

Al-Jundi, Salem A.; Shuhaiber, Ahmed; Al-Emara, Shaban S.

## Article

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Contemporary Economics

### Provided in Cooperation with:

University of Finance and Management, Warsaw

*Suggested Citation:* Al-Jundi, Salem A.; Shuhaiber, Ahmed; Al-Emara, Shaban S. (2022) : The effect of political instability and institutional weakness on administrative corruption, Contemporary Economics, ISSN 2300-8814, University of Finance and Management in Warsaw, Faculty of Management and Finance, Warsaw, Vol. 16, Iss. 2, pp. 168-181, <https://doi.org/10.5709/ce.1897-9254.475>

This Version is available at:

<https://hdl.handle.net/10419/297598>

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Primary submission: 14.12.2020 | Final acceptance: 21.09.2021

# The Effect of Political Instability and Institutional Weakness on Administrative Corruption

Salem A. Al-Jundi<sup>1</sup>, Ahmed Shuhaiber<sup>2</sup>, and Shaban S. Al-Emara<sup>3</sup>

## ABSTRACT

Although there is valuable literature on areas of corruption, such as political and corporate corruption, a limited number of papers have examined the determinants of administrative corruption. To the best of our knowledge, the multivariate impacts of political instability and institutional weakness on administrative corruption, and the interplay between these constructs, have not been examined using the partial least squares structural equation modeling method. The current study attempts to fill this gap by proposing and testing a model. We test a sample of 677 responses that reflect the perspective of the general public in Basra, Iraq. Findings reveal that the political instability and institutional weakness of public organizations positively impact administrative corruption, while political instability leads to institutional weakness. Institutional weakness mediates the effect of political instability on administrative corruption. Therefore, political instability is a crucial factor causing corruption since it has both direct and indirect effects on administrative corruption. The theoretical contributions, managerial implications, limitations, and recommendations for further research are provided.

## KEY WORDS:

administrative corruption, political instability, institutional weakness, structural equation modeling, partial least squares.

## JEL Classification:

C300, H110, O170

<sup>1</sup>School of Business, Skyline University College, Sharjah, United Arab Emirates

<sup>2</sup>College of Technological Innovation, Zayed University, Abu Dhabi, United Arab Emirates

<sup>3</sup>College of Administration and Economics, University of Basra, Basra, Iraq

## 1. Introduction

Corruption is one of the most significant barriers to economic development globally. More than 75% of all countries suffer from high corruption. Denmark and New Zealand scored 90 (on a scale in which 100 indicates very clean, and 0 highly corrupt) in 2016 and ranked first in the world, while Iraq and Venezuela scored 17 and ranked 166th out of 176 countries. Many countries have become more corrupt according to comparisons with previous corruption index measures (Transparency International, 2018). Thus, corruption is an internationally problematic issue.

This paper attempts to ascertain the main causes of administrative corruption, which is public offi-

cial's' pursuance of personal benefit by abusing their position and role in public organizations that monitor and control the economic activities of individuals and the private sector (Krylova, 2018). This concept differs from those of political corruption and corporate corruption. Political corruption is defined as key politicians' manipulation of policies, public entities, and administrative procedures in public finance to stay in power and increase wealth, while corporate corruption investigates corrupt practices by private firms, including bribery, fraud, cartels, and corrupt nexus with governmental offices (Transparency International, 2021). Corrupt public employees, who offer goods and services to the general public, abuse their managerial positions in public organizations for their personal interest (Darsareh & Bastanipour, 2016; Hacek et al., 2013; Transparency International, 2018). They break laws and rules through activities such as bribery, embezzlement, nepotism, and col-

Correspondence concerning this article should be addressed to:

**Salem A. Al-Jundi**, School of Business, Skyline University College, P.O. Box 1797, Sharjah, UAE. E-mail: salem.aljundi@skylineuniversity.ac.ae

lusion between government departments and the private sector (Arshad et al., 2015; Chan & Owusu, 2017; Yahya & Gomaa, 2016; Zhang, 2015).

