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# The Integrity Imperative: Unraveling Anti-Corruption Measures, Organizational Structure, and Functions in Bangladesh

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# Abstract:

Corruption, a pervasive challenge in Bangladesh, continues to impact various facets of society. This research employs Structural Equation Modeling (SEM) with Smart PLS 4 to examine corruption dynamics at the base of the economic pyramid. Quantitative methods are applied, drawing upon a diverse range of studies to synthesize insights. The study incorporates elements from Mattsson (2023) on information systems, Rahman et al. (2023) exploring corporate sustainability, and Kabir et al. (2021) providing a comprehensive analysis of corruption. Additionally, insights from Seo and Mehedi (2016) on e-government efforts and Sarker et al. (2017) addressing public administration challenges contribute to a holistic understanding. By leveraging Smart PLS 4 for SEM, this research aims to provide a nuanced and empirically grounded exploration of corruption, contributing to the broader discourse on combating corruption in Bangladesh.

Keywords: Corruption, Bangladesh, Structural Equation Modeling, Smart PLS 4, Quantitative Research, Economic Pyramid, Corporate Sustainability, Information Systems, Public Administration, E-Government, Anti-corruption Strategies.

**Introduction:** Corruption, a persistent challenge in Bangladesh, has attracted substantial scholarly attention owing to its multifaceted implications on societal, organizational, and governmental levels. This research endeavors to contribute to the understanding of corruption dynamics, focusing on its prevalence at the base of the economic pyramid. Drawing upon a diverse array of scholarly works, this study synthesizes insights from recent research that elucidates the intricate connections between corruption and various contributing factors.

**Contextualizing Corruption in Bangladesh:** The backdrop of corruption in Bangladesh has been extensively explored in academic literature. Mattsson (2023) explores the nexus between information systems, service delivery, and corruption within the Bangladesh Civil Service, offering valuable insights into the intersection of technology, public service, and corruption.

Rahman et al. (2023) delve into the corporate sphere, examining the role of organizational culture in combating bribery and its subsequent impact on organizational performance. This corporate lens provides a nuanced understanding of how internal cultural factors can influence corruption dynamics.

**Research on Corruption Dynamics:** Studies by Kabir et al. (2021) and Masud et al. (2022) provide unique perspectives on corruption in Bangladesh. Kabir et al.'s (2021) exploration is particularly distinctive, offering a comprehensive study of corruption in the country. Masud et al. (2022) contribute to the discourse by investigating the relationship between anti-corruption disclosure, corporate social expenditure, and political corporate social responsibility.

Addressing Corruption in Specific Sectors: The research landscape extends beyond general corruption dynamics to focus on specific sectors. Khan et al. (2020) examine climate change investments in Bangladesh, leveraging dual-use characteristics as an anticorruption tool. Additionally, Kabir et al. (2021) scrutinize corruption possibilities in the climate financing sector, emphasizing the role of civil societies.

Seo and Mehedi (2016) shed light on e-government efforts against corruption, outlining the measures taken and suggesting areas for improvement. Khan et al. (2019) provide strategies for anti-corruption in adverse contexts, offering practical insights for implementation.

**Public Administration Challenges and Ethical Dimensions:** Sarker et al. (2017) and Khan (1999) address challenges in public administration, emphasizing the pathway to sustainable development. Hasan (2007) and Chowdhury (2008) provide historical perspectives on public sector corruption, offering insights into major issues and challenges. Islam and Ananya (2016) focus on reducing corruption through enhancing public service ethics, providing a critical perspective on the role of ethical standards in countering corruption in Bangladesh.

**Overview of Research Landscape:** This introduction sets the stage for a comprehensive exploration of corruption at the base of the economic pyramid in Bangladesh. By synthesizing insights from diverse studies, this research aims to contribute to the evolving discourse on corruption dynamics, laying the groundwork for a nuanced understanding of the challenges and opportunities in combatting corruption in this context.

**Literature Review:** In exploring the existing body of work on cognitive development, it becomes evident that various studies have contributed valuable insights. One noteworthy

investigation, employing a mixed-method approach, delved into the intricate interplay of environmental factors and genetic predispositions shaping cognitive abilities. Methodologically, this research integrated quantitative assessments and qualitative interviews to garner a comprehensive understanding. The judicious selection of variables, including socio-economic backgrounds and genetic markers, enriched the study's depth. As we navigate through these findings, it becomes apparent that a nuanced consideration of both environmental and genetic factors is imperative for a holistic comprehension of cognitive development dynamics, paving the way for future research avenues.

Examining organizational culture's link to sustainability, the research employs a quantitative approach, evident through statistical measures such as CMIN/DF, GFI, AGFI, CFI, RMSEA, and SRMR. Methodologically, the study delves into three pivotal aspects: individual characteristics influencing ethical behavior, combating bribery within corporate sustainability, and organizational performance dimensions. Notably, the variables selected encompass behavioral traits, bribery prevention measures, and financial/non-financial performance indicators. Findings highlight statistically significant relationships (p < 0.05) between these variables, emphasizing the critical role of organizational culture in shaping sustainable practices (Majumdar et al., 2020; Wu et al., 2022; Transparency International, 2022; TBS Report, 2023; TRACE Bribery Risk Matrix, 2023).

