure, strategy, and means of control). (Chandler, 1962; Pugh et al., 1969).

The second topic Banking performance

The first attempt to determine the nature of performance.

The concept of the performance of the most common and widely used concepts in the field of economy and functioning of institutions, where received wide attention by researchers and thinkers, especially in the note to the economy.

1. Performance definition: there is no agreement among researchers for defining performance term, due this difference to the views of thinkers and writers variation in this area, and differing goals envisaged to formulate specific that term is defined, Vvriv writers rely on quantitative aspects (ie preference means in technical analysis) in the drafting of the definition of Do's performance, while another team went to the terms of performance considered to ensure regulatory and social dimensions as well as economic aspects, and thus should not be limited to the use of percentages and numbers only in the expression of this term. It should be noted that the beginning of the linguistic derivation of the term performance is derived from the English word (To Perform), has this

word in turn is derived from the Latin language (Performer), which means the implementation Ootodah work task. We can not afford in this area display and analysis of contributions to all writers and researchers in the field of the economy, accounting for the definition of the term performance, which requires us to merely provide a specific set of definitions to meet the purpose of the study. (Templar 2010: 217)

2: Definitions Performance:

A - known as performance (A.Kherakhem): From the perspective of this writer, the performance shows "to perform any act or conclusion of an activity or perform a task, the sense of acting helps to reach the objectives underlined" Hamadouche Ahmed, 1992, 135)) note from this definition is reflected in the performance of doing business, activities and tasks in order to achieve connectivity to the goals and objectives set by the management of the institution.

B - known performance by (Miller et Bromily): These two authors viewed the performance as "a reflection of how to use the institution of financial and human resources, and utilization of efficient and effective manner that makes them able to achieve its objectives" (Hussein 0.2000: 231), we see from this definition that performance is happening two main components interaction the way in the use of enterprise resources, and we mean efficiency factor and the results (objectives) generated from such use.

C- aaraf performance as: "Find expand the relationship between results and resources, according to the specific scorer reflect the orientations of the institution."

D - known Hkelmen Miller et Bromily as "a reflection of how to use the institution of financial and human resources and utilization of efficient and effective manner that makes them able to achieve its goals." (Sharafuddin 2012: 50)

E - presented by Nicholas (Nickols) definition of performance (Performance) "it is the result of behavior, behavior is an activity that is carried out by individuals, and the products of behavior are the results from that behavior."

And - as pointed Tomaslbert (Thomas Gilbert) in this regard should not be confused Pena behavior and between achievement and performance, "so that the behavior is what people are doing the work of the organization they work for, as a contract meetings, or design model, or inspection, the achievement is what remains of the impact or the results after the individual stops working, that is a way out or a product or results, such as providing a specific service or production of a commodity. the performance is the interaction between behavior and achievement, that is, the total behavior and the results achieved together, these results are measurable. "

The performance defined in administrative terms it is stated in the

glossary of social terms as "acting as job responsibilities and duties in accordance with the Amadl imposed performance from the worker efficient coach, can know this rate through performance analysis, any study of the amount of work and time it takes and the establishment of a fair relationship between them, and to enable the employee undergoing Tests performance upgrade, which it relies on the performance reports, which get Mnchanha data help to analyze and understand and evaluate worker performance Amlho his behavior in a limited period of time "(Souad 0.2007: 9)

It should also be noted that the concept of performance coupled Bmstalhan important in accounting, both efficiency and effectiveness.

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1- Efficiency efficiency: Efficiency means the ability to Tznah losses in the resources available to the Corporation, and through the use of resources to the extent appropriate, in accordance with specific criteria for scheduling, quality and cost. It refers to the relationship between resources and results, and are linked to the question of what is the amount of input from the resources needed to achieve a certain level of

output or desired goal level; the sense of an investigation on the benefit versus cost.

