

Corporate Management as A Factor of Suppressing Corruption In Organization

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DOI: 10.29322/IJSRP.14.10.2024.p15448

Paper Received Date: 21st September 2024

Paper Acceptance Date: 22nd October 2024

Paper Publication Date: 30th October 2024

Abstract:

The scope of corporate governance is broad. Apart from the institutional element, corporate governance also includes a social element. Namely, through corporate governance in the organization, the conditions for creating an ethical and reliable business environment are ensured. Good corporate governance in an organization can have a positive effect on increasing the organization's capacity to reduce the risk of corruption and fraud. Through the establishment of clear and comprehensive written policies and procedures, the organization can ensure that all employees in the organization understand their responsibilities and expectations regarding business compliance and financial reporting. By defining the roles and responsibilities of everyone in the organization, as well as by creating an efficient system of supervision and eliminating opportunities for abuse, the practice of good corporate governance can suppress the occurrence of corrupt activities at the organizational level.

Key words: corporate. Social, organization, ensure.

Introduction

There is a large amount of research that indicates how much losses the corporation's budget suffers due to corruption. Corruption violates very important values of the organization, such as: the trust that reigns in the corporation and between the corporation and its users of products or services, corporate identity, equality and equality among employees, motivation and identification of employees with the organization, etc. Therefore, the fight against corruption must be in the interest of all employees, and especially in the interest of management. That is why it is rightly said that corruption has many faces. One of the most common forms of corruption is precisely that which refers to individual members of management. That is why corruption is said to represent the most dangerous form of economic crime.

Subject and goal of the doctoral dissertation

The subject of this dissertation is research related to the place and role of corporate governance in the process of combating corruption in the organization. That is why two interdependent concepts were investigated in the dissertation. The first relates to corporate governance, and the second to the suppression of corruption in the organization.

The main goal of the subject research is to look at corporate governance as an important factor in the process of fighting corruption in the organization, that is, to comprehensively look at the key aspects of corporate governance in the context of fighting corruption in the organization.

Basic hypotheses

The work is based on general and special hypotheses derived from the subject of research.

General hypothesis

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H0: The more importance is attached to corporate governance, the more successful the suppression of corruption in the organization will be and the opposite.

Special hypotheses

The specific hypotheses are:

H1: The more importance is attached to the standards of corporate governance, the higher the supervision at the level of the organization in the fight against corruption will be and vice versa.

H2: If the application of the corporate governance code is at a higher level, the more the causes of corruption in the organization will be at a lower level .

The methods used in the research

The following research methods were used during the preparation of the dissertation:

- The method of dialectics that observes corporate governance and corruption in the organization in constant change and improvement, in accordance with the requirements imposed by contemporary domestic and international relations, both in the narrower and wider, or global space.
- The inductive method made it possible, based on the analysis of individual facts or knowledge, to generalize and form new facts and new laws that exist in connection with corporate governance, on the one hand, and corruption in the organization, on the other.
- The deductive method made it possible to derive individual judgments, conclusions or assertions based on general judgments, that is, general logical features between the researched concepts. It also serves to discover new insights, prove new facts, or new laws that exist between corporate governance and corruption in the organization. A statistical method that, using statistical indicators, revealed structures, and characteristics and laws in certain time intervals, as well as cause-and-effect relationships between corporate governance and corruption in the organization.
- The method of content analysis, which includes the analysis of available data, books, scientific works, operational documents and other publications, which relate to the importance of corporate governance in combating corruption in the organization.
- The method of questioning through which the questioning of respondents in Serbia and Libya was carried out, in order to find out their position on corporate governance and its role in suppressing corruption in the organization.
- The comparative method was used to compare the results obtained through the test method. The attitudes expressed by respondents in the Republic of Serbia and Libya were compared. Surveying was used as a technique. A questionnaire was used as an instrument.

Expected results and scientific contribution

Research results have both a scientific and a social contribution.

