International Journal of Finance and Managerial Accounting, Vol.9, No.33, Spring 2024

Modeling the Consequences and Context of Corruption from The Perspective of Auditing Utilizing Grounded Theory

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Submit: 27/12/2021 Accept: 13/03/2022

ABSTRACT

This is a mixed method developmental and applied type of research. In the study's qualitative section,15 experts were interviewed, selected via the snowball method. Moreover, the required categories and concepts were extracted utilizing the grounded theory. In the quantitative part, using the mentioned concepts, a Likert scale questionnaire was designed and provided to 302 accounting and auditing graduate and PhD students in at the universities of Tehran, Karaj, Ghazvin and Zanjan. The sample size was determined utilizing the Morgan table and the sample was selected via the random sampling method. The SPSS24 and LISSREL 8.8 software were used to analyze the data. According to the findings of the qualitative component of the research, the consequences include: Increased accountability (5 concepts), social capital (5 concepts), cost management (2 concepts), teamwork (2 concepts), organizational attitude (4 concepts). Underlying conditions affecting the fight against corruption by auditing firms are: administrative-managerial failures (6 concepts), socio-cultural failures (7 concepts) and economic failures (2 concepts). The results of confirmatory factor analysis in the quantitative part also confirmed the model derived from the qualitative part.

Keywords:

Consequences, Background Conditions, Auditing, Modeling, Grounded Theory

1. Introduction

Corruption has been described as "abusing power and deviating from one's normal/usual duties" (Aßlander, 2017, 210). Where corruption is rampant, scams and commercial scandals symbolize a much wider and conspiratorial acceptance of corruption in society. Under such circumstances, corruption has become "normalized" as a whole, and over time leads to gradual moral corruption. Aßlander (2017) states that in a corrupt society, corruption is not a phenomenon limited to the public sector, but even in more advanced economies with stronger government regulations and strict regulatory mechanisms, it has also significantly and substantially become a "private-to-private" phenomenon in business relationships (Rodriguez & Associates, 2005).

The five hallmarks of corruption are possession of power, the desire to use that power, the opportunity to exercise that power, invisibility or secrecy, and self-centered interests (Spence, 2017, 456). In a corrupt political-economic system, bribery and self-interest are commonly alluded to as "patriarchal capitalism" (Nielsen, 2017, 120). Hence, personal benefits are any gain that are not necessarily financial and are attributed to them as a consequence of the actions of a representative or a group (Spence, 2017, 456).

Articles on business ethics distinguish between bribery and institutional corruption (Lessig, 2011, 233). Corruption is defined as the illegal use of public resources for personal gain, especially by government bureaucrats who resort to it for cash, personal gain and other benefits, or by politicians who simply raid public treasuries (Youngdahl, 2017, 279). On the other hand, institutional corruption is often more clever and ingenious. Even though this type of corruption is technically not generally illegal, it has been described as a systematic game of subverting the purpose of society's laws by deploying technically legal methods (Yangdahl, 2017, 280). Hence, in a business situation, it is possible for companies to violate private sector standards and regulations. This is consistent with the sixth description of corruption: Violation of a pre-established credible relationship of trust, widely acknowledged to exist between a corrupt person or group harming in some way, via corrupt practices, other persons or groups (Spence, 2017, 458). This may include provision of inaccurate information to corporate shareholders and other stakeholders such as customers and employees. A key feature of institutional corruption is that executives are identified as "active justifiers" or, in extreme cases, "perpetrators" (CF, 2008) exploiting the "opportunities" created in the business environment they operate within. (Zyglidopoulos & Fleming, 2008).

Political officials/authorities are able to allocate natural resources, licenses and development contracts to their colleagues. This allows companies to access the technical or other requisite resources to implement the project. In return for these benefits (contracts, licenses, loans), co-conspirators often agree to hire and promote people introduced and nominated by political officials. This background easily allows companies to make available human, financial or other resources toward demonstrating with evidence their project is a success (Nielsen, 2017, 122).

As far as the ability to sell (or use) an asset, this can be demonstrated by guaranteeing the quality and suitableness of its specifications. Corrupt relationships between contractors and regulators allow construction companies to persuade regulators to endorse or ignore/overlook poor quality of work & materials, safety violations, etc. (Stepurko & Associates, 2017).

Similarly, "receipts versus product sales" and "introductory grants" have been criticized as abusing market rules as well as being a form of institutional bribery (Aßlander & Storchevoy, 2017, 485). These are alluded to as "hidden forms of corruption." In an environment where there is a high level of private-to-private institutional corruption, these "costs" help to stabilize products in the market that may be of low quality, but still help executives/managers to sell the product in the future. and hence show its potential benefit (White & Associates, 2000).