Administrative corruption has harmful impacts on the process of economic development in less developed and developing countries, especially in the context of political instability and weak structures of public organizations. Corruption is ineffectual in stimulating economic growth (Forson et al., 2015), increases government expenditure and inflation (Haider et al., 2011; Sironi & Tornari, 2013), and has a negative impact on bank efficiency. In contrast, government effectiveness positively affects bank efficiency (Chan & Karim, 2016). If citizens are exploited by public employees, they will be encouraged to break laws and public rules (Villoria et al., 2013). Corruption is fueled by war, internal conflicts, and terrorism (Transparency International, 2018). Because of corruption, the cost of new projects in the public and private sectors increases exponentially. Corruption weakens market efficiencies and the development of infrastructure. Additionally, it increases income inequality and poverty (Tebaldi & Mohan, 2010). When accompanied by bureaucracy, corruption increases the risk and uncertainty of entrepreneurial ventures and damages entrepreneurial endeavors (Nan, 2009). Government incompetence and corruption contribute to the inefficiency of companies, leading to suboptimal production levels (Rafajac & Skare, 2017).

Previous research on administrative corruption has focused on three areas. First, researchers have built corruption indices using indicators of, for instance, the degree of independence of judicial systems, the effectiveness of public organizations, press freedom, and access to information on government expenditure (Mousakhani et al., 2013; Transparency International, 2018; Yun, 2004). Second, other researchers have discussed anti-corruption programs and policies. For example, e-government is considered an increasingly important method for combating corruption (Marquez, 2015; Mohammed et al., 2015), since the application of information technology can promote transparency and support anti-corruption programs by improving accountability and citizens' participation (Koekpoe, 2011; Sharifi-Renani et al., 2013). Third, several papers

have analyzed the causes of administrative corruption (Arayankalam et al. 2021; Bohn, 2006; Dincer & Johnstony, 2017; Elnawawy et al., 2021; Liu, 2016; Rasham et al., 2020). Although their contributions are disjointed and unconnected, these papers inspired us to examine the main causes of administrative corruption.

In the long run, corruption is present since it has strong roots in a societal culture which is formulated for centuries (Dincer & Johnstony, 2017; Rajaei & Arghavani, 2016). According to Ambali (2008), tolerance as part of a society's culture and a lack of interest among the general public in corruption exacerbate the problem. A weak organizational culture of government organizations also contributes to the existence of corruption (Darsareh & Bastanipour, 2016; Liu, 2016). For instance, the absence of accountability and transparency, in addition to a missing code of conduct, gives rise to a corrupt culture within public entities (Al-Jundi et al., 2019; Ambali, 2008; Voliotis, 2017). Political instability prevents the government from effectively fighting corruption or implementing anti-corruption policies (Bohn, 2006). For instance, harmful disagreements among parties and sects strengthen corrupt practices (Yahya & Gomaa, 2016). Additionally, the absence or weakness of technological applications leads to a dependence on convoluted and inefficient bureaucratic systems, which fosters an environment of corruption (Bin-Ismail & Abbas, 2015; Darsareh & Bastanipour, 2016; Yahya & Gomaa, 2016).

Public employees become corrupt when they are not satisfied (Bin-Ismail & Abbas, 2015). Therefore, an increase in corruption can be predicted by increased dissatisfaction among public officials (Villoria et al., 2013). Flatters and Macleod (1995) suggested that a minimal degree of corruption should be accepted in taxation systems when officials' wages are low and liabilities cannot be estimated easily. Ambali (2008) found that societal tolerance, institutional weakness, and public employees' greediness are causes of corruption. Meanwhile, Choi (2007) concluded that the relationship and interaction between government departments and the private sector create corruption, especially when the e-government and citizen participation are weak.