2- Efficacité Hits: The ability to achieve the objectives of the institution through improved performance of appropriate activities; etcetera sense to improve the performance of the workers must be performed to achieve the goals, the security here Koncth lead without justification. (Templar 2010: 218)

Second: the importance of performance :

It can be said that the organization's life, whatever the nature of the activity it performs, depends on the performance of their employees, if they have their work completed and Amhamanm in the required manner and planned them to accept the administration, the this Asicod organization towards achieving its objectives, such as staying, growth, expansion, and whether performance below the required level, it would be a significant impediment to the organization in achieving

Objectives, Bkadd greeted lead to the liquidation of the organization. Because of fundamental objectives that can be achieved by the process, they give special attention by the human resources management in contemporary

organizations, to get through them to the important task to lift the spirit of the employees benefits, and make them feel that justice, and push them to take responsibility, and provide the basis for the objective of the activities of human resource management (such as employment and training and follow-up). (Smolt .2011: 44)

Third: the dimensions of performance:

There are four dimensions of performance represents the overall performance is the economic dimension, organizational, social, and environmental

1- badalaguetsada: The saturation whereby the institution wishes of shareholders, customers, suppliers and gaining their trust. This performance is measured using the financial statements.

2- Badaltzimi performance: intended organizational performance ways and modes that institution adopted in the regulatory field in order to achieve their goals, and then have to Dymser enterprise standards against which to measure the effectiveness of the approved and their impact on the performance of the regulatory procedures; noting that this

measurement directly relates to organizational structuring, not results forecast of socio-economic nature, and this means that the organization can reach the level of effectiveness of the latest results from the social and economic standards different from Maka related to organizational effectiveness. (Daoudi 2010: 219)

3- Social -bad performance: indicates the social dimension of performance to the achievement of satisfaction Dofrad organization at all levels, because the level of satisfaction of the employees is an indicator of the fulfillment of individuals for their organization. The importance and the role of this aspect in the fact that the overall performance of the institution may be adversely affected in the long term if the organization was limited to achieving Ganba for economic and neglected the social aspect of human resources, as it is known in the literature of accounting to accounting quality in the organization linked to the extent to accompany economic efficiency with social Hits ; so it is advisable to give the importance of considering the social climate prevailing within the institution, any money for each link the nature of social relations within the institution (conflicts, crises, etc ...). (Daoudi 2010: 219)

4- badalbaia: which is based on the effective contribution of the institution in the development environment.

Fourth: The performance rating :

Subdivisions performance varies according to the standard needed for the study and performance measurement, and the most important criteria for the study of the performance provided by operations management standard is the source and criterion of inclusiveness.

1- maaar Source: according Is this the standard, the organization's performance can be divided into internal performance and external performance:

A- internal performance: The result of the various performances subsystems Foundation reaction; any different partial renderings of human performance and technical performance of the private financial means used and financial performance

B - external performance: a performance resulting from changes in the environment surrounding the institution, it is caused by the outer perimeter of the institution, where this performance may appear in the good results obtained by the Corporation, for example enterprise sales volume may

increase due to the improvement in economic conditions.

2-maaar totalitarianism: this performance can be divided into the total performance and part performance:

A- total Performance: embodied in Alanjazata t all the functions and subsidiary activities of the Foundation contributed to the achieved without completely part or element if somewhat heavy achieved, and by the overall performance can be judged on the extent to which the institution for their own ends Kalastmrrarih, growth and profitability.