However, in a corrupt environment, the role, accuracy and quality of auditing can fall short of expected standards by not challenging management to maintain a long-term audit-revenue relationship (via expenses). Under such circumstances, institutional corruption is prevalent, violating applicable standards and disrupting the auditor's fiduciary duty (Levitt, 2000). This dilemma is exacerbated especially when there is investment and higher expenditures are involved (Kreb & Associates, 2019). This is why Youngdahl (2017) argued that auditors "have often acted as aiding corruption." In light of the institutionalization of corruption within society, Rodriguez & Associates, (2005), states that the external information auditors require may be biased or

unreliable, resulting in false confidence. Consequently, the quality of the perceived audit is negatively associated with the level of corruption (Malagueno & Associates, 2020).

In environments where corruption is prevalent, corporate performance is ineffective and not in accordance with the principles of fair and labor market-based outcomes (Rodriguez, 2017, 175). Concerns about unproductive activities in corrupt environments have been observed and noted in previous finance and accounting studies. Introducing and marketing "low quality" products and services in most corrupt business environments disrupts the creation of long-term benefits and, consequently, profitability for the company. In addition, individuals hired for “philanthropy” are often "ghost employees" who often cannot be fired. They may not necessarily have the technical skills to work (Nielsen, 2017, 122), which again affects future profits compared to the return on investment. In fact, the longer the duration of corrupt contracts, the greater the loss of future benefits, and the higher the direct and indirect costs of corruption, and the lower the return on investment (Shakantu, 2006).

It is important for auditors to identify corruption because the perception of the risk of corruption is a crucial factor in preventing people from engaging in fraudulent behavior, such as corruption. This is especially true for elected politicians, as combining the risk of their corruption being detected/exposed with re-election motives reduces corruption. Therefore, internal and external auditors should be aware that various types of corruption may leave substantial traces that could be identified. For instance, payroll schemes (under the table payments) often incur high costs that may be identified/discovered through analytical methods such as modeling.

Research Background

Jamali Osgooie & Associates (2020) in a study titled "Political Economy of Corruption in the Islamic Republic of Iran" and conducted via a survey of experts, including academic experts, institutional specialists, as well as officials and executives of relevant organizations. Concerning method and data analysis, the W. Kendall test is utilized in this article to assess the extent of consensus among the elite vis a vis the root causes of corruption. Findings reveal that the structure and pattern of political economy governing the Iranian national economy and society has been key in creating and perpetuating corruption in the Islamic Republic of Iran.

Baameri Chah-Shahi (2020) in an article called "Study of the Causes & Factors of Corruption & Strategies to Prevent & Combat It" concluded that corruption is induced by many factors, such as cultural, social, economic, political as well as administrative. He points out that the rise in corruption will lead to lower levels of social services, especially for the poor and low-income people. In addition, it will cause an uptick in living costs and prices, increased unhealthy competition in economic activities, etc.

Rahmani & Isfahani (2016) in a study named "Study of Factors Affecting Corruption, Emphasizing on Economic Activities; the Study of Developing Countries" concluded that the variables of democracy and per capita income have an inverse effect on corruption and their rise reduces corruption. What’s more, increasing the size of government and higher inflation will spike corruption. In addition, an increased GDP share of the industrial sector will reduce corruption, but an expanded GDP share of the service sector translates into a jump in corruption.

Aghabarari Shah-Rraaji (2014) in a study entitled "Study of the Impact of Auditing on Financial & Economic Corruption & Methods to Combat It" stated that corruption is a global issue that needs to be combated and Iran is no exception to this rule. The article deals with the causes and factors affecting the spread of financial and economic corruption, as well as ways to combat it through auditing. The findings showed that various factors (such as political, economic and cultural) are involved in financial corruption. Furthermore, to combat corruption, several strategies and various institutions were proposed, among which were auditors and auditing institutions.

Ulman (2014) in an article analyzed the effect of national competitiveness on corruption. In this study, they analyzed the national competitiveness data published in 2012 by the Global Competitiveness Report and the 2012 Corruption Perceptions Index and concluded that there is a strong and powerful relationship between these two indicators. Moreover, the level of national competitiveness significantly affects the perception of corruption index. The study concluded that three is more corruption in less competitive countries than more competitive countries. As a result, standard of living, employment rate,

productivity, trade balance, attractiveness of the nation (economic & investment wise), objective-oriented capabilities, flexibility and sustainable growth ability (all together defined as national competitiveness), are the main determinants of the Corruption Perception Index.

Jetter & Associates (2014) provide a noteworthy explanation for the ambiguous link between democracy and corruption. They used the panel model from 1980-2012 in order to control the factors that are constant over time for each country. Democracy reduces corruption, but only in economies where per capita income is above $20,000. For poorer countries, a growing democracy leads to increased corruption. Freedom of the press and democracy are not statistically significant when they control the endogenousness of these variables.