This paper examines the effect of political insta-

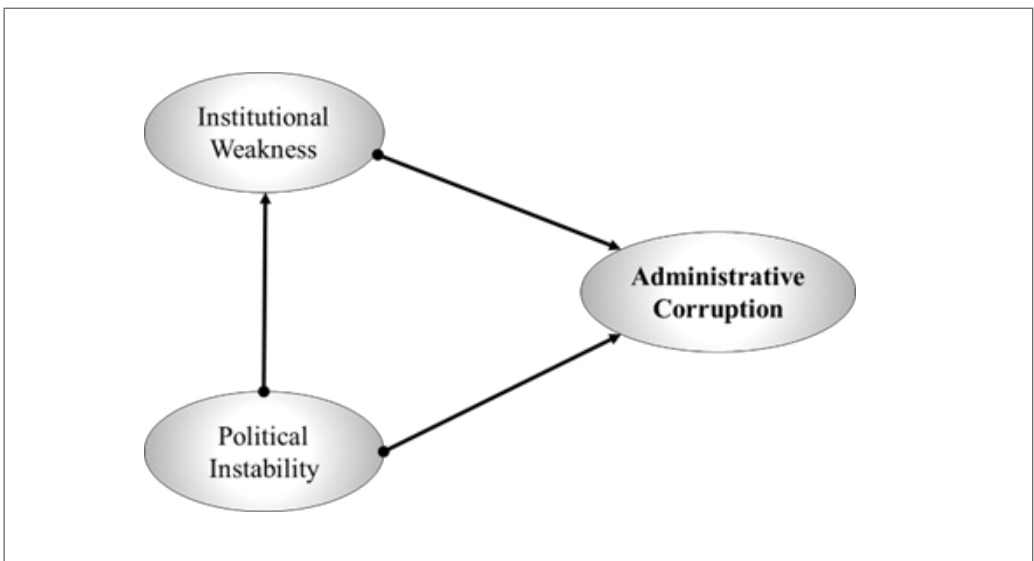
bility and institutional weakness on administrative corruption. First, political instability weakens the ability of the government and public organizations to fight corruption (Bohn, 2006), where conflict between parties and sects weakens policies designed to counter administrative corruption (Yahya & Gomaa, 2016). Second, institutional weakness results in corruption because of the absence of technological applications in administrative work, dissatisfaction among public employees, and inefficient bureaucratic systems (Bin-Ismael & Abbas, 2015; Darsareh & Bastanipour, 2016; Yahya & Gomaa, 2016).

Researchers who have studied corruption have come from various backgrounds, such as law, economics, management, accounting, sociology, and politics. However, there is a lack of consensus among academicians on a theory that explains the determinants of corruption. Therefore, there is no single theory that scientists generally accept to comprehensively explain the driving forces of administrative corruption (Abu & Staniewski, 2019).

Our conceptual model suggests a method by which a model can be developed by researchers by merging different constructs to build and validate an acceptable theory of corruption.

The literature on political and corporate corruption is valuable and rich (Nowakowski, 2010; Shakantu, 2006; Sharifi-Renani et al., 2013); however, a limited number of papers have examined the determinants of administrative corruption. To the best of our knowledge, the multivariate impacts of political instability and institutional weakness on administrative corruption have not been examined using partial least squares structural equation modeling (PLS-SEM) to date. PLS-SEM allows for assessing the interplay between the abovementioned constructs. Previous work has tested the perspective of public employees (Darsareh & Bastanipour, 2016; Rajaei & Arghavani, 2016), but there remains a need to analyze the general public's perspective. Some papers have used international data for their models (Abotsi & Iyavarakul, 2015; Abu et al., 2015;

**Figure 1**  
*Proposed Model*



Koekpoe, 2011); however, the quality of results can be improved when data are collected directly from a sample that reflects the general public. Other research has analyzed corruption in a governmental department at the ministry level or in the banking sector (Ahmadi et al., 2010; Darvish & Pakdel, 2016; Kumar & Bhasker, 2015). However, collecting data from the general public allows for investigation of corruption on a national scale.

The current paper strives to fill these gaps by developing and examining a new model (see Figure 1). First, the model aims to determine the direct impacts of political instability and institutional weakness on administrative corruption. Second, it seeks to identify the mediating role of institutional weakness on the relationship between political instability and administrative corruption.

The remainder of this paper is structured as follows. In section 2, the model and its hypotheses are developed based on previous research. In section 3, we derive measured items from each construct. These items are then utilized in a survey to collect data from the general public in Basra, Iraq. The results using the PLS-SEM approach are presented in section 4. Section 5 discusses the results and considers the theoretical contributions, managerial implications, limitations, and directions for future research.

## 2. Conceptual Framework and Development of Hypotheses

### 2.1. *Administrative Corruption and Political Instability*

Political scientists have divergent views on the phenomenon of political instability. First, it has been posited to arise when the government cannot easily process projects via the parliamentary council due to a struggle among parties (Laver & Shepsle, 1996; Taylor & Herman, 1971). A second cause has been cited as conflicts that arise between parties and sectarians in which the government is unable to effectively fight corruption and improve infrastructures (Lachat, 2008; Caplan, 2004). Third, political instability has been said to result from a democratic transition associated with civil war and sectarian tensions (Goldstone &

Diamond, 2020; Przeworski et al., 2015). The paper chooses the third concept, which strongly relates to the current situation in Iraq, to conceptualize political instability.