B - Partial performance: the intended performance is achieved at the level of sub-activities of the institution and basic functions. And overall performance, in fact, is a performances subsystems reaction (partial renderings), which promotes the idea or the principle of complementarity and the sequence between the objectives of the organization. (Sharafuddin 2012: 53)

Fifth: Performance measures: are divided into



1-Proficiency 2-alvaalah 3 quality 4 altoqat 5 -alantegeh (Charfdin 2012: 54)

Sixth: the concept of banking performance efficiency and how to measure it:

Before turning to the measurement of banking performance efficiency deem it necessary to first define the concept of banking performance, intended performance banking give the full dimensions of something, either on the accounting level means the completion of the work required, or do the task and implement the required manner, this mostly applies to the human element in the production process (in the broad sense) as one of the elements of their inputs

In this context, when we talk about banking performance we mean a set of interrelated dimensions, which include how to achievement and the method used in the implementation of orientations administration and the compatibility of what has been accomplished with the norms and standards set out and on the quantity and quality time, this is the physical aspect, either from the moral side it means that the extent of the enthusiasm Group and the desire to accomplish tasks assigned to him, and his

willingness to do a good job and his behavior with Raosaih and his colleagues, and the means by which followed to improve and develop their skills, within this perspective, the performance depends on two two main delivery capacity and the desire to work, the delivery capacity is the sum of the knowledge and skills acquired by factor, either the desire to work, it reflects the individual motivations of the worker to do to complete the work and reflect his views and intellectual trends toward group work and factors of the environment in which it operates.

Correlate performance with the concept of efficiency in terms of how effectively reflect the performance that is being done contribution (or the decision is to be made) to achieve a specific goal of the subject in advance, ie it is a measure of the degree of approaching the target as a result of the action

The efficiency they express rational and rational use of the trade-offs between alternatives and choose the best, which reduces costs or maximize the return to the maximum degree possible, and this is when you choose a specific practical to reach a particular goal style

So efficiency in this sense means to do the work in the best possible way in terms of cost, time and profitability, and

here we refer to the difference in the concept of efficiency from the concept of efficiency, as the effectiveness of focusing on the end point to be accessible while efficiency is interested in the manner by which puberty this point. (Sincere 0.2000: 388)

Seventh: measure the performance of banks models:

Measuring the performance of banks depending on the beneficiaries of the performance indicators reports vary as we have seen in the preceding paragraph, and the fact that evaluate the performance of the bank a comprehensive process benefit the management of the Bank and all observers, used several models, especially in the US

American United, to measure the performance of banks, including the so-called system (CAMELS) to arrange the banks in terms of performance, the model of return on equity (ROE), which will be applied in this study, as in the current period to adopt a new index

To measure the performance of banks as an alternative to (ROE), which added economic value index (EVA) and we will show the index ROE, we give a brief idea about the economic value added index Fimaaota:

1- Model ROE: take a form of return on equity for a long time, Amtkamil Description index measuring the correlation between return and risk, and may use this form since the beginning of the seventies in the United States by Fiedkol, as a measure to assess the performance of banks, so the exception to analyze a set of relative Temtl Khasa in several forms enables the analyst to assess the source and size of the bank's own earnings risks have been selected, mainly represented in credit risk, liquidity risk, interest rate risk, capital risk and operational risk

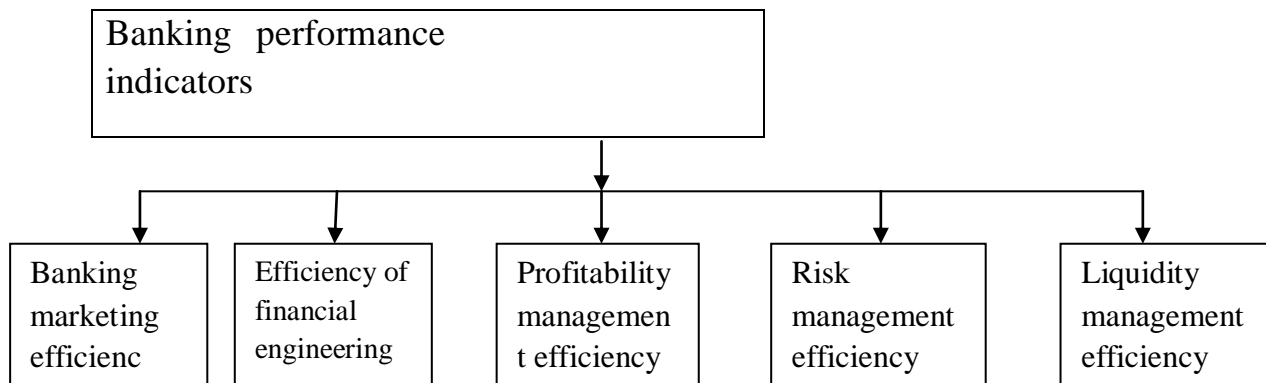
2- Model economic value added: with the development witnessed by banking activity during the ten-two years has become a model of return on equity (ROE) for the Effie for the purpose of performance evaluation for many private American banks, where new concepts concerning the management of risk and profitability. For example: the analysis period emerged and accounting for activity-based costs, and the allocation of capital based on the value-prone approach to risk and return of capital rate risk ... and other financial and accounting concepts. And so it has been to adopt a new model known model of economic value added (EVA) which is known manner starting from

