دور مدونات قواعد السلوك في الحد من الفساد المالي بين الموظفين في المؤسسات العامة الأردنية

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الملخص

تتناول هذه الدراسة أثر مدونات قواعد السلوك في الحد من الفساد المالي بين موظفي القطاع العام في الأردن. وتهدف إلى دراسة هذه المدونات لمعرفة ما إذا كانت تُسهم في تحسين أخلاقيات أصحاب العمل، وبالتالي الحد من جرائم ذوي الياقات البيضاء. وقد تم إعداد استبيان شامل كأداة لجمع البيانات، وُزِّع على المدققين الداخليين وأعضاء لجان التدقيق في جميع المؤسسات العامة في الأردن.

وتُظهر النتائج أن وجود مدونة قواعد سلوك واضحة المعالم أمرٌ أساسي للحد من الفساد المالي. وتؤكد الدراسة على أهمية ليس فقط تطبيق هذه المدونات، بل أيضاً ضمان إنفاذها بفعالية للتخفيف من الآثار السلبية للفساد على النزاهة المالية. بالإضافة إلى ذلك، يُلاحظ أن مدونة قواعد السلوك القوية تُعزز بشكل كبير ثقة المساهمين في المعايير الأخلاقية وموثوقية الموظفين في المؤسسات العامة.

ويستكشف البحث مختلف العناصر التي تُشكل مدونة قواعد سلوك قوية، بما في ذلك المبادئ التوجيهية للسلوك الأخلاقي والنزاهة والأمانة، وإدارة تضارب المصالح، والحفاظ على السرية، والامتثال للمعايير المهنية والقوانين. من خلال تحليل تأثير هذه المكونات، تقدم الدراسة فحصًا شاملاً لكيفية مساهمتها مجتمعة في الحد من الفساد المالي.

باستخدام التحليل الإحصائي بواسطة برنامج SPSS، تُقدّم هذه الدراسة أدلة قوية على وجود علاقة إيجابية بين مدونات السلوك وانخفاض الفساد المالي. وتشير النتائج إلى أن مدونات السلوك تُفسّر جزءًا كبيرًا من التباين في انخفاض الفساد المالي، مما يُؤكّد دورها كأداة وقائية فعّالة.

وتختتم هذه الدراسة بتوصية المؤسسات العامة بتبنّي مدونات السلوك وتطبيقها بجدّية. وتفترض أن تحسين المعايير الأخلاقية والمساءلة من خلال مدونات السلوك يُمكن أن يُعزّز ممارسات تنظيمية أكثر شفافية وجدارة بالثقة. علاوة على ذلك، تُشدّد الدراسة على ضرورة التحديثات المستمرة وبرامج التوعية للحفاظ على أهمية مدونات السلوك وفعاليتها في مكافحة الفساد.

الكلمات المفتاحية: مدونات السلوك، الفساد المالي بين الموظفين، المؤسسات العامة، الأردن.

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Codes of Conduct Role in Reducing Employee Financial Corruption in Jordanian Public Organizations

Abstract

The present study examines the effect of Codes of Conduct (CoC) in preventing financial corruption among employees within public sectors in Jordan. They would investigate CoCs to find out whether such programs help improve the ethics of employers and, in so doing reduce white-collar crime. A comprehensive questionnaire was created as the tool of data collection which was administered to internal auditors and audit committee member from all public organizations in Jordan.

The results show that having a clearly established Code of Conduct (CoC) is essential for reducing financial corruption. The study underscores the importance of not just implementing these codes but also ensuring they are actively enforced to mitigate the negative impacts of corruption on financial integrity. Additionally, it is noted that a robust CoC can greatly enhance shareholders' trust in the ethical standards and dependability of employees in public organizations.

The research explores various components that form a strong Code of Conduct (CoC), including guidelines for ethical behavior, integrity and honesty, managing conflicts of interest, preserving confidentiality, and complying with professional standards and laws. By analyzing the influence of these components, the study offers a comprehensive examination of how they collectively aid in minimizing financial corruption.

Employing statistical analysis with SPSS, the study provides compelling evidence for a positive relationship between CoCs and the decrease in financial corruption. The findings indicate that CoCs significantly account for the variance in the reduction of financial corruption, underscoring their role as an effective preventive tool.

This study concludes by recommending that public organizations adopt and diligently implement Codes of Conduct (CoCs). It posits that improving ethical standards and accountability via CoCs can foster more transparent and trustworthy organizational practices. Furthermore, the research emphasizes the need for ongoing updates and awareness programs to maintain the relevance and efficacy of CoCs in the fight against corruption.

Keywords: Codes of Conduct (CoC), Employee Financial Corruption, Public Organizations, Jordan.

Introduction:

Corruption is something that moderate human nature hates, and the nature of humans tends to the opposite of corruption, which is righteousness. Thus, many countries and societies that govern them work to develop good governance methods, which is also called governance, reflected in transparency and accountability. (Albrecht et al, 2008) mentioned that employees of most organizations conduct business with integrity.

Financial corruption is a secret act, and it is done undercover covertly, and it is often made sure that the traces of the crime of financial corruption are hidden so that it is difficult to detect it (Cullen, 2003). Also, Gray and Kaufman (1994) mentioned there is a possibility that financial corruption is part of the culture and customs of the state in which financial and administrative corruption is widespread and prevalent. (Hanousek and Kochanova, 2011) concluded from previous studies, that it can be explained by the details of the local bribery environment in which institutions operate.