Kallenborn & Lessman (2013) examined the effect of democracy and press/media freedom on corruption. They argued that media freedom and democracy are not mutually exclusive in controlling corruption, but are two complementary institutional factors contributing to inhibiting corruption. In the regression model, they utilized data from 170 countries between 2005-2010, as well as a panel of 175 countries in the period from 1996-2010. The findings demonstrated that if there is a certain degree of press/media freedom in the country, democratic elections alone are effective in controlling corruption. Its political implication is that democratic reform is effective if, along with these institutional reforms, the oversight of politicians is strengthened.

Osuagwu (2012) stipulates that weak anti-corruption institutions, a culture of encouraging giving and receiving bribery, ambiguity in government-business relations, lack of efficient and independent market institutions and mechanisms, poor quality of public service delivery, low wages in the government sector, the influence of the underground economy, poverty, ineffective press/media, and strong ties between government officials and family businesses are among the primary factors contributing to corruption.

Research Methodology

In terms of objective, this is a developmental and applied type of research and in terms of method it is a mixed study. In the research's qualitative section, 15 experts were interviewed (selected via the snowball method), and utilizing the data-based theory the required categories and concepts were extracted. In the quantitative part, a questionnaire was devised/designed using the Likert scale and distributed among 302 master's and PhD students in accounting and auditing at the universities of Tehran, Karaj, Qazvin and Zanjan. The sample size was determined utilizing the Morgan Table and the sample was selected by the random sampling method. The SPSS24 & LISSREL 8.8 software were used to analyze the data.

In data theory methodology, the discovery and devising of a theory is founded on existing facts and realities and through systematic collection of data and taking into account all aspects (potential & otherwise) related to the research subject. The collected data undergo stages of evolution until a theory is arrived at. Collected data analysis toward developing a theory is performed utilizing "theoretical encryption". In this method, initially appropriate codes are assigned to different parts of the data. These codes are defined in terms of "concept", and are called "open encryption". The researcher thereafter engages in "axial coding" by pondering the various dimensions of these categories and finding/identifying the links between them. It should be noted that during these encryptions, the researcher uses "theoretical sampling" to collect data about various people, events and situations. This feat is conducted according to the concepts emerging from the heart of the data, which will provide a richer picture of the ensuing concepts and categories. Finally, with "selective encryption" the categories are refined and through these processes, ultimately, a theoretical framework emerges.

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Research Findings

Qualitative Section Findings

Pursuant to conducting the interview process with experts, 15 concepts containing the underlying conditions affecting corruption were identified.

Compliant with the interview findings in the qualitative section of the present study, the fight against corruption has the following consequences: increasing accountability (5 concepts), social capital (5 concepts), cost management (2 concepts), teamwork (2 concepts) organizational attitude (4 concepts) These conditions constitute a set of specific variables and categories with intervening factors affecting the anti-corruption strategies of auditing firms. Consistent with the findings of the qualitative section, the underlying conditions affecting the fight against corruption by auditing firms are: Administrative-managerial failures (6 concepts), socio-cultural failures (7 concepts) and economic failures (2 concepts).

Table 1: Concepts & Sub-Categories Related To The Main Category Of Anti-Corruption Consequences By Auditing Firms

Row	Sub-Categories	Concepts	Repetition Frequency
1	Increased Responsiveness	Increasing The Accountability/Responsiveness Of Officials	15
2	Increased Responsiveness	Facilitating The Accountability/Responsiveness Of Various Organizations	13
3	Increased Responsiveness	Proper/Accurate Performance Reporting	15
4	Increased Responsiveness	Accountability/Responsiveness Of Organizations Regarding Responsibilities	10
5	Increased Responsiveness	Increasing Accountability/Responsiveness Toward Stakeholders	10
6	Social Capital	Organizational Trust	8
7	Social Capital	Positive Organizational Image/Perception	13
8	Social Capital	Helping/Serving People	12
9	Social Capital	Legitimacy	10
10	Social Capital	Status Of Organization Within Society	14
11	Cost/Expenditure Management	Preventing Wasting/Squandering Of Resources	15
12	Cost/Expenditure Management	Proper Utilization Of Resources & Prevention Of Wasting/Squandering Of Resources	15
13	Team Work	Increasing Participation	14
14	Team Work	Participatory Decision Making	10
15	Organizational Attitude/Outlook	Job Satisfaction	15
16	Organizational Attitude/Outlook	Organizational Commitment	15
17	Organizational Attitude/Outlook	Motivation Of Personnel/Workforce	12
18	Organizational Attitude/Outlook	Spirit/Morale Of Personnel/Workforce	10

Table 2: Concepts and sub-categories related to the main category Underlying conditions affecting the fight against corruption by auditing firms