top to bottom in risk management.
(Qureshi 2000: 92)

Eighth: banking performance indicators:

It highlights a range of financial ratios approved in the literature of banks' performance evaluation, where divided by objective assessment to the set of indicators and percentages, ratios to

assess the banking marketing efficiency ratios to evaluate the efficiency of the financial engineering and ratios to evaluate the efficiency of profitability management and ratios to evaluate the efficiency of risk management and ratios to assess capital adequacy ratios to assess liquidity management can clarify these ratios through form following



(Source: Borkbp 0.2007: 5)

The third topic: the practical side

The research sample consisted with a contribution of Iraqi banks, which is the Bank of Baghdad (which is a private joint stock company)

Where you will apply the conditional variables on this bank, to see if this applied to the bank for these variables or not

1-Strategy: Bank arrived in the year 2013 to attract business from corporate strategy was able to achieve a further increase investment in fixed assets as well as the allocations and reserves

Have the ability to offer multiple services and meet the needs of customers (individuals and companies) to achieve steady growth in commission income during the year, including salaries services and processes resulting from it and shares in the Bank of Baghdad network of machines ATM across Iraq growth, has made personnel

services increased revenue growth also achieved in proportion to the increase in the international remittance services through (WESTREN UNION and MONEY LINK)

A table below showing the growth in assets

Assets for the year 2010	Assets for the year 2011	Assets for the year 2012
961062610	975267336	1300654984

It is clear from the above table that there is growth in the assets of the company (the bank) and the growth in the assets of the strategy pursued by the company and which refers to the efficiency and effectiveness of the bank. This indicates a good evaluation of the financial performance of the bank, which promotes continuity in the work.

A table below showing the growth in income

Income for the year 2010	Income for the year 2011	Income for the year 2012
16211209	24972265	29637502

And except for the table above (the income scale) that the company's strategy seeks to achieve growth in income, one of the main goals of the company and this refers to the efficiency and effectiveness of the bank to its resources and this Usher to a good assessment of the financial performance of the bank and enhances the continuity of the work and compete with the rest of the banking market.

A table below showing the growth in the company's shares

Shares for the year 2010	Shares for the year 2011	Shares for the year 2012
100000000	112900000	175000000

It is the above table shows that heading the company's strategy to achieve BFH heads money, one of the main objectives for the company to enter into a broader investments and expand its business and the increase in stocks strengthen the company's position (the bank) in the business market and to compete with companies (banks) Other.