In 1990, the United Nations imposed a severe economic blockade on Iraq because of its occupation of Kuwait during a war with Iran that ran from 1980 to 1988. The US-led alliance controlled the country in 2003 and led to the fall of Saddam Hussein's dictatorial regime. The US authorities in Baghdad disbanded local military forces. This led to a vacuum that allowed the spread of jihadist (extremist) militias. Later, a democratic political process was established, and the new government suffered from sectarian divisions, jihadist militias, and other militias established by political parties. The federal and local governments have worked under sectarian tensions, tribal fighting, and terrorism, which, in combination, led to the collapse of governmental institutions. All government entities also suffered from a lack of resources, including modern technologies and management, and a huge gap with regard to meeting growing demand for public services.

Administrative corruption has become pervasive in all levels of government work, from the taxation office in a city to the ministry of defense. For example, when the jihadist/extremist militia symbolizing ISIS captured Mosul, the second-largest city in Iraq, it seriously threatened the entire country's security. Iraqi ex-Prime Minister Haider Al Abadi revealed that 50,000 ghost soldiers were on the payroll of the Ministry of Defense, equivalent to four major divisions. That partially explained why the Iraqi military failed to contain ISIS in an acceptable timeframe. Although The US had provided US\$25 billion in 2004 for military training and funding, a good part of this amount disappeared on non-existent soldiers and the corrupt transactions of purchasing weapons (Transparency International, 2021).

Researchers have suggested that political instability has a long-term causal impact on corruption (Abu et al., 2015). Political instability makes governments act myopically, given that they lose their long-term view. Accordingly, they may underestimate the need for the development

of infrastructure and anti-corruption programs (Bohn, 2006). Political instability is mostly associated with the weakness of the legislative council in investigating administrative corruption, and is also linked to a lack of political will or power to fight corruption. Moreover, conflicts between parties and sects weaken policies against corruption (Yahya & Gomaa, 2016). Ismail and Rashid (2014) concluded that political instability has a relationship with corruption through judicial inefficiency. Additionally, political instability increases uncertainty in the marketplace as a whole, and this uncertainty leads to more corruption. Uncertainty among firms has a positive and significant impact on the tendency of civil servants to demand bribes in exchange for public services, and for firms to offer such bribes in exchange for government contracts (Araral et al., 2019). Thus, it can be hypothesized that:

H1. Political instability positively impacts administrative corruption.

## 2.2. Administrative Corruption and Institutional Weakness

Corruption arises in developing countries due to the weakness of the bureaucratic administrative systems (Darsareh & Bastanipour, 2016). For instance, a lack of accountability is responsible for the misuse of public funds for private advantage (Kpundeh, 1994). Further, low salaries and dissatisfaction among public employees contribute to corruption (Bin-Ismail & Abbas, 2015). Organized crime and drug trafficking are results of institutional weakness and the failure of public organizations to comply with the law (Aguirre & Herrera, 2013). Examples of institutional weakness include public sector appointments relying more on relations, bribery, and nepotism than on real qualifications and fair processes (Kpundeh, 1994); and persistent police misconduct due to poor control mechanisms, including a lack of judicial oversight, low standards of conduct, and the absence of appropriate strategies (Costa, 2011; Lee et al., 2013). Anik and Bauer (2014) found that individuals who have relationships with specific power entities have a lower probability of being

exposed to administrative corruption. Therefore, we hypothesize:

H2. Institutional weakness positively impacts administrative corruption.

## 2.3. Political Instability and Institutional Weakness

Political instability damages the public sector because appointments depend on nepotism and political and ethnic ties (Bin-Ismail & Abbas, 2015; Kpundeh, 1994). Generally speaking, political instability lowers economic development, depreciates the currency, and reduces foreign investment inflows and tourism (Bouraoui & Hammami, 2017; Okafor, 2017; Touny, 2016). During conflicts, institutional leaders are more interested in increasing their political power and making personal gains than in building an appropriate organizational structure and improving the level of satisfaction among their subordinates and clients (Ambali, 2008). Haider et al. (2011) stated that the transitional period from an autocratic regime to a democratic one is associated with weaker governance and increased profiteering from public funds. Therefore, we hypothesize:

H3. Political instability positively impacts institutional weakness.

## 2.4. The Mediating Role of Institutional Weakness

Within an autocratic regime, there is a low level of administrative corruption due to stronger governance. The transitional period into a democratic regime is most likely associated with weak governance and leads to a higher level of corruption (Haider et al., 2011). Therefore, a significant part of public funds is exploited by key public persons in collusion with the private sector (Chan & Owusu, 2017). Corruption has a severe impact on all public entities because of the weakness of local and federal governments and the absence of political stability. Hence, the following hypothesis is proposed:

H4. Institutional weakness mediates the effect of political instability on administrative corruption.

