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Original Article (Quantified)

Designing a model for evaluating the financing policies of the Ministry of Industry, Mines and Trade in industrial enterprises

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Abstract

This study was conducted with the aim of designing and validating a model for evaluating the financing policies of the Ministry of Industry, Mine and Trade in industrial enterprises in northern Kerman province. This study, using a descriptive-survey method and a confirmatory factor analysis approach, has provided a scientific and indigenous framework for evaluating the effectiveness of these policies. The statistical population consisted of 1,804 managers and experts of industrial enterprises in northern Kerman province, of which a sample of 317 was selected by a simple random sampling method. Data were collected through a 57-question Likert-scale questionnaire and analyzed with LISREL software. The results showed that the proposed model, consisting of 9 organizing themes (laws and policies, feasibility and estimation, support and interaction, consolidation and development, feedback and performance analysis, risk-taking and evaluation, monitoring and control, management and implementation, allocation and financing), has high validity and reliability. The model fit indices (GFI, CFI, NFI close to 1, RMSEA less than 0.08, and Chi²/df less than 3) confirmed the strong fit of the model. Confirmatory factor analysis showed that all dimensions of the model have a positive and significant relationship with the evaluation of financing policies, with the highest impact related to "laws and policies" and "feasibility and estimation."

Keywords:

Financing Policy,
Industrial
Financing,
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Extended Abstract

Introduction

In economic systems, financing the production sector, especially industrial enterprises, is considered as one of the fundamental pillars of sustainable development and economic independence. In Iran, given the structural challenges such as international sanctions, exchange rate fluctuations, and dependence on oil revenues, the role of government institutions in directing financial resources to the production sector has gained special importance. In the meantime, the Ministry of Industry, Mines and Trade (MIMT), as a pivotal institution in supporting production, is responsible for formulating and implementing financing policies for industrial enterprises. These policies are formed within the framework of upstream documents such as general policies of the resistance economy, five-year development plans, and the law on the protection of national productions, and are implemented through tools such as specialized funds, bank facilities, and export guarantees. However, systematic evaluation of these policies and examination of their effectiveness always requires a scientific and generalizable model. The present study was conducted on the topic of "Designing a model for evaluating the financing policies of the Ministry of Industry, Mines, and Trade in industrial enterprises", the main goal of which is to design a scientific and practical framework for evaluating the effectiveness of the financing policies and programs of the Ministry of Industry, Mines, and Trade in supporting the country's industrial enterprises. The importance of this research is evident from two theoretical and practical perspectives; from a theoretical perspective, the lack of comprehensive studies in the field of industrial financing policy evaluation has made this research a pioneering study; and from a practical perspective, given the vital role of the industrial sector in economic growth and job creation, effective evaluation of financing policies can help improve policymaking decisions (Safari & Ahmadi, 2021). Therefore, the main question of this study is: does the design of the Ministry of Industry, Mines and Trade's financing policy evaluation model in industrial enterprises have the necessary validity?

Theoretical foundations

Policy evaluation

Policy evaluation, as one of the main pillars of good governance and continuous improvement of the performance of public institutions, means the systematic process of collecting, analyzing and interpreting evidence about the design, implementation and results of a public policy in order to judge its efficiency, effectiveness, fairness, transparency and accountability (Weimer & Vining, 2017). This process is not simply a performance monitoring tool, but an organizational learning mechanism that allows policymakers to learn from past successes and failures and improve future decisions (OECD, 2020).

Industry Finance

Industry finance refers to a set of policies, instruments, and mechanisms used to provide industrial firms with the financial resources they need for production, innovation, technological development, and competitiveness (World Bank, 2021). This process can be carried out through the public sector (e.g., state-owned banks, development funds), the private sector (e.g., commercial banks, direct investment), or a combination of both.

Botshekan et al. (2025) conducted a study entitled "Identifying Indicators Affecting Mining Sector Financing in Iran". These studies were coded using MAXQDA software and the overarching, organizing, and basic themes were identified and an initial conceptual model was extracted. The initial conceptual model was completed through interviews with experts. The expert community includes experts in the fields of financing and mining selected through

purposive and snowball sampling. Finally, the resulting conceptual model shows that any comprehensive solution to improve mining financing must present its solutions in three dimensions: macroeconomic, financial, and operational. According to the findings of this study, these dimensions include a total of ten components, and these components include a total of forty-eight indicators that determine the characteristics of the mining financing model. Hosseini et al. (2024) conducted a study entitled "A Model for Improving Iron Ore Mining Financing." In this study, first the main themes were extracted through content analysis by studying existing documents and conducting interviews with informed individuals. The main themes are: 48 basic themes, 10 organizing themes, and 3 overarching themes. Then, a conceptual model of the mining financing pattern was obtained at three levels of dimensions, components, and indicators. At this stage, the interviewed experts were selected through purposive and snowball sampling. Then, this conceptual model was provided to the experts with strategies for improving the identified indicators and using a questionnaire for a survey. The experts were selected through purposive sampling from among experts in the iron ore mining industry, experts in financing in the capital market and banking network, and legal experts. Their responses were examined using confirmatory factor analysis. Finally, the conceptual model and solutions obtained from the studies of this research were confirmed. The most important solutions are presented in order to eliminate the budget deficit, adjust the policies of the central bank, manage risk, increase industry efficiency, improve laws and regulations, and make institutions more efficient.

Research Methodology

The present study is a descriptive survey research that can be classified as an applicable study in terms of its purpose. The statistical population of this study consists of 1804 CEOs, vice presidents, financial managers, and accountants of industrial enterprises operating in the north of Kerman province. The sample size was calculated by the Cochran formula and at a 95% confidence level and a 5% error rate, as many as 317 people. The members of the statistical sample were selected by simple random sampling. A researcher-made questionnaire with 57 questions based on a five-option Likert scale was used to collect the required data. In order to examine the validity of the model under study, confirmatory factor analysis technique was used through LISREL software. In this study, the content validity index technique was used to examine the validity of the questionnaires used in the study. For this purpose, the questionnaire was distributed among 5 experts.

Research findings

The findings of this study showed that using confirmatory factor analysis (CFA), not only confirmed the validity and reliability of the model, but also provided the possibility of prioritizing the components and methods of financing. The most important finding is the strong dependence of 92% on banking resources and the weakness in using modern methods (such as capital markets and bonds). This dependence makes the financing system very vulnerable to economic fluctuations.

Conclusion

The results of this study are consistent with the results of Botshekan et al. (2025), Hosseini et al. (2024), World Bank (2021), Shahsavari et al. (2022), Razavi (2019) and Botshekan et al. (2025). The resulting conceptual model shows that any comprehensive solution to improve mining financing should present its solutions in three dimensions: macroeconomic, financial, and operational. According to the findings of this study, these dimensions include a total of

ten components, and these components include a total of forty-eight indicators that determine the characteristics of the mining financing model. Hosseini et al. (2024) showed that the most important solutions are presented in order to eliminate the budget deficit, adjust central bank policies, manage risk, increase industry efficiency, improve laws and regulations, and make institutions more efficient.

Based on the results of this study, the following recommendations are made:

In order to strengthen the legal and policy frameworks governing the financing of industrial enterprises, it is recommended that the Ministry of Industry, Mines and Trade (MIMT) create a comprehensive database of financial laws and guidelines that includes banking financial laws, requirements and guarantees, guidelines, government policies, and customs tariffs. This database should be designed in a digital and accessible format for industrial enterprises in northern Kerman province to improve transparency and access to policy information and simplify the process of applying for facilities.