2- Structure: located Bank of Baghdad task management, rests with the members of his administration elected Council by the General Assembly of the Bank, and emerge from the audit committee and linked him directly Internal Audit and Inspection, monitor compliance and advisers for the purpose of implementation of the Board of Directors and management decisions everyday business of the bank appointed by the Council Commissioner and his assistant manager and each

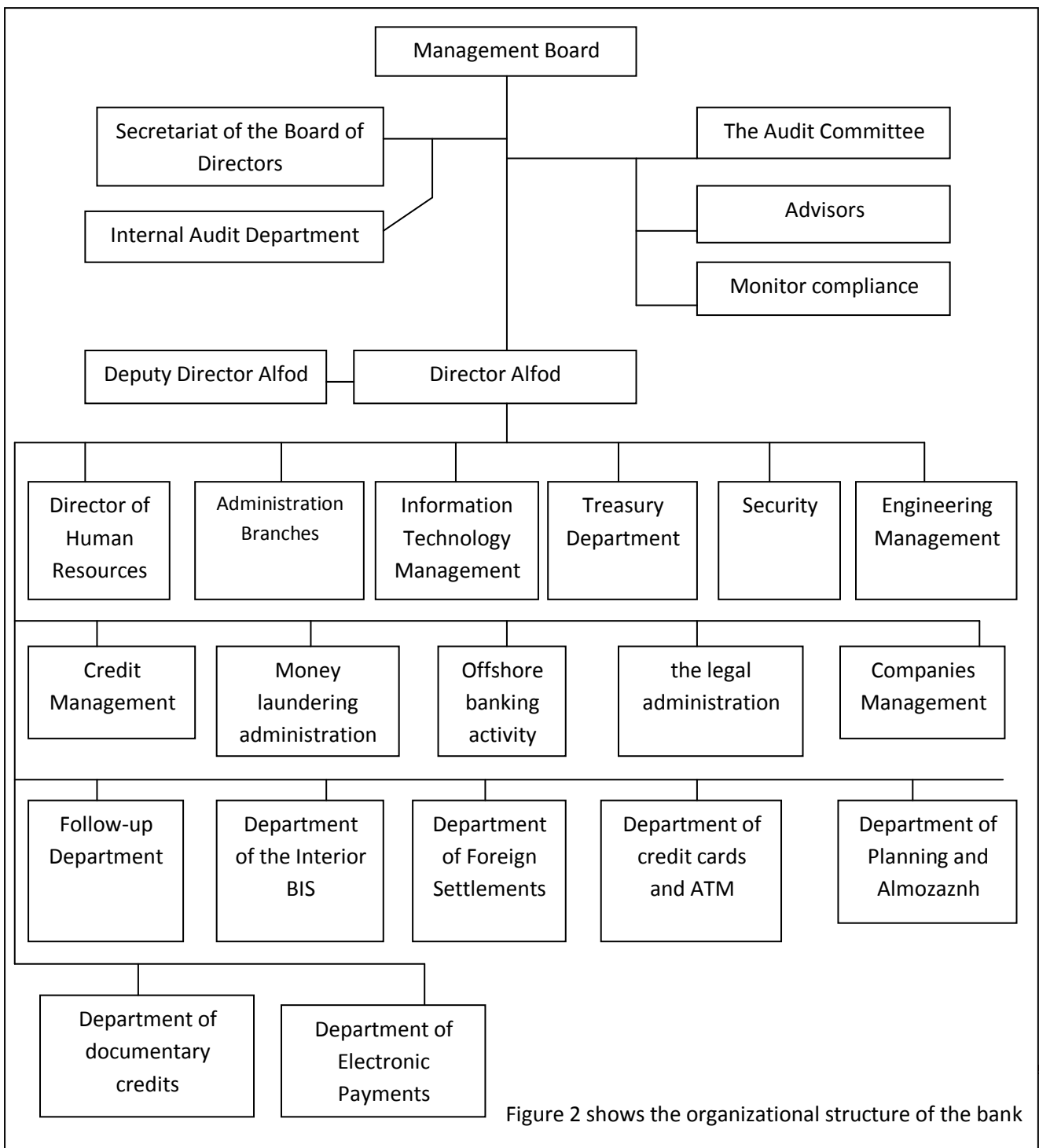


Figure 2 shows the organizational structure of the bank

It is by observing the organizational structure of the company researcher can determine the following:

- 1 - provides a central feature in the organizational structure and through the Note divided administrative levels and job descriptions appropriate.
- 2 - With regard to the added feature to note that formalized the division of administrative levels commensurate with the administrative requirements of the Bank.
- 3 - Regarding the property Streptococcus note that explained the organizational structure and formal job description on the basis of the activities and administrative levels.