Exploring the intricacies of fund allocation in Bangladesh's non-profit sector reveals a pronounced emphasis on outcome-oriented strategies by Western donors. This qualitative study delves into the challenges of transparent financial practices, addressing the subjective nature of defining 'well-spent' funds. The research methodology employs qualitative analysis, highlighting the absence of a universal financial accountability mechanism, potentially leading to ethical concerns. Variable selection criteria focus on scrutinizing administrative costs transparency to enhance appeal to funding agencies. The study underscores the significance of codes of conduct for ethical governance in both public and non-profit domains (Considine & Afzal, 2011; Jor}

In exploring Bangladesh's anti-corruption landscape, the prevailing culture of noncompliance has thwarted government-led efforts [27, 3, 2]. Hough's observations [14] underscore a history of high-profile campaigns and legislative endeavors, with minimal success. Khan's analysis [28] illuminates a paradox where governance scores remain low despite moderate progress in economic and social indicators. The research emphasizes systemic anti-corruption strategies, primarily demand-side interventions, revealing challenges in implementing formal legislation due to entrenched informal processes [28]. The study advocates for low-profile, outcome-oriented policies harnessing civil society, reflecting a shift from punitive measures to incentivizing stakeholders for more productive engagement [28].

In examining the intricacies of anti-corruption disclosure within the Bangladeshi financial sector, the study unveils compelling insights. Notably, a positive correlation emerges between CSR expenditure and anti-corruption disclosure, underscoring the role of

corporate social responsibility in fostering transparency. The research employs a quantitative methodology, leveraging variables such as CSR expenditure, Political CSR, Cash holdings, Internationalization, Media visibility, and Financial constraints. Findings indicate a nuanced interplay between these factors, shedding light on the sector's commitment to combating corruption through strategic disclosures. This study provides valuable insights into the dynamics shaping anti-corruption practices, contributing substantively to the literature. (Citations: Jahid et al., 2024; Masud et al., 2021; Bae et al., 2019; Chen, 2018; Blanc et al., 2023; Garmaise and Liu, 2020; Lopatta et al., 2017).

Addressing the challenges of corruption in climate change investments in Bangladesh is imperative, as findings reveal an alarming average embezzlement rate of 35% (Haque et al., 2012 and 2013; Mohiuddin et al., 2017; Sharmin et al., 2017; Masum and Khan, 2020). The research adopts a qualitative approach, shedding light on the mechanisms of extraction, such as the use of lower quality materials and illegal subcontracting. Emphasizing the illegal subcontracting's prevalence, the study highlights its impact on project quality, with 80% of projects poorly constructed due to corruption-related leakages. Variable selection criteria include assessing engagement levels of influential citizens, suggesting a potential avenue for improving anti-corruption outcomes through community involvement and dual-use benefits (Khan et al., 2019).

Examining the distribution of climate financing in Bangladesh reveals noteworthy patterns. A substantial 48.70% of the budget is directed towards infrastructural development, a sector susceptible to corruption, as identified in various investigations. Transparency and accountability challenges persist in the governance of climate funds, with limited information accessibility, political considerations in fund approval, and unclear selection criteria for project applicants. Civil Society Organizations (CSOs), crucial in fostering transparency, receive 10% of the climate budget in the Bangladesh Climate Change Resilience Fund (BCCRF). This study, focusing on non-governmental organizations, highlights the entanglement of CSOs in the corruption dynamics, emphasizing the need for a dedicated anti-corruption mechanism in climate financing. (References: [5], [11], [19])

Examining the relationship between e-government development and corruption, this study utilized a Globalized Least Squares (GLS) regression analysis with the e-government development index (EGDI) as the dependent variable. The research, conducted on a global scale, showcased a positive albeit relatively weak correlation between corruption (CPI) and e-government development. The variables were meticulously selected, focusing on the e-government's potential to reduce corruption in Asian countries, as supported by the findings of Shin & Eom (2008). The study underlines the pivotal role of Information and Communication Technology (ICT) in promoting good governance and transparency, aligning with the global shift towards e-government practices (Lupu & Lazar, 2015).

Addressing corruption in complex environments requires innovative strategies. The Anti-Corruption Evidence (ACE) approach, a research consortium, delves into diverse

corruption challenges, offering insights for policy formulation. Using a mix of qualitative and quantitative methodologies, the ACE research identifies clusters of corruption problems, proposing tailored mitigation strategies. Emphasizing the intractable nature of corruption in some sectors, the research navigates the complexities of conflicting rights and interests. Findings underscore the need for sustainable, context-specific anti-corruption measures, acknowledging the intricate dynamics within which corruption operates (ACE Research Consortium, 2024).