### 3. Methodology

#### 3.1. Measurement Variables

Table 1 presents the measured indicators for the constructs in question. These observed items were developed based on prior research. Administrative corruption, political instability, and institutional weakness were considered reflective constructs. Additionally, we applied a 7-point Likert scale and a semantic differential scale to measure the items.

#### 3.2. Sampling and Data Collection

The indicators of the constructs (as shown in Table 1) were translated into Arabic and then presented in Google Forms as an electronic questionnaire. A group of 20 people was invited to fill in the form. The results were discussed with five faculty members of the College of Administration and Economics at the University of Basra in Basra, Iraq. This process helped us to slightly modify the indicators to make them easier to understand by respondents of all educational levels.

**Table 1**

*Measurement Properties of Constructs*

Codes	Items	Scale
<b>Political instability (Bin-Ismail &amp; Abbas, 2015; Bohn, 2006; Haider et al., 2011; Tebaldi &amp; Mohan, 2010; Yahya &amp; Gomaa, 2016)</b>		
P1	Parliament is weak in investigating the problems of administrative corruption.	from 1 (very strong) to 7 (very weak)
P2	There is no real political will to fight administrative corruption.	from 1 (strongly disagree) to 7 (strongly agree)
P3	Conflicts between parties and sectarian groups have weakened the campaign against administrative corruption.	from 1 (strongly disagree) to 7 (strongly agree)
P4	The performance of the local and federal governments is acceptable.	from 1 (strongly disagree) to 7 (strongly agree)
<b>Institutional weakness (Bin-Ismail &amp; Abbas, 2015; Costa, 2011; Darsareh &amp; Bastanipour, 2016; Kpundeh, 1994; Lee et al., 2013)</b>		
P1	Parliament is weak in investigating the problems of administrative corruption.	from 1 (very strong) to 7 (very weak)
P2	There is no real political will to fight administrative corruption.	from 1 (strongly disagree) to 7 (strongly agree)
P3	Conflicts between parties and sectarian groups have weakened the campaign against administrative corruption.	from 1 (strongly disagree) to 7 (strongly agree)
P4	The performance of the local and federal governments is acceptable.	from 1 (strongly disagree) to 7 (strongly agree)
<b>Administrative corruption (Chan &amp; Owusu, 2017; Choi, 2007; Tebaldi &amp; Mohan, 2010; Yahya &amp; Gomaa, 2016; Zhang, 2015)</b>		
CO1	Bribery has become one of the manifestations of everyday work in public organizations.	from 1 (strongly disagree) to 7 (strongly agree)
CO2	Embezzlement is a widespread phenomenon among public employees.	from 1 (strongly disagree) to 7 (strongly agree)
CO3	There is collusion between the government departments and the construction companies executing government projects.	from 1 (strongly disagree) to 7 (strongly agree)
CO4	There is a widespread phenomenon of nepotism in the administrative work of public organizations.	from 1 (strongly disagree) to 7 (strongly agree)

We then invited students, administrative staff, and faculty members at the University of Basra to participate. The study aimed to analyze the perspective of the general public on the causes of administrative corruption. Therefore, we communicated with people from different social classes through social media, some of whom were “digital friends.” We collected 715 responses over three months (August–October 2017). Findings revealed that 38 responses suffered from a lack of seriousness; that is, they selected 1 or 7 for all questions on the 7-point scale. We deleted these answers. Thus, the analysis in the next section used the remaining 677 responses, representing the perspective of the general public in the city of Basra (Al-Jundi, 2019).

We tried to attract people of different educational levels. However, of the 677 respondents in the sample, their highest educational attainment was as follows: only 3% held an elementary school certificate or less, 27% held a secondary school certificate, 14% had a diploma, 33% had a bachelor’s degree, 9% had a master’s degree, and 13% had a PhD. For their monthly household income, 16% of the sample earned less than \$400, 16% earned \$400–600, 17% earned \$601–800, 16% earned \$801–1000, 10% earned \$1001–1200, 8% earned \$1201–1400, and 17% earned more than \$1400. The participants answered the questions about the size and ownership status of their house (with 1 indicating that they rented a one-room house, and 7 indicating that they owned a five-room house or bigger). The mean was 4.5, with a sample standard deviation of 1.86. Additionally, they responded to the following question: If we divide society into seven strata, which class do you belong to (1 indicating the lowest, and 7 indicating the highest)? The mean was 4.19, with a standard deviation of 1.38. Therefore, we can conclude that the sample was quite diverse, and that the participants self-identified as belonging to different social classes. However, an increase in the sample size would have improved the quality of the study. The supplementary data to this research can be found online at Al-Jundi (2018).