And it will produce a researcher by linking police theory variables (organizational structure) that the organizational structure of the bank in proportion to some extent and the requirements of the organizational structure effective, which contributes to the achievement of company objectives efficiently and effectively and facilitate the process of performance evaluation by comparing what is required organizational structure and the reality of the company and which contributes to the prevent overlapping powers which enhances the effectiveness of the performance evaluation. Agenda built a number of bank branches by year and related

T	Data	Year 2010	Year 2011	Year 2012
1	number of branches	35 Branch	39 Branch	43 Branch
2	Salaries and wages	7.994 B	9.208 B	13929181240B
3	Human Resource Development			
A	Number of sessions			
	Within the Bank	8 Cycle	13 Cycle	19 Cycle
	Outside bank	14 Cycle	22 Cycle	40 Cycle
	Outside Arbil Bank	6 Cycle	10 Cycle	7 Cycle
	Outside Diameter	2 Cycle	2 Cycle	1 Cycle

B	The number of participants			
	Within the Bank	130	150	232
	Outside bank	30	61	46
	Outside Arbil Bank	21	91	23
	Outside Diameter	4	7	1
	The number of cycles per year	30 Cycle	47 Cycle	67 Cycle

Through the above table identify the number of branches by the exchange opened except for the three years and the subsequent salaries and internal courses and Charijh and the number of participants out which demonstrates that the heading for the bank to increase its organizational structure, and this means that there is the effect of a changing organizational structure of the banking performance, the more structure increased organizational performance.

3-Size: along with the increase in the number of our employees we have in the expansion of the training curricula and programs involved with the banks that managed the bank employee from which to acquire theoretical expertise to develop professional Capabilities , and saw the (2013) sustained growth, the opening of new branches, and became the presence of Bank of Baghdad rife now in all governorates of Iraq and became the total number of branches (42) branches in addition to the Beirut branch are all electronically connected to and operate in accordance with a joint strategy.

We aspire to be the Bank of Baghdad is always the leading provider of premium financial services in Iraq. We have paid special attention to the development of better systems and creating internal processes preferred and achieve higher efficiencies and create an internal foundations for future growth and to expand our horizons through our international partners, we have achieved the Bank of Baghdad, one of the important objectives which allows stronger links to Iraq in international operations and the creation of a regional hub for the continued expansion by establishing a new branch in Beirut was opened in mid-December / 2010.

The growing branches of the bank as a result of the success factors of the company to exploit the available resources efficiently and effectively, and its ability to draw appropriate strategies for achieving this growth, which gives financial index is the continuity of the success of the financial performance of the bank.

A table showing the size of the bank accounts used by local and foreign

T	Data	Year 2010			Year 2011			Year 2012		
		local	Foreign	Total	local	Foreign	Total	local	Foreign	Total
1	Current accounts and deposits	571.5	233.2	804.7	449.1	250.3	699.4	1018.5	375.1	1393.6
	Current accounts payable	-	568.8	568.8	-	465.9	465.9	-	705.6	705.6
	saving account	-	147.6	147.6	-	166.0	166.0	-	214.1	214.1
	Fixed deposit account	-	58.5	58.5	-	49.4	49.4	-	58.8	58.8
	Other accounts	-	29.8	29.8	-	18.1	18.1	-	68.2	68.2
2	Banking facilities (cash credit)	180.8B		180.8	149.8B		149.8	219.2B		219.2
	Credit commitments	705.7B		705.7	114.6B		114.6	165.7B		165.7
	Doubtful debt	15922057535			17000158			16872293		
3	Cash	571823.3B			457388B			1014698B		
4	Investment activity	129.5B			185.5B			410.2B		
5	Banking performance									
A	Liquidity ratio	71%			65%			78%		
B	Employ money policy									
	Investment / deposit	16%			27%			23%		
	Alastosmaralnkadi / deposits	22%			21%			14%		
	Investments + cash credit	39%			48%			37%		