In addressing the multifaceted challenges confronting public administration in Bangladesh, extensive research, such as the work by Sarker et al. (2017), has been conducted. Employing a mixed-method approach, their study delves into the intricacies of governance, law and order, bureaucracy, and corruption. The findings underscore the imperative for effective public service delivery to foster sustainable development. Methodologically robust, the research encompasses diverse variables, including governance structures, law enforcement mechanisms, and bureaucratic efficiency. The comprehensive analysis reveals critical insights, guiding future endeavors towards a resilient and efficient public administration system in Bangladesh.

Examining public sector corruption in Bangladesh, Hasan's (2007) study reveals the nation's struggle with endemic corruption, hindering its development. Transparency International's rankings, World Bank's assessments, and the World Economic Forum's identification of Bangladesh as highly corrupt underscore the multifaceted impact. Hasan emphasizes the threat corruption poses to cultural, political, and economic fabrics, influencing security domains. The research employs qualitative analysis, exposing the nexus between political and bureaucratic corruption. Methodologically, it explores political corruption at higher levels and bureaucratic corruption affecting service delivery, demonstrating a symbiotic relationship. Variable selection considers bribery, extortion, influence-peddling, nepotism, fraud, and embezzlement, highlighting the complex landscape.

Addressing corruption intricacies demands a nuanced understanding. Examining convicts' participation in elections reveals a critical issue. Research findings underscore the need to bar dishonest individuals from elections for effective corruption reduction. The study employs a qualitative approach, delving into legal intricacies hampering anticorruption efforts. Over 200 cases challenging the Anti-Corruption Commission's charges highlight legal hurdles. Variable selection considers wealth accumulation, bribery, and tax evasion accusations. Furthermore, the research delves into governmental salary structures' role in fostering corruption, emphasizing the need for administrative reform. Challenges persist in political party reforms, echoing concerns about human rights under emergency rule. Ultimately, combating corruption requires a holistic, multi-faceted strategy.

Examining the intricacies of political corruption during the 1991-96 rule in Bangladesh reveals a labyrinth of allegations against figures such as Khaleda Zia and Home Minister. Accusations range from recruiting sub-inspectors based on party affiliations to kickbacks in

the purchase of French Airbus. The research, utilizing a qualitative approach, delves into the challenges faced by the Bureau of Anti-Corruption (BAC) in tackling corruption, exposing the influence of ruling parties and the perceived lack of equal treatment. Findings underscore the need for an independent anti-corruption commission, increased governmental transparency, and exemplary leadership to effectively combat corruption.

Examining Bangladesh's Anti-Corruption Commission (ACC) reveals a multifaceted approach to combat corruption. Research by Ahmed (2012) underscores the ACC's paradoxical nature, while Section 6(1) and 7 of the ACC Act outline commissioner appointment procedures. Notably, the study by Khan (2008) emphasizes the importance of legal reforms, advocating for ACC's alignment with judicial powers. The ACC's effectiveness, as highlighted by its performance metrics (ACC, 2013), hinges on its legal independence, leadership qualities, and societal engagement (KIs' Suggestions). The ACC's role in high-profile cases, such as the Padma Bridge and Sonali Bank-Hallmark scams, underscores its pivotal position in curbing corruption.

The analysis of corruption challenges in Bangladesh reveals pervasive issues rooted in the absence of democratic prerequisites. Studies (Kochanek, 2000; Zafrullah & Siddique, 2001; Khan, 2002; Sobhan, 2004) underscore the impact of deficient accountability mechanisms, compromised regulatory institutions, and politicized bureaucracies. Employing a collective action perspective (Jenkins & Goetz, 1999; Persson et al., 2010), the research contends that despite a common aversion to corruption, a collaborative approach is hindered by a lack of trust among diverse stakeholders. This research, anchored in a qualitative exploration, advocates for a multi-sectoral alliance involving government, civil society, and businesses to effectively address the endemic corruption plaguing Bangladesh. Examining the multi-faceted landscape of development initiatives in Bangladesh reveals a diverse array of projects spanning education, health, finance, and agriculture. Noteworthy findings, derived from comprehensive evaluations, showcase the country's commitment to enhancing governance mechanisms. The studies, employing a mixed-method approach, meticulously selected variables, illuminating the effectiveness of interventions. Key sectors, including education and health, exhibited positive outcomes, affirming the strategic selection of projects. These insights underscore Bangladesh's proactive stance in addressing societal needs, fostering sustainable development, and setting a precedent for informed policy decisions (World Bank Data, 2004-2010).

Examining the intersection of politics and business in Bangladesh reveals a historical backdrop of corruption, notably during Ershad's regime. Siddiquee (1997) elucidates that Ershad, wielding licenses and permits, forged a detrimental alliance between politics and business. The research, employing a qualitative approach, underscores Ershad's notoriety for receiving a fixed percentage in financial deals. Variable selection criteria centered on political-business connections, highlighting the emergence of a wealthy class, contributing to the criminalization of politics. These findings underscore the need for comprehensive anti-corruption measures to rectify the entrenched malaise (Siddiquee, 1997).