Row	Subcategories	concepts	Frequency of repetition
1	Administrative-managerial failures	Decreased responsiveness	11
2		Focus on decision making	13
3		Inadequate organizational structure	15
4		Existence of broken windows	8
5		Wasted resources	15
6		Inadequate human resource policies	15
7	Socio-cultural deficiencies	Lack of culture to answer	14
8		Poor work culture	10
9		Conservative culture	14
10		Excessive people	15
11		Hypocritical behavior	15
12		Cultural weakness	14
13		Lack of rational behavior of people	12
14	Economic failures	Living problems	15
15		Economic sanctions	15

Quantitative Section Findings

Confirmatory Factor Analysis Of Sub-Categories Of Anti-Corruption Contextual Conditions

In the next stage of the research, the relationships between the sub-categories of the underlying conditions of anti-corruption and the concepts related to each were investigated utilizing confirmatory factor analysis. As alluded to in the qualitative section of the research, consistent with the views of the research experts, the consequences include 5 categories and 18 concepts. Moreover, the background conditions of the fight against corruption. The fight against corruption consists of 3 sub-categories and 15 concepts.

Evaluating/Assessing The Consequences Model In Its Entirety

In order to evaluate the entire model, several indicators were utilized (provided in the table). In this model, Chi-square statistic of 84.92 with a freedom degree of 2 was obtained. The ratio of these two statistics was 50.74, which in comparison with the acceptable limit for this ratio (less than 3), the findings indicate the model does not fit. The results obtained from the root mean statistics estimation error (RMSEA) and the remaining mean square root (RMR) statistic are appropriate and confirm the model fit. In addition, comparative fit index (CFI), soft fit index (NFI), non-soft fit index (NNFI), incremental fit index (IFI), general fit index (GFI) and adjusted general fit index (AGFI) and comparison of these criteria with the optimal level indicate an acceptable fit of the model.

Evaluating/Assessing The Measurement Section Of The Model

According to the findings of confirmatory factor analysis test for all concepts, the factor load was more than 0.4 and t-statistic was higher than 2.54, and as a consequence, all of these concepts had correlation with anti-corruption implications sub-categories at the 1% level.

Compliant with the research findings, it can be stated that in the anti-corruption model by auditing firms; Consequences of fighting corruption consists of 8 sub-categories; Increased accountability consists of 5 concepts, social capital consists of 5 concepts, cost management consists of 2 concepts, teamwork consists of 2 concepts, organizational attitude consists of 4 concepts, organizational excellence consists of 4 concepts, correction of inappropriate behaviors consists of 5 concepts and increasing organizational health consists of 6 concepts.

Table 3: Model's Fitness Indicators For Measuring The Concepts & Sub-Categories Of Anti-Corruption Consequences

Statistics	Optimal Level Of Statistics	Statistics
Chi-Square/Degree Of Freedom	3 ≥	50.74
Root Mean Statistics Estimation Error (RMSEA)	0.80 ≥	0.058
Remaining Root Squared Mean (RMR)	0.80 ≥	0.026
General Fitness Index (GFI)	0.85 ≤	0.88
Adjusted General Fit Index (AGFI)	0.80 ≤	0.91
Comparative Fit Index (CFI)	0.90 ≤	0.93
Soft Fit Index (NFI)	0.80 ≤	0.94
Non-Soft Fit Index (NNFI)	0.80 ≤	0.82
Incremental Fit Index (IFI)	0.90 ≤	0.94

Table 4: Symbol, Factor Load & T-Stats Related To The Concepts Of Anti-Corruption Consequences In The Research Model

Concepts	Symbol In Model	Load Factor	T-Stat
Increasing The Accountability/Responsiveness Of Officials	Account1	0.86	6.80
Facilitating The Accountability/Responsiveness Of Various Organizations	Account2	0.90	7.29
Proper/Accurate Performance Reporting	Account3	0.83	7.94
Accountability/Responsiveness Of Organizations Regarding Responsibilities	Account4	0.90	3.52
Increasing Accountability/Responsiveness Toward Stakeholders	Account5	0.91	4.41
Organizational Trust	Soccap1	0.94	65.4
Positive Organizational Image/Perception	Soccap2	0.84	4.62

Concepts	Symbol In Model	Load Factor	T-Stat
Helping/Serving People	Soccap3	0.88	7.37
Legitimacy	Soccap4	0.89	5.30
Status Of Organization Within Society	Soccap5	0.79	8.37
Preventing Wasting/Squandering Of Resources	Cost1	0.90	4.56
Proper Utilization Of Resources & Prevention Of Wasting/Squandering Of Resources	Cost2	0.94	3.99
Increasing Participation	Team1	0.87	5.56
Participatory Decision Making	Team2	0.94	4.12
Job Satisfaction	Att1	0.81	5.74
Organizational Commitment	Att2	0.89	5.26
Motivation Of Personnel/Workforce	Att3	0.78	3.17
Spirit/Morale Of Personnel/Workforce	Att4	0.91	5.29