### 3.3. PLS-SEM

Structural equation modeling (SEM) was employed to validate our proposed model. SEM is “a family of statistical models that explain the relationships among multiple variables” (Hair et al., 2017, p. 23). SEM is a second-generation comprehensive statistical data analy-

sis approach, and is more powerful than first-generation multivariate techniques that can only measure single relationships, one at a time (Hair et al., 2017). The advantages of the SEM analysis over first-generation techniques (such as factor analysis and multidimensional scaling) also include its ability to enable researchers to incorporate unobservable variables measured indirectly via indicator problems and account for measurement errors of the observed variables (Fornell & Bookstein, 1982).

SEM permits complicated variable relationships to be expressed, and gives a more complete picture of the entire model (Hair et al., 2017). Additionally, partial least squares (PLS) is the preferred approach for causal-predictive analysis, and is better suited for theory development than for theory testing (Urbach & Ahlemann, 2010). It is also suitable when small samples are employed for estimations and testing (Chin, 1998). Another advantage is that PLS can be applied to complex structural equation models with a large number of constructs (Chin, 1998; Hair et al., 2017). Therefore, SEM using the PLS technique was employed in the current study to test the overall structure of the research model.

Since this study involves latent constructs such as political instability and corruption, each construct must be measured by observed indicators. The PLS-SEM approach is suitable to capture such a complex model. PLS-SEM has recently received wide recognition among scholars and has been increasingly employed in socioeconomic studies (Al-Jundi et al., 2020; Sharma et al., 2021). The use of PLS-SEM in this paper is considered appropriate since the approach is an acceptable, reliable, and valid statistical technique that supports a complex model, prediction-oriented study, and a large number of measured variables. In addition, it requires a relatively small sample size, and is suitable for studies focused on theory development and with exploratory objectives and non-normally distributed data.

## 4. Data Analysis and Results

PLS provides successive estimates of loadings and structural parameters (Fornell & Larcker, 1981). There are two stages to PLS analysis: (1) examination of the validity and reliability of the measurement model; and (2) interpretation of the path coefficients and recognition of the fitness of the research model (also called structural model testing; Hair et al., 2017).



First, the scores of the item loadings were observed. Items with a loading above 0.6 were to be retained, whereas indicators with a loading below 0.4 would be eliminated from the scale (Hair et al., 2017). All items were found to be reliable as all item loadings exceeded the cut-off level of 0.6, as shown in Table 2. Notably, loadings above 0.5 were also retained in this case since the average variance extracted exceeded the threshold point of 0.5 of the corresponding constructs.

Construct validity in this study was also established, including both convergent validity and discriminant validity. Convergent validity is demonstrated when the average variance extracted (AVE) value among items associated with a construct is greater than or equal to 0.5 (Hair et al., 2017). As shown in Table 3, the AVE scores for all constructs exceeded the threshold of 0.5. Therefore, convergent validity was confirmed. Additionally, convergent validity can be assessed by examining the composite reliability scores (Fornell & Larcker, 1981). In the current study, all constructs

demonstrated composite reliability given that all composite reliability scores were greater than the cut-off point of 0.7 (Hair et al., 2017), as shown in Table 3.

Cronbach's alpha measures were also monitored in order to examine the internal consistency against the cut-off point of 0.7 (Fornell & Larcker, 1981; Hair et al., 2017). As a result, the scores of all constructs demonstrated reliability, as presented in Table 3. Additionally, discriminant validity was examined to determine whether the latent variable was distinct from others in predicting the endogenous variable (Hair et al., 2017). Fornell and Larcker's (1981) approach was followed in the current research by checking whether the square root value of the AVE of each latent construct was higher than the correlation with other constructs. As shown in Table 4, the results indicated that all constructs demonstrated this criterion; thus, they achieved discriminant validity.