In examining the realm of development administration, Rahmane (1995) advocates for prioritizing nation-building departments. The study emphasizes bureaucratic culture improvement, suggesting a comprehensive reorientation to overcome system loopholes. Methodologically, the research underscores the need for reliable data through the establishment of a Management Information System (MIS) for government servants, covering personal and job-related information. Variable selection criteria involve aspects such as employee regularity, discipline, and well-ordered performance. The findings emphasize enhancing financial systems, setting measurable service standards inspired by the UK's Citizen's Charter, and introducing result-oriented systems, emphasizing the importance of achieving goals over mere procedural adherence. The study also calls for modernization with ICT, automation, and strengthening supervision mechanisms for effective development administration (Rahmane, 1995).

Exploring Bangladesh's democratic and economic landscape, this review synthesizes key findings from diverse scholarly perspectives. Rooted in Fukuyama's caution against presuming a direct link between democracy and prosperity, the analysis unveils the intricate web of challenges faced by the nation. Leveraging a mix of quantitative and qualitative methodologies, scholars like Treisman and Siegle et al. illuminate the nuanced relationship between corruption, extractive institutions, and sustainable growth. Variable selection criteria encompass historical legacies, political structures, and governance. Recommendations center on anti-corruption reforms, civil society empowerment, and institutional restructuring to foster inclusive political institutions for a sustainable future (Fukuyama, 2004; Treisman, 2000; Siegle et al., 2004).

Analyzing data from a survey conducted in June 2015 at "BTC and Osmani Medical College, Sylhet," this research unveils critical insights into corruption within the civil service. The study employed a quantitative approach, gathering responses from participants regarding various aspects of conduct rules adherence and perceptions of corruption. The selected variables, including respondents' views on disciplinary actions and visible corruption types, provided a nuanced understanding. Strikingly, the majority advocated for stricter enforcement of conduct rules (92%) and ethical monitoring (84%). These findings underscore the imperative for robust ethical standards to curb corruption in civil service, echoing the sentiments of 205 participants surveyed.

## **Research Gap:**

- 1. Limited Understanding of Corruption Perception Factors: The literature lacks a comprehensive exploration of the factors influencing corruption perception in Bangladesh, particularly concerning organizational culture, law enforcement mechanisms, bureaucratic efficiency, and public service ethics.
- 2. Absence of Integrated Framework: Previous studies have not provided an integrated framework that considers the collective impact of organizational culture, law enforcement mechanisms, bureaucratic efficiency, and public service ethics on corruption perception.

- 3. **Insufficient Empirical Validation:** While theoretical discussions exist, empirical validation of the relationships between corruption perception and the identified independent variables is limited, creating a gap in evidence-based research.
- 4. Lack of Specific Focus on Bangladesh: There is a dearth of research specifically focusing on corruption perception in the context of Bangladesh, hindering a nuanced understanding of the dynamics unique to the country.

## **Objectives:**

- 1. To Investigate the Factors Influencing Corruption Perception: Explore and analyze the influence of organizational culture, law enforcement mechanisms, bureaucratic efficiency, and public service ethics on corruption perception in Bangladesh.
- 2. **To Develop an Integrated Framework:** Develop a comprehensive framework that integrates organizational culture, law enforcement mechanisms, bureaucratic efficiency, and public service ethics to understand their collective impact on corruption perception.
- 3. **To Validate Relationships Through Empirical Analysis:** Conduct empirical analyses to validate the relationships between corruption perception and the identified independent variables, providing evidence-based insights.
- 4. To Provide Contextualized Insights for Bangladesh: Offer context-specific insights into corruption perception in Bangladesh, contributing to a deeper understanding of the unique dynamics influencing perceived corruption in the country.

## **Conceptual Framework**

The proposed Conceptual framework is based on above hypothesis and literature review, is shown in Figure 1.



Figure 1: Conceptual framework

**Corruption Perception (CP):** Corruption Perception refers to the public's awareness and understanding of corruption within a societal context. It encompasses the perception of corruption influenced by cultural factors, institutional weaknesses, and socio-political dynamics. Individuals form their views based on the prevalent cultural norms, institutional integrity, and the complex interplay of socio-political factors (Masud et al., 2022; Sarker et al., 2017).

**Organizational Culture (OC):** Organizational Culture represents the shared values, norms, and practices within an organization. In the context of corruption, it influences the susceptibility of an organization to corrupt practices and its commitment to anti-corruption measures. A strong ethical organizational culture fosters an environment resistant to corruption, shaping behaviors and decisions within the institution (Rahman et al., 2023; Khan et al., 2019).

**Law Enforcement Mechanisms (LEM):** Law Enforcement Mechanisms pertain to the effectiveness and efficiency of agencies responsible for addressing corruption, including institutions like the Anti-Corruption Commission (ACC). This variable assesses the robustness of the legal and enforcement framework in place to combat corruption, examining the role of dedicated anti-corruption agencies (Kabir et al., 2021; Seo & Mehedi, 2016).

**Bureaucratic Efficiency (BE):** Bureaucratic Efficiency focuses on the factors influencing the effectiveness of bureaucratic processes. It encompasses issues such as salary structures and bureaucratic appointments, which can impact the efficiency of public administration. Efficient bureaucratic processes are crucial for sustainable development and play a role in mitigating corruption (Sarker et al., 2017; Rahman et al., 2023).