As Internal Control Institute (ICI) declared that financial corruption is a risk, and risk management must be alerted and combated before it becomes a crisis and takes root in a way that becomes difficult to combat. Dealing with risk and managing risks gives better results than crisis management because the risk is a future prediction, while the crisis is a reality that imposes itself in a way that may lead to the inability to manage the situation and come up with sound results. Therefore, this study came to know the role of these (CoC) in reducing employee financial corruption crime in public organizations in Jordan. It is found that one tool for halting supply chain organizations' deteriorating performance is workplace ethics (Haruna et al, 2019), and has the capacity to improve supply chain operations' precision to encourage improved supply chain management, and to play a significant role in enhancing corporate success (Griseri and Seppala, 2010). While in developed countries the virtues of public organizations and the public sector ethic as a whole have always been in doubt, sharp increases in employee misbehavior in recent years have begun to undermine public trust in government around the world (Yasir and Khan, 2020).

Within Jordanian legislation (integrity and anti-corruption law) determined and criminalized illegal earning (graft) in addition to corruption crimes contained in international agreements ratified by the Jordan Hashemite Kingdom, such as the United Nations Convention against the corruption of 2003, the European Union agreements, the agreements of the African Union countries, and the agreement on cooperation among Arab states in the exchange of information and experience to combat corruption and bribery.

Corruption scandals emerged along time in almost all the states of the world after financial crises (Adriana et. al, 2010) and increased global wise within the technology revolution which is called international corruption (Alshawabkeh, 2018). Within corruption cases in Jordan, 70% of corruption cases are related to financial fraud and are concentrated in the private sector (Alzaben, 2011). Therefore, the Jordanian criminal law criminalized bribery for both public and private employees.

Jordan tightens the penal code against corruption the draft law aims to strengthen the rule of law and maintain security by increasing penalties for crimes that affect societal security, this is an amended draft penal code submitted by the government in order to toughen penalties in the face of corruption (alarab.co.uk, 2022).

Based on Jordanian criminal law and integrity and anti-corruption law, the following are considered financial corruption crimes:

-Economic crimes.

-Illegal earning (graft).

-No declaration of a conflict of interest that leads to the existence of personal benefits.

-Using the information to gain own benefits.

-Bribery.

-Fraud.

By reviewing many professional and functional codes of conduct, the researcher found that the professional and functional code of conduct in public sector institutions often consists of each of the following elements:

-General Guidelines for Good Conduct

-Integrity and honesty

-A conflict of interest, whether real or potential.

-Dealing with related parties

-Take the necessary professional care

-Maintain confidentiality, whether it is information related to the institution, its clients, or its employees

-Assignment of intellectual property to all employee achievements related to work for the organization in which they work

-Integrity in dealing with and abstaining from practicing unhealthy work

-Moving away from corporate and reciprocal working relationships with immediate family members so that employees can be subject to impartiality and bias

-Optimum use of the institution's resources, not wasting them, maintaining and protecting them from damage, theft, or misuse, and respecting the segregation of duties

-Preserve the intangible assets of information, copyright, property, and electronic data and not publish or circulate them outside the framework of work.

-Provide the required tasks in a professional, accurate and timely manner

-Full compliance with laws, instructions, policies, and regulations

-Refrain from accepting gifts, whether cash or in kind, or otherwise

-Duplication of work is prevented so that the employee works with all his time and effort during the working time for the benefit of the institution in which he works.

-Maintain personal health and safety or the health and safety of other employees

-Report any violations stipulated within the Code of Conduct and thus not hide information known to any employee related to violations of laws, instructions, policies, and regulations

-Existence of a mechanism to protect whistleblowers

-Accept any modifications or changes made to the Code of Conduct

The researcher believes that those elements that have been mentioned are consistent with human instinct, as well as with the correct societal behavior or the behavior agreed upon by various societies.

Yanti and Rashid (2016) concluded that management is largely influenced by organizational culture ethics, leadership ethics, and training ethics. An ethical code of conduct and suitable ethical training have a strong connection to the company (Vakilbashi et al., 2017). But, for professional employees, the organizational dedication was favorably correlated with a principled culture as concluded by (Cullen et al, 2003).

As it is within the control of the public employee's superiors to mold organizational norms in the workplace, use of a formal ethics code as an instrument of behavior influenced by the leadership is growing. Most corruption is seen to occur at the local government level, suggesting the importance of designing codes that are congruent with local and personal oversight, and the need for a consensus within the organization that a code is worthwhile and effective

The purpose of national and international codes of conduct is to guide public-sector employees' behavior regarding the principles of public interest, integrity, honesty, and accountability because all individuals in a public organization, from management to lower-level employees, contribute to creating a good or bad organizational culture. This influences organizational behavior altogether, and the value of good government administration is the result (Buye, 2020). In addition, external auditors (Al-Rawashdeh et al, 2024) argue that professional skepticism has a direct effect on fraud detection, and higher workloads reduce fraud detections of professional skepticism.

In conclusion, the integration of ethical codes of conduct, leadership ethics, and ethical training is essential for cultivating an ethical organizational culture, so these elements work synergistically to enhance employees' ethical behavior, organizational commitment, and overall organizational performance.

Research Problem and Questions:

Financial