	Capital adequacy ratio	25%	37%	55%
	Cash credit ratio / Ras mil reserves	150%	107%	71%
C	Leverage ratio			
	Total deposits / capital and reserves	680%	501%	505%
	Capital and reserves / total liabilities	12.3%	16%	16%
D	The proportion of activity assigned			
	Tota banking operations expenses / total deposits	0.8%	1.2%	0.9%
	Expenses Tota / Tota revenue	61%	55%	53%
E	Profitability ratios			
	Gross profit earned / paid-up capital	16.2%	22.1%	17%
	Gross profit realized / Equity	13.6%	17.9%	14%
	Net profit after distribution / capital Cannon	13%	17.6%	14%

The table above shows the bank accounts it handles both locally and globally size where it was found that the bank is successful in terms of local and global deposits and other accounts and this shows that the bank depends on the strategy enabled him to succeed in his work as the increasing size shows that any expansion in terms of size is indicative that the bank applied this theory, as can be seen from the table that all the percentages positive and this shows the success in the correct application of the theory of conditional variables.

Section fifth

Findings and recommendations

First: Results:

1 - represents a conditional theoretical tool to clarify the statement and understand the interrelationships between subsystems and organizational units, consisting of the organization they contribute to link the internal and external variables and the statement of its impact on company objectives.

2 - The integration between the financial performance measures of financial and non contribute to reaching a comprehensive assessment of the financial and economic performance of the unit by connecting based on the consolidated financial and economic reports of the unit non-financial indicators and Bmrtkzac of internal and external environment and financial indicators.

3 - by linking police theory variables (organizational structure) that the organizational structure of the bank in proportion to some extent and the requirements of the organizational structure effective, which contributes to the achievement of company objectives efficiently and effectively and facilitate the process of performance evaluation by comparing what is required

organizational structure and the reality of the company and which contributes to the prevent overlapping powers which enhances the effectiveness of the performance evaluation.

4 - The growing branches of the bank as a result of the success factors of the company to exploit the available resources efficiently and effectively, and its ability to draw appropriate strategies for achieving this growth, which gives financial index is the continuity of the success of the financial performance of the bank.

5 - that the company's commitment to the adoption of growth strategies and the introduction of new technology techniques contributed to enhancing the company's financial performance, which gives a clear picture about the possibility of the company in achieving its goals efficiently and effectively.

Second: Recommendations:

1 - must rely on the police theory to organize the company's business variables, the variables enhances the success and raise the company's value by connecting internal variables State Department and the linkage between the variables to achieve the goals of the company and enhances the financial performance has.



2 - on the company's focus on financial and non-financial performance measures in order to assist them in making their decisions the more relied on these measures was its decision to more efficient and effective, and more impact and be more positive because it adopted the correct standards.

3 - the company must take into account the complexity of the organizational structure that are moving effectively on the financial performance of the more the structure is more complex whenever widened the company's business and the widening in the business is the reason for its success because the business accurately.

4 - on the company (the bank) to continue acting expansion in the volume business, because every expansion and increase its turnover has increased the success of the company (the bank) It is clear that the success of the company's financial performance.

5 - on the company's strategy to enable them to enhance the financial performance depends has, through the

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use of modern and advanced systems that help them to increase their business and achieve their goals whenever adopted by the company (the bank) on modern systems, the greater the spectrum and the company's position (the bank) in the market competition and strengthened financial performance.

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