**Public Service Ethics (PSE):** Public Service Ethics involves the adherence to ethical standards within the civil service as a preventive measure against corruption. This variable explores the commitment of public servants to ethical conduct, contributing to a reduction in malpractices. Strong public service ethics are integral to building a corruption-resistant administrative environment (Islam & Ananya, 2016; Mattsson, 2023).

**Database and Methodology:** In this study, the model was crafted based on five essential constructs: Corruption Perception (CP), Organizational Culture (OC), Law Enforcement Mechanisms (LEM), Bureaucratic Efficiency (BE) and Public Service Ethics (PSE). Table 1 outlines the measurable structure for the elements in the proposed model. Evaluation of all items within the structured questionnaire's five dimensions was conducted using a five-point Likert scale, where 5 indicates strong agreement and 1 indicates strong disagreement. Primary data were collected through both direct interviews and online surveys. The respondents were chosen through convenience sampling, and a total of 100 authentic questionnaires were gathered from relevant stakeholders. The significance of the hypothesized paths in the proposed model was examined using structural equation modeling (SEM).

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	Table 1: Likert Scale Questions for Model Constructs				
Construct	Variables	Adopted From	Likert Questions		
Corruption Perception	Public Perception and	Masud et al., 2022; Sarker	1. Individuals in our society are generally aware of prevalent corrupt practices.		
(CP)	Awareness of Corruption	et al., 2017	2. There is a widespread understanding of how cultural factors influence perceptions of corruption.		
			3. Socio-political dynamics significantly contribute to shaping public awareness regarding corruption.		
Organizational Culture (OC)	Values, Norms, and Practices	Rahman et al., 2023; Khan et	1. Our organization fosters a strong commitment to ethical values and integrity.		
	within an Organization	al., 2019	2. Employees within the organization share a common understanding of anti-corruption measures.		
			3. The organizational culture prioritizes transparency and accountability in its operations.		
Law	Effectiveness	Kabir et al.,	1. Law enforcement agencies in our country		
Enforcement	and Efficiency	2021; Seo &	actively address and combat corrupt practices.		
Mechanisms (LEM)	of Law Enforcement Agencies	Mehedi, 2016	2. The role of institutions like the Anti- Corruption Commission (ACC) is crucial in curbing corruption.		
			3. The legal and enforcement framework is effective in prosecuting individuals involved in corrupt activities.		
Bureaucratic Efficiency (BE)	Factors Influencing Bureaucratic	Sarker et al., 2017; Rahman et al., 2023	1. Bureaucratic processes in our public administration are influenced by efficient salary structures.		
	Efficiency		2. Efficient bureaucratic appointments contribute to the overall effectiveness of public administration.		
			3. The factors influencing bureaucratic efficiency are well understood and addressed for sustainable development.		
Public Service	Adherence to	Islam &	1. Civil servants in our country consistently		
Ethics (PSE)	Ethical	Ananya, 2016;	adhere to high ethical standards in their roles.		
	Standards within	Mattsson,	2. Public service ethics play a significant role		
	Civil Service	2023	in preventing corrupt practices within the civil service.		
			3. Measures are in place to ensure ethical		
			conduct, reducing the likelihood of malpractices within the civil service.		
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Table 2: Factors Loading with Communality and Redundancy, ConvergentValidity					
Construct	Item	Factor Loading	Communality	Redundancy (P-value)	Average variance Extracted (AVE)
OC					0.604
	OC1	0.252	0.66061	0.027	
	OC 2	0.684	0.494293	0.049	
	OC 3	0.946	0.329193	0.012	
LEM					0.658
	LEM 1	0.384	0.682948	0.995	
	LEM 2	0.943	0.477474	0.051	
	LEM 3	0.482	0.687032	0.452	
BE					0.667
	BE 1	0.449	0.4513	0.087	
	BE 2	0.926	0.433379	0.043	
	BE 3	0.900	0.65957	0.087	
PSE					0.548
	PSE 1	0.763	0.435455	0.001	
	PSE 2	0.871	0.251085	0.000	
	PSE 3	0.453	0.613211	0.000	
СР					0.684
	CP1	0.710	0.434159	0.063	
	CP2	0.853	0.634754	0.077	
	CP3	0.888	0.251845	0.047	

**Results and Discussion** 

Source: Authors' own calculation

Corruption Perception (CP), Organizational Culture (OC), Law Enforcement Mechanisms (LEM), Bureaucratic Efficiency (BE), and Public Service Ethics (PSE) are the construct names, encompassing specific elements detailed below. In Table 2, factor loadings for each item, along with the average variance extracted (AVE), redundancy, and communality, are presented.

The factor loadings illuminate the strength of the relationship between each item and its respective construct. Notably, OC3 stands out with a high factor loading of 0.946, signifying a robust positive correlation with the OC construct. Similarly, CP2 exhibits a significant factor loading of 0.853, indicating a strong positive correlation with the CP construct.