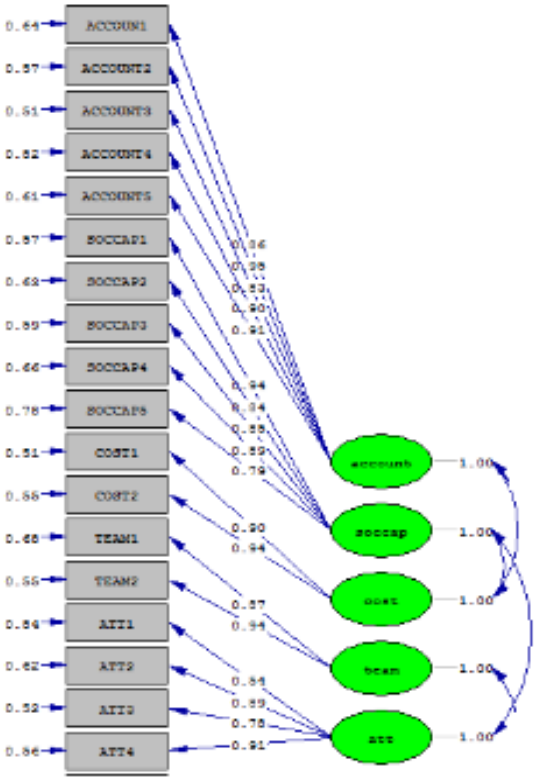

Figure 1: Causal Relationships Between Concepts & Sub-Categories Of Anti-Corruption Consequences By Showing Factor Loads

Confirmatory Factor Analysis of The Main Category Of Anti-Corruption Implications By Auditing Firms

Ultimately, confirmatory factor analysis was utilized in order to investigate the accuracy of the model and the relationships between the main category and sub-categories of anti-corruption consequences by auditing firms taken from the qualitative part of the research.

Evaluating/Assessing The Model In Its Entirety

As demonstrated in the table, the chi-square/degree of freedom statistic for this model was significant at the level of one percent and its comparison with the accepted level indicates a lack of proper fit of the model. Root mean statistics estimation error (RMSEA), root mean square root (RMR), comparative fit (CFI), soft fit (NFI), non-soft fit (NNFI), incremental fit index (IFI), criteria fit index (GFI) and the adjusted general fit index (AGFI) confirmed the model's fit.

Assessing/Evaluating The Measurement Section Of The Model

Compliant with the findings of confirmatory factor analysis test for all sub-categories of anti-corruption consequences, the factor load value was more than 0.4 and the t-statistic was higher than 2.54. As a result, all categories were correlated with the main category at the level of one percent. Based on the findings, the model is valid in this section and it can be concluded that in the anti-corruption model by auditing firms, the consequences of anti-corruption consist of 5 sub-categories: accountability, social status, cost management, teamwork and organizational attitude.

Table 5: Fitness Indicators Of The Measurement Model Of The Main Category Of Anti-Corruption Consequences

Statistics	Optimal Level Of Statistics	Statistics
Chi-Square/Degree Of Freedom	3 ≥	7.25
Root Mean Statistics Estimation Error (RMSEA)	0.80 ≥	0.020
Remaining Mean Squared Root (RMR)	0.80 ≥	0.014
General Fitness Index (GFI)	0.85 ≤	0.92
Adjusted General Fit Index (AGFI)	0.80 ≤	0.90
Comparative Fit Index (CFI)	0.90 ≤	0.96
Soft Fit Index (NFI)	0.80 ≤	0.87
Non-Soft Fit Index (NNFI)	0.80 ≤	0.85
Incremental Fit Index (IFI)	0.90 ≤	0.93

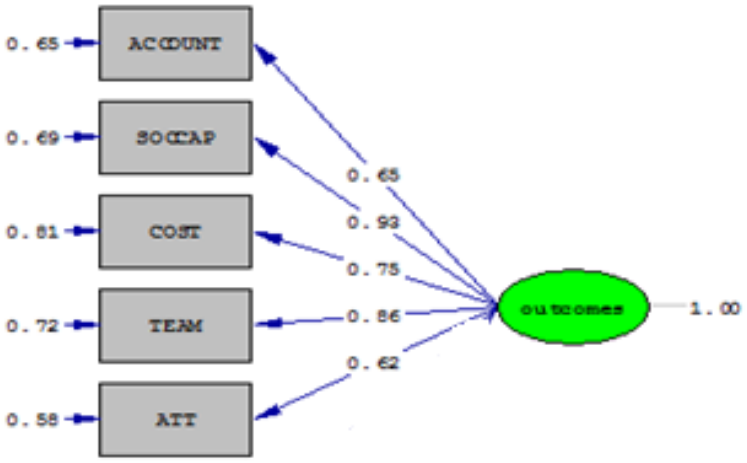

Figure 2: Causal Relationships Between The Main Category & Sub-Categories of Anti-Corruption Consequences By Showing Factor Loads