The scientific contribution has a double significance. On the one hand, it is reflected in the confirmation and expansion of previous scientific knowledge about corporate governance as a factor in the suppression of corruption in the organization. This was achieved through:

- describing terms, phenomena and processes related to corporate governance as well as its role in combating corruption in the organization.
- after describing, a classification of terms, phenomena and processes related to corporate governance and its role in combating corruption in the organization was carried out;
- after the classifications, the relationship between corporate governance on the one hand and the suppression of corruption in the organization, on the other hand, was discovered.

The scientific contribution in the field of methodology is reflected in the contribution that will be made primarily by the research method and the comparative method.

The social contribution is reflected in the realistic perception of the role of corporate governance as a factor in the suppression of corruption in the organization.

This research can serve as a basis for further research in those institutions that deal with corporate governance and suppression of corruption in the organization. In addition, the research can be useful for companies operating in the territory of the Republic of Serbia and Libya, when creating a strategy for their work and business.

Corruption at the level of corporate-type organizations covers a wide range of illegal activities carried out by the organization or its members. This includes accepting and giving bribes, extortion, fraud, tax evasion, accounting fraud and a number of other activities subject to criminal prosecution. These actions may also include misuse of corporate resources.

The role and importance of corporate governance in preventing corruption at the organizational level cannot be underestimated. Organizations must be vigilant at all times to ensure protection against the emergence of these harmful threats, and the role of the board in this context is essential.

Given the numerous forms of corruption, it is necessary to continuously monitor it at the level of the organization and implement appropriate activities in order to respond promptly and efficiently if indicators of corrupt activity in the organization appear. In this sense, corporate governance viewed through the prism of suppression of corruption in the organization is largely determined by the reliability of the operation of legal mechanisms within the organization. Corporate governance in the fight against corruption includes management skills, which enable the organization to achieve established goals in a controlled manner.

Through the precise definition of roles and responsibilities, as well as the creation of an adequate system of supervision and the elimination of opportunities for abuse, the practice of good corporate governance can suppress the occurrence of corruption and prevent fraudulent actions at the organizational level. Bearing in mind the above, it can be concluded that the general or general hypothesis in the subject research is confirmed and correct.

The results of the conducted research show that most respondents believe that by giving greater importance to the standards of corporate governance in the organization, conditions are created for supervision at the level of the organization in the fight against corruption to be at a higher level and vice versa.

A positive perception of the importance of adequate application of corporate governance standards as an important factor in creating conditions for effective supervision in the organization in the fight against corruption is present in both countries that were included in the research, that is, in the Republic of Serbia and Libya, the positive attitude of respondents regarding this issue prevails. Based on the above, it can be concluded that the first auxiliary hypothesis in this research is confirmed and correct. The Corporate Governance Code is a guide, i.e., an instruction for board members and management, which defines how they should approach management in the organization.

The results of the research, which were arrived at based on the analysis and comparison of the data obtained through the responses of respondents from the Republic of Serbia and Libya regarding the position that the adequate application of the corporate governance code in the organization reduces the causes of corruption in the organization to a lower level and vice versa, indicate that in In the Republic of Serbia and in Libya, the positive attitude of respondents regarding this issue prevails. Namely, most respondents in both countries included in the research believe that through adequate and comprehensive application of the corporate governance code, the causes of corruption in organizations can be reduced to a level that will not negatively affect the functioning and reputation of the organization in the public. Based on the above, it can be concluded that the second auxiliary hypothesis in this research is confirmed and correct.

The results of the research, which were arrived at based on the analysis and comparison of the data obtained through the responses of the respondents from the Republic of Serbia and Libya regarding the attitude that giving due importance to the

mechanisms of corporate governance ensures greater success of financial control in preventing corruption at the organizational level and vice versa, indicate that both in the Republic of Serbia and in Libya, the positive attitude of respondents regarding this issue prevails. Namely, most respondents in both countries included in the research believe that by giving appropriate importance to corporate governance mechanisms, conditions are created for the increase in efficiency and effectiveness of financial control in preventing corruption at the organizational level and vice versa. Bearing in mind the above, it can be concluded that the third special hypothesis in this research is confirmed and correct.

Knowledge of the basics of corporate governance is necessary in modern conditions, bearing in mind that business, both at the global and regional or local level, is becoming more and more complex and challenging in all aspects of business, including the risks of corruption.