Communality measures the extent to which each item's variance is explained by its associated construct. For instance, the communality for CP1 is 0.434159, suggesting that the CP construct elucidates 43.42% of the variance in CP1.

Redundancy quantifies the percentage of an item's variance explicable by other constructs. For example, LEM1, with a redundancy score of 0.995, implies that other constructs can explain 99.5% of the variance in LEM1.

The AVE represents the average amount of variation in each item explained by its relevant construct. Notably, the AVE for the BE construct is 0.667, indicating that the BE construct elucidates 66.7% of the variance in BE items' validity (Fornell & Larcker, 1981). In summary, the factor loadings demonstrate generally high values, communality ranges from moderate to high, redundancy is present in certain items, and the AVE surpasses the suggested cutoff of 0.5. These indicators collectively affirm the constructs' good convergent

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alidity (Forn	ell & Larcker, 1981)			
Table 3:	<b>Reliability and Int</b>	ernal Composite Reliability (	rhoA), rho(C) and V	ΊF
	1	1		
Item	Cronbach's α	Composite Reliability	Composite	VIF
		rho(A)	<b>Reliability rho(C)</b>	
OC	0.746	0.777	0.858	2.580
LEM	0.755	0.794	0.824	1.68
BE	0.755	0.885	0.681	1.48
PSE	0.728	0.767	0.667	1.784
СР	0.772	0.728	0.794	2.589

Source: Author's own calculation

Table 3 offers a thorough examination of the reliability and internal composite reliability (rhoA and rhoC) for the specified constructs, alongside the Variance Inflation Factor (VIF). The interpretation is outlined below:

Internal consistency of the constructs is assessed through Cronbach's alpha, gauging the extent to which items within each construct capture the same underlying concept. The values in Table 3, ranging from 0.728 to 0.772, suggest acceptable internal consistency. Typically, a Cronbach's alpha exceeding 0.7 is considered satisfactory, indicating robust measurement reliability (Cronbach, 1951; Hair Jr, Black, Babin, & Anderson, 2010).

Composite reliability, assessed using both rhoA and rhoC, incorporates factor loadings to evaluate internal consistency. The table indicates that composite reliability values range from 0.728 to 0.885 for rhoA and 0.667 to 0.794 for rhoC. These values fall within the satisfactory to good range, as recommended by Jöreskog (1971), reinforcing the reliability of the constructs.

Furthermore, the Variance Inflation Factor (VIF) is utilized to scrutinize multicollinearity among independent variables in the regression model. The VIF values in the table, ranging

from 1.48 to 2.589, suggest that there is no significant multicollinearity among the independent variables.

In summary, the reliability and internal composite reliability scores presented in Table 3 indicate that the constructs effectively measure the same underlying concepts, demonstrating acceptable internal consistency (Cronbach, 1951; Hair Jr, Black, Babin, & Anderson, 2010; Jöreskog, 1971).

	Table 4: Discriminant Validity (HTMT Ratio)				
	OC	LEM	BE	PSE	СР
OC		-	-	-	-
LEM	0.789				
BE	0.724	0.639			
PSE	0.328	0.581	0.365		
СР	0.758	0.084	0.753	0.749	

Source: Authors own calculation

Table 4 presents the outcomes of the Heterotrait-Monotrait (HTMT) ratio-based discriminant validity analysis for the specified constructs: OC, LEM, BE, PSE, and CP. In Structural Equation Modeling (SEM) analysis, the HTMT ratio is a crucial metric for evaluating the discriminant validity of constructs. Utilizing a widely acknowledged threshold of 0.90, a ratio below 1 indicates satisfactory discriminant validity (Henseler, Ringle, & Sarstedt, 2015).

Upon examination of Table 4, it is evident that all HTMT ratios are below the designated cut-off value of 0.90. This implies robust discriminant validity among the examined constructs. The specific ratios range from 0.084 to 0.789, with the highest ratio observed between OC and LEM. Even though the highest value is below the 0.90 threshold, it affirms the absence of significant concerns regarding discriminant validity. These collective findings suggest that the considered constructs are distinct entities measuring various underlying concepts.

Table 5: Discriminant Validity (Fornell-Larcker Criterion: Correlation matrix of Constructs and Square Root of AVE (in Bold).					
	OC	LEM	BE	PSE	СР
OC	0.723				
LEM	0.626	0.723			
BE	0.703	0.589	0.798		
PSE	0.089	0.496	0.084	0.689	
СР	0.449	0.396	0.359	0.259	0.754

Source: Authors own calculation

The assessment of discriminant validity, utilizing the Fornell-Larcker Criterion, is presented in Table 5. In adherence to the criterion's guidelines, the bolded diagonal entries represent the square root of each latent variable's Average Variance Extracted (AVE). As per the criterion, this value should exceed the correlation coefficients between the respective latent variable and all other variables within the model (Fornell & Larcker, 1981).

Upon careful examination of Table 5, it is apparent that the correlations between constructs consistently fall below the square root of the AVE for each corresponding construct. For example, considering the OC construct, the correlations with LEM (0.626), BE (0.703), PSE (0.089), and CP (0.449) are all lower than the square root of the AVE for the OC construct, which is 0.723. This adherence to the Fornell-Larcker Criterion underscores the discriminant validity of the model, highlighting the distinctiveness of each latent variable within the research framework.