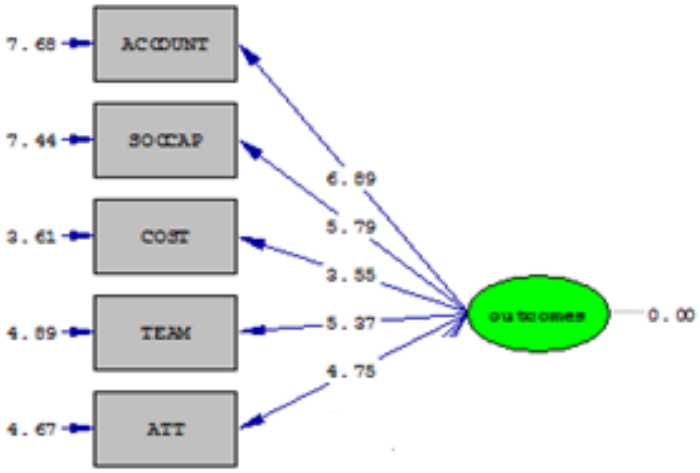

Figure 3: Causal Relationships Between The Main Category & Sub-Categories of Anti-Corruption Consequences Via Displaying T-Statistics

Table 6: Symbol, Load Factor & T-Stats Related To Sub-Categories Of Anti-Corruption Consequences In The Research Model

Sub-Categories	Symbol In Model	Load Factor	T-Stat
Increased Responsiveness	Account	0.65	6.89
Social Capital	Soccap	0.93	5.79
Cost/Expenditure Management	Cost	0.75	3.55
Team Work	Team	0.86	5.37
Organizational Attitude/Outlook	Att	0.62	4.75

Prioritizing Sub-Categories Of Anti-Corruption Implications

The findings of prioritizing the sub-categories of anti-corruption consequences for the respondents revealed that organizational excellence, correction of inappropriate behaviors and increasing organizational health were first to third among priorities in other categories.

Assessing The Contextual Model In Its Entirety

Consistent with the Chi-square/degree of freedom index obtained for this model (0.05) and comparing it with the acceptable limit (less than 3), the model does not have a suitable fit. The findings obtained from the other studied indexes, namely the root mean statistics estimation error (RMSEA), root mean square root (RMR), comparative fit (CFI), soft fit (NFI), non-soft fit (NNFI) incremental fit index (IFI), general fit index (GFI) and adjusted general fit index (AGFI) which are 0.041, 0.021, 0.94, 0.84, 0.93, 0.97, 0.86 and 0.86, respectively, indicate the proper fit of the model.

Assessing/Evaluating The Model's Measurement Section

Based on the results of confirmatory factor analysis test for all these concepts, the amount of factor load was more than 0.4 and t-statistic was higher than 2.54. As a result, all these concepts were correlated with sub-categories at the level of one percent. Based on the results of the quantitative part of the research, which is presented in the following figures, sub-categories related to the underlying conditions of anti-corruption; These include managerial office failures consisting of 6 concepts, socio-cultural failures consisting of 6 concepts and economic failures consisting of 2 concepts.

Table 7: Prioritizing Sub-Categories Of Anti-Corruption Implications

Variable	Average	Standard Deviation	Change Coefficient	Priority
Increased Responsiveness	17.10	4.92	0.29	6
Social Capital	17.01	4.77	0.28	5
Cost/Expenditure Management	7.30	2.54	0.35	8
Team Work	6.90	216	0.31	7
Organizational Attitude/Outlook	14.29	3.60	0.25	4

Table 8: Model's Fitness Indexes For Measuring Anti-Corruption Underlying Condition Sub-Categories

Statistics	Optimal Level Of Statistics	Statistics
Chi-Square/Degree Of Freedom	3 ≥	7.05
Root Mean Statistics Estimation Error (RMSEA)	0.80 ≥	0.014
Remaining Mean Squared Root (RMR)	0.80 ≥	0.021
General Fitness Index (GFI)	0.85 ≤	0.94
Adjusted General Fit Index (AGFI)	0.80 ≤	0.84
Comparative Fit Index (CFI)	0.90 ≤	0.93
Soft Fit Index (NFI)	0.08 ≤	0.97
Non-Soft Fit Index (NNFI)	0.80 ≤	0.86
Incremental Fit Index (IFI)	0.90 ≤	0.86