In the second phase, PLS structural model testing was undertaken to examine the significance of the

**Table 2**  
*Item Loadings*

<b>Codes</b>	<b>Administrative corruption</b>	<b>Political instability</b>	<b>Institutional weakness</b>
CO1	0.824		
CO2	0.822		
CO3	0.846		
CO4	0.778		
P1		0.626	
P2		0.796	
P3		0.813	
P4		0.582	
W1			0.652
W2			0.834
W3			0.808
W4			0.541

**Table 3**  
*Validity and Reliability Estimates of the Constructs*

<b>Constructs</b>	<b>Cronbach's alpha</b>	<b>Composite reliability</b>	<b>Average variance extracted</b>
Administrative corruption	0.835	0.89	0.768
Institutional weakness	0.781	0.806	0.616
Political instability	0.774	0.801	0.606

paths and the model fit (Hair et al., 2017). Table 5 presents the study's hypotheses and shows the path coefficients ( $\beta$  values) along with the estimated T-statistic scores after performing a bootstrapping process (Hair et al., 2017). Results revealed that all four hypotheses were supported. The interpretation of each result will be discussed in the next section.

The amount of variance explained by the R-squared value indicates the model's fit and predictive ability of the endogenous variables (Hair et al., 2017). The R-squared values of administrative corruption and institutional weakness were found to be moderate at 45.4% and 42.9%, respectively. Figure 2 shows the tested and validated research model, as generated from the SmartPLS 3.0 software.

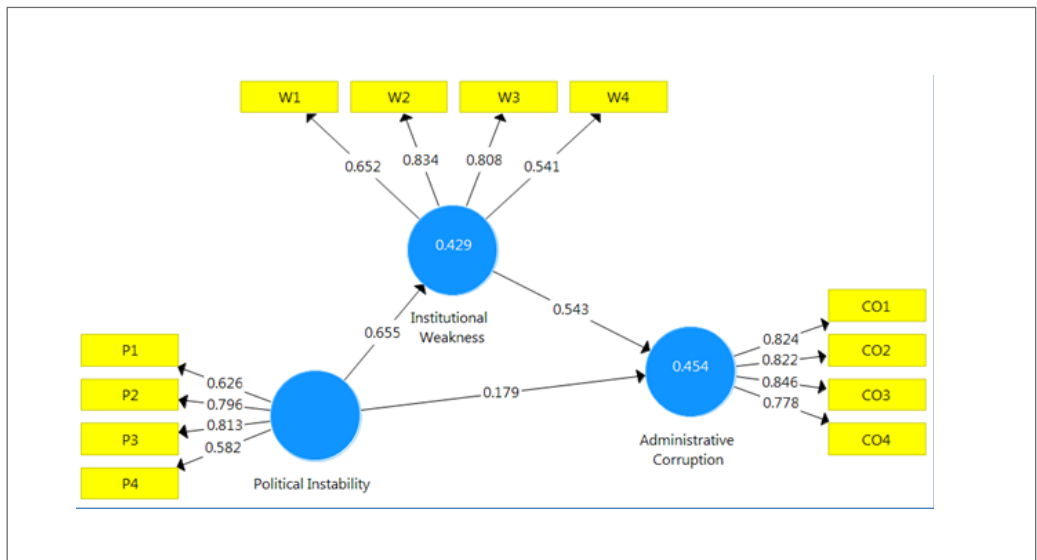
**Table 4**  
*Correlation Matrix Among Construct Scores (Discriminant Validity)*

Constructs	Administrative corruption	Institutional weakness	Political instability
Administrative corruption	0.818		
Institutional weakness	0.66	0.719	

**Table 5**  
*Influence Paths and Hypothesis Results*

Causality among constructs	Original sample (O)	T-statistics ( O/STDEV )	P-values
Institutional weakness $\rightarrow$ administrative corruption	0.543	9.473	0.000
Political instability $\rightarrow$ administrative corruption	0.179	3.252	0.001
Political instability $\rightarrow$ institutional weakness	0.655	20.232	0.000
Political instability $\rightarrow$ institutional weakness $\rightarrow$ administrative corruption (indirect effect)	0.356	8.635	0.000

**Figure 2**  
*Validated Research Model*



## 5. Discussion

### 5.1. Theoretical Contributions

The current study contributes to the existing literature by simultaneously testing the effects of political instability and institutional weakness on administrative corruption. Additionally, it provides empirical evidence to support the multivariate influences of two exogenous constructs on corruption, and the interplay between them. We tested a sample of 677 responses that reflect the perspective of the general public in Basra. PLS-SEM was employed to examine the overall structure of the research model.

Table 4 shows a positive correlation or association between instability and corruption, institutional weakness and corruption, and instability and institutional weakness. Table 5 further validates the causality among constructs since the PLS-SEM is a causal relationship model. A positive causality runs from instability to corruption, institutional weakness to corruption, and instability to institutional weakness. Additionally, a positive unidirectional causality runs from instability to institutional weakness, and then to corruption.