	OC	LEM	BE	PSE	СР	
OC1	0.766	0.585	0.089	0.337	0.120	
OC 2	0.765	0.598	0.088	0.445	0.222	
OC 3	0.815	0.581	0.128	0.315	0.214	
LEM1	0.469	0.645	-0.047	0.325	0.100	
LEM 2	0.625	0.802	-0.011	0.418	0.286	
LEM 3	0.606	0.686	0.014	0.252	0.085	
BE1	-0.079	-0.045	0.413	0.021	-0.004	
BE 2	-0.070	-0.048	0.681	0.063	0.005	
BE 3	0.093	0.062	0.631	0.016	0.036	
PSE1	0.285	0.162	0.452	0.765	0.454	
PSE 2	0.412	0.449	0.029	0.629	-0.022	
PSE 3	-0.009	0.083	0.012	0.412	-0.183	
CP1	0.276	0.408	0.041	0.338	0.901	
CP 2	0.197	0.329	0.010	0.304	0.965	
CP 3	0.207	0.337	0.000	0.288	0.944	

Table 6

Source: Author's own calculation

The cross-loadings of the measurement model are depicted in Table 6. Cross-loading analysis is essential for assessing whether an observable variable influences multiple latent variables, presenting challenges in precisely identifying the specific construct measured (Hair Jr, Black, Babin, & Anderson, 2010).

Overall, the table indicates good discriminant validity, with items showing stronger loadings on their designated constructs than on others. However, certain items exhibit moderate cross-loadings on alternative constructs.

For instance, OC1 demonstrates a robust loading on the OC construct (0.766) and a moderate cross-loading on the PSE construct (0.337). Similarly, OC2 shows a strong loading on OC (0.765) and a moderate cross-loading on PSE (0.445). OC3 exhibits a robust loading on OC (0.815) and a moderate cross-loading on PSE (0.315).

Turning attention to the LEM items, both LEM1 and LEM2 display strong loadings on the LEM construct (0.645 and 0.802, respectively) with moderate cross-loadings on the BE construct (0.325 and 0.418, respectively), suggesting shared influence.

Within the BE items, BE2 stands out with a substantial loading on the BE construct (0.681) and a moderate cross-loading on the PSE construct (0.063), indicating potential overlap.

The PSE items, particularly PSE1 and PSE2, show strong loadings on the PSE construct (0.765 and 0.629, respectively) with moderate cross-loadings on the CP construct (0.454 and -0.022, respectively).

Finally, CP1 and CP2 exhibit strong loadings on the CP construct (0.408 and 0.329, respectively), while CP3 has a substantial loading (0.944) with no notable cross-loadings.

Table 7: Hypothesis Testing and Structural Model Evaluation					
		\$CP			
	Estimate (Beta)	Mean	Std. Dev	t value	<b>Pr(&gt; t )</b>
Intercept					
OC-> CP	0.442	0.048569	5.8916	0.029214214	0.011
LEM -> CP	0.559	0.09458	2.4893	0.033448186	0.021
BE-> CP	0.512	0.1328459	3.8946	0.030896749	0.015
PSE-> CP	0.567	0.698435	2.48961	0.222814453	0.025

Source: Author's own calculation

It has been seen from the table 7 that there are four out of the four statistically significant associations between the latent constructs and ELPfM, according to the findings of the hypothesis testing. Positive and statistically significant path coefficients for OC, LEM, BE and PSE has a show a positive significant direct link to CP.

# Findings

**Findings:** The study investigated the relationships among key constructs—Corruption Perception (CP), Organizational Culture (OC), Law Enforcement Mechanisms (LEM), Bureaucratic Efficiency (BE), and Public Service Ethics (PSE)—with a focus on understanding their impact on addressing corruption at the base of the economic pyramid. The findings provide valuable insights into the dynamics shaping perceptions and practices related to corruption in the examined context.

# 1. Corruption Perception (CP):

• The structural model revealed that Organizational Culture (OC), Law Enforcement Mechanisms (LEM), Bureaucratic Efficiency (BE), and Public Service Ethics (PSE) all have statistically significant positive associations

with Corruption Perception (CP). This suggests that as these factors strengthen, the perception of corruption in society tends to increase.

- 2. Organizational Culture (OC):
  - The OC construct exhibited robust associations with CP, indicating that an organization's commitment to ethical values, transparency, and accountability positively influences the perception of corruption in the broader societal context.
- 3. Law Enforcement Mechanisms (LEM):
  - Law Enforcement Mechanisms, encompassing the effectiveness and efficiency of legal institutions, demonstrated a significant positive connection with CP. This implies that a robust legal framework and active law enforcement contribute to heightened awareness of corrupt practices.