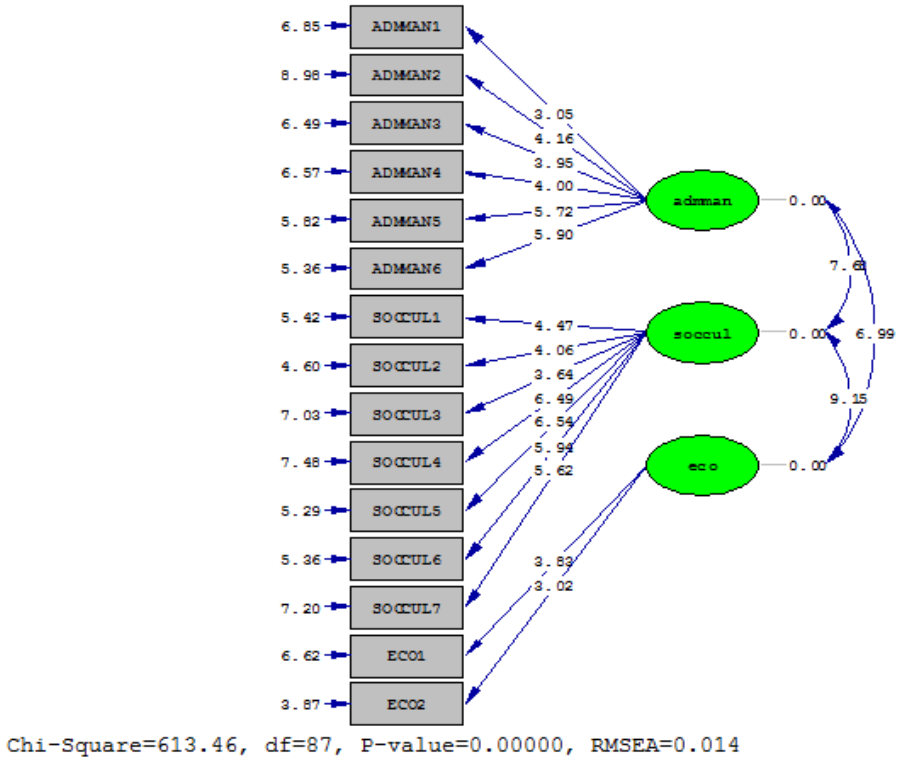

Figure 4: Causal Relationships Between Anti-Corruption Underlying Condition Concepts & Sub-Categories Via Showing Factor Loads

Table 9: Symbol, factor load and t-statistic related to the concepts of underlying anti-corruption conditions in the research model

concepts	Symbol In Model	T-Stat	Load Factor
Decreased responsiveness	Admman1	0.68	3.05
Focus on decision making	Admman2	0.87	4.16
Inadequate organizational structure	Admman3	0.89	3.95
Existence of broken windows	Admman4	0.92	4.00
Wasted resources	Admman5	0.74	5.72
Inadequate human resource policies	Admman6	0.93	5.90
Lack of culture to answer	Soccal1	0.91	4.47
Poor work culture	Soccal2	0.85	4.06
Conservative culture	Soccal3	0.82	3.64
Excessive people	Soccal4	0.75	6.49
Hypocritical behavior	Soccal5	0.92	6.54
Cultural weakness	Soccal6	0.94	5.94
Lack of rational behavior of people	Soccal7	0.78	5.62
Living problems	Eco1	0.80	3.83
Economic sanctions	Eco2	0.98	3.02

Confirmatory Factor Analysis of Anti-Corruption Context's Primary Category

In order to confirm the relationship between the main and sub-categories of anti-corruption's background conditions, confirmatory factor analysis was deployed. The relevant findings are stipulated in the following two sections.

Assessing/Evaluating The Model In Its Entirety

Based on the Chi-square/degree of freedom index obtained for this model (7.99) and comparing with the acceptable limit (less than 3), the model doesn't have the right fit. The findings obtained from the other studied indexes, namely the root mean statistics estimation error (RMSEA), root mean square root (RMR), comparative fit (CFI), soft fit (NFI), non-soft fit (NNFI)), incremental fit index (IFI), general fit index (GFI) and adjusted general fit index (AGFI), respectively, 0.039, 0.009, 0.86, 0.83, 0.94, 0.84, 0.87 and 0.90, indicate a proper fit of the model.

Assessing/Evaluating The Model's Measurement Section

In line with the findings of confirmatory factor analysis test for all sub-categories, the factor load was more than 0.4 and t-stat was higher than 2.54. As a consequence, all categories at the one percent level have correlation with this main category. Accordingly, the anti-corruption context conditions model consists of 3 sub-categories of administrative-managerial failures/deficiencies, sociocultural failures/deficiencies and economic failures/deficiencies, displayed here below:

Table 10: Measurement Model's Fitness Indicators Regarding The Primary Category Of Anti-Corruption Background Conditions