As portrayed in Figure 2, political instability positively impacts administrative corruption (H1), and institutional weakness positively influences administrative corruption (H2). Further, the findings show that political instability increases institutional weakness (H3). To the best of our knowledge, previous research has not examined the mediating role of institutional weakness on the relationship between political instability and corruption. The current study results demonstrate that institutional weakness mediates the effect of political instability on administrative corruption (H4). Thus, we can conclude that political instability is the crucial factor causing administrative corruption, since instability has a direct effect (H1) and an indirect effect via institutional weakness (H4), given that institutional weakness is caused by political instability (H3).

### 5.2. Managerial Implications

Based on the paper's findings, corruption can be eliminated first by stabilizing the political regime and second by developing public organization structures. For specific implications, we must consider reliable and valid

observed variables of instability and institutional weakness. First, if politicians respect the constitution and solve their conflicts according to the law (Yahya & Gomaa, 2016), the government will be strengthened to fight corruption, accelerate economic development, and attract foreign direct investment (FDI) inflows (Touny, 2016). Additionally, the government and parliament should establish standards of conduct for public employees (Costa, 2011; Lee et al., 2013) and independent judicial systems (Ismail & Rashid, 2014). Second, key managers in public organizations should establish a vision, mission, strategic goals and values, and strategic plans to improve the quality of their services and increase satisfaction among their clients and subordinates. Third, the government should allocate resources for the transition from a bureaucracy into e-government (Marquez, 2015; Mohammed et al., 2015), and widen the use of information technology to improve transparency and citizens' participation (Koekpoe, 2011; Sharifi-Renani et al., 2013).

### 5.3. Limitations and Recommendations for Further Research

The main findings of the study are that political instability has a direct effect on corruption, in addition to an indirect effect via institutional weakness. These findings on the importance of instability can be considered valid and acceptable since we implemented a strong statistical approach (PLS-SEM), used a sample of 677 responses, and drew on extant literature. On the other hand, however, the results are limited and must be rechecked by scholars.

The study tested the proposed model using a small sample of 677 responses that reflect the perspective of the general public in Basra. Participants who completed the survey were mostly educated. However, the sample should be increased to ensure fair representation of the population. It should also cover more cities in Iraq and include more respondents from lower social classes. We reached participants through social media, so we did not get the opportunity to explain the questionnaire. Therefore, we cannot be sure that participants filled in the form with an acceptable level of understanding and seriousness, and without bias. The study questioned participants in Iraq, a country with a high level of corruption. The model should be examined in countries with different levels of corruption.

Although it is obvious that institutional weakness and

political instability, among other causes, lead to administrative corruption, the current paper proposes measurable indicators for each latent construct and then builds and validates a model, that combines all indicators with constructs. The results demonstrate that institutional weakness mediates the effect of political instability on administrative corruption. We encourage scholars to expand and develop the model by merging different disciplines to propose and test an acceptable theory of corruption.

Future research should also expand the model by adding constructs such as societal culture and organizational culture. Because corruption is a complicated phenomenon, a comprehensive model can allow for multivariate analysis and provide an understanding of the interplay among different constructs. Corruption is pervasive in major sectors of the economy. Therefore, it can be analyzed in sectors such as taxation, police, education, and banking. We recommend that researchers examine the perspective of public employees and compare the results with the general public's perspective. Finally, the current paper used cross-sectional data; the analysis could be enriched using time-series data.

The study succeeded in establishing strong results related to correlations among constructs and causal relationships according to the theoretical background and statistical analysis. However, the concepts of political instability, institutional weakness, and corruption can be conceptualized differently. Therefore, researchers could test and validate the causal relationships among the constructs themselves in opposite directions. Corruption may strengthen institutional weakness, or corrupt officials may not allow their organization to implement e-government applications, strategic management tools, and accountability, for example. Moreover, the weak structure of public entities will fuel instability, and the general public will not respect the laws—as has been demonstrated in Iraq.

## 6. Conclusion

The PLS-SEM technique was employed to examine the overall structure of a proposed model of administrative corruption. A sample of 677 responses reflecting the perspective of the general public in Basra, Iraq, was collected to test the model. We found that the political instability and institutional weakness of public organizations positively impact administrative corruption, while political in-

stability leads to institutional weakness. The latter mediates the effect of political instability on administrative corruption. We can conclude that political instability is the crucial factor causing corruption since it has direct and indirect effects on administrative corruption.

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