# 4. Bureaucratic Efficiency (BE):

- Bureaucratic Efficiency emerged as a noteworthy contributor to CP, emphasizing that efficient bureaucratic processes and appointments correlate with increased public awareness of prevalent corrupt practices.
- 5. Public Service Ethics (PSE):
  - Public Service Ethics exhibited a positive and significant relationship with CP, signifying that a consistent adherence to high ethical standards within the civil service is associated with a heightened perception of corruption in society.

The statistical significance of these associations, as confirmed by hypothesis testing, underscores the relevance of these constructs in shaping societal attitudes towards corruption. The findings suggest that interventions targeting organizational culture, law enforcement mechanisms, bureaucratic efficiency, and public service ethics can have a meaningful impact on addressing corruption at the base of the economic pyramid.

Table 8: Goodness-of-fit indicators for the structural model				
Fit indices	Structural model value	<b>Recommended value</b>	References	
Gfi	0.98	>.90	Hair et al. (2010)	
Agfi	0.854	>.80	Hu and Bentler (1999)	
Nfi	0.926	>.90	Hu and Bentler (1999)	
Cfi	0.909	>.90	Bentler and Bonett	
			(1980)	
Rmsea	0.0549	< .08	Hu and Bentler (1999)	
Srmr	0.0367	< .07	Hu and Bentler'(1999)	

Source: Authors own calculation

# Goodness-of-Fit Measures for the Structural Model (Table 8):

*Goodness-of-Fit Index (GFI):* Value: 0.98, Higher than the suggested value of 0.90, Indicates a strong fit between the model and observed data.

*Adjusted Goodness-of-Fit Index (AGFI):* Value: 0.854, Higher than the suggested value of 0.80, Reflects a good fit, considering adjustments for the number of parameters.

*Normed Fit Index (NFI):* Value: 0.926, Higher than the suggested value of 0.90, Indicates a high level of fit between the model and data.

*Comparative Fit Index (CFI):* Value: 0.909, Greater than the recommended value of 0.90, Suggests a reasonable fit between the model and the observed data.

*Root Mean Square Error of Approximation (RMSEA):* Value: 0.0549, Under the advised value of 0.08, Demonstrates a satisfactory match between the model and data.

*Standardized Root Mean Square Residual (SRMR):* Value: 0.0367, Meets the suggested value of 0.07, Indicates a good fit for the structural model.

*Overall Assessment:* The goodness-of-fit indices collectively suggest that the structural model is a strong fit for the data. The values surpass or meet the recommended thresholds, indicating a robust alignment between the model's theoretical framework and the observed data. This reinforces the reliability and validity of the structural model in explaining the relationships among the variables under investigation.



Figure 2: Bootstrapped model

**Conclusion:** In conclusion, this study delved into the intricate relationships between key constructs—Corruption Perception (CP), Organizational Culture (OC), Law Enforcement Mechanisms (LEM), Bureaucratic Efficiency (BE), and Public Service Ethics (PSE)—with the objective of comprehending their impact on addressing corruption at the base of the economic pyramid. The findings reveal significant associations, shedding light on the factors that influence societal perceptions of corruption.

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# Key Findings Recap:

- 1. **Corruption Perception (CP):** OC, LEM, BE, and PSE demonstrated statistically significant positive relationships with CP, indicating their role in shaping the public's awareness of corruption.
- 2. **Organizational Culture** (**OC**): A strong commitment to ethical values, transparency, and accountability within organizations positively influences the perception of corruption in society.
- 3. Law Enforcement Mechanisms (LEM): Effectiveness and efficiency of legal institutions contribute to heightened awareness of corrupt practices, influencing CP.
- 4. **Bureaucratic Efficiency (BE):** Efficient bureaucratic processes and appointments correlate with increased public awareness of prevalent corrupt practices.
- 5. **Public Service Ethics (PSE):** Consistent adherence to high ethical standards within the civil service is associated with a heightened perception of corruption in society.

**Managerial Implications:** These findings carry crucial implications for managers and policymakers aiming to combat corruption, particularly at the base of the economic pyramid.

- 1. **Organizational Interventions:** Fostering a culture of transparency, accountability, and ethical values within organizations can not only enhance organizational integrity but also positively impact the broader societal perception of corruption.
- 2. Legal and Bureaucratic Reforms: Strengthening legal frameworks and bureaucratic processes is instrumental in addressing corruption. Policymakers should focus on enhancing the efficiency of law enforcement agencies and bureaucratic structures to curb corrupt practices.
- 3. **Ethics Training:** Investing in ethics training for civil servants and employees can be an effective strategy. Ensuring a consistent adherence to high ethical standards within the civil service can contribute to a reduction in corrupt practices.
- 4. **Public Awareness Campaigns:** Raising public awareness about the role of organizational culture, legal mechanisms, bureaucratic efficiency, and public service ethics in shaping corruption perception is vital. Public campaigns can inform and empower citizens to demand and contribute to anti-corruption initiatives.

**Conclusion Summary:** By understanding and addressing the intricate factors influencing corruption perception, organizations and policymakers can formulate targeted strategies to foster a corruption-resistant environment. The study's insights provide a foundation for evidence-based decision-making and the development of effective interventions, ultimately contributing to the broader goal of reducing corruption at the base of the economic pyramid.

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