Statistics	Optimal Level Of Statistics	Statistics
Chi-Square/Degree Of Freedom	3 ≥	7.99
Root Mean Statistics Estimation Error (RMSEA)	0.80 ≥	0.39
Remaining Mean Squared Root (RMR)	0.80 ≥	0.09
General Fitness Index (GFI)	0.85 ≤	0.86
Adjusted General Fit Index (AGFI)	0.80 ≤	0.83
Comparative Fit Index (CFI)	0.90 ≤	0.94
Soft Fit Index (NFI)	0.80 ≤	0.84
Non-Soft Fit Index (NNFI)	0.80 ≤	0.87
Incremental Fit Index (IFI)	0.90 ≤	0.90

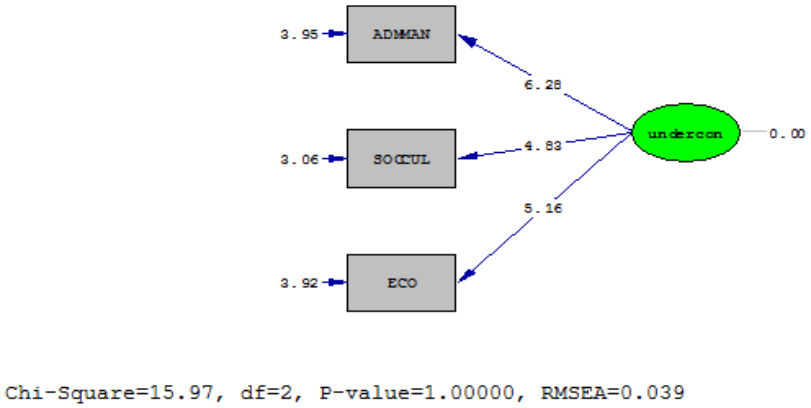

Figure 5: Causal Relationships Between The Main Category & Sub-Categories Of Anti-Corruption Underlying Conditions Via Displaying Factor Loads

Table 11: Symbol, Factor Load & T-Statistic Related To The Research Model Sub-Categories Of Anti-Corruption Underlying Conditions

Sub-Categories	Symbol In Model	Load Factor	T-Stat
Administrative-managerial failures	admman	0.74	6.28
Socio-cultural deficiencies	Soccal	0.75	4.83
Economic failures	eco	0.82	5.16

Descriptive Statistics Of Sub-Categories & Primary Contextual Conditions Of Anti-Corruption Fight

According to the findings of descriptive statistics, sub-categories and main categories of anti-corruption underlying conditions within auditing firms (from point of view of respondents), includes range of changes, minimum, maximum, mean, standard deviation and variance for each of the components delineated in the table.

Prioritization Of Sub-Categories Of Fight Against Corruption Underlying Conditions

As shown in the table, the categories of administrative and managerial failures, socio-cultural failures and economic failures had the highest priority among the respondents in the context of the context of anti-corruption conditions, respectively.

Table 12: Descriptive Statistics of Sub-Categories & Primary Contextual Conditions Of Anti-Corruption

Variable	Quantity	Range Of Changes	Minimum	Maximum	Average	Standard Deviation	Variance
Managerial administrative failures	302	21	9	30	20.67	5.42	29.33
Socio-cultural deficiencies	302	25	9	34	23.72	6.77	45.86
Economic failures	302	8	2	10	6.48	2.09	4.38
Underlying conditions	302	49	21	70	50.87	13.61	185.32

Table 13: Prioritization Of Sub-Categories Of Fight Against Corruption Underlying Conditions

Variable	Average	Standard Deviation	Change Coefficient	Priority
Managerial administrative failures	20.67	5.42	0.26	1
Socio-cultural deficiencies	23.72	6.77	0.29	2
Economic failures	6.48	2.09	0.32	3

Conclusion

From the viewpoint of respondents, categories like administrative and managerial inadequacies/ deficiencies, sociocultural inadequacies/ deficiencies were of highest priority vis a vis anti-corruption's contextual conditions.

Among the sub-categories, the following had priority for respondents, organizational excellence, reforming inappropriate behaviors and increasing organizational health and were the top three categories.

Corruption occurs when decision-makers violate their duty to act responsibly, impartially, fairly and with fidelity in the pursuit of social welfare, but instead through illicit means in their own self-interest toward enriching themselves and/or their loved ones. Corruption can divert productive and legitimate investment and economic activity into underground and black market as well as activities leading to the growth and strengthening of illegal mafia-like organizations. Widespread corruption is one of the signs of weak governance, and poor-governance can slow down economic growth and development. Corruption moreover imposes non-monetary costs on society, such as delays and endemic bureaucracy, increasing uncertainty and lack of trust in institutions and information, etc.

Among the sectors able to detect and fight corruption are auditing firms. In this study, an attempt was made to identify the underlying conditions as well as the consequences that cause corruption within society. The findings of this research indicate that administrative-managerial failures/deficiencies as well as sociocultural failures/deficiencies are among the leading corruption-inducing factors in various sectors of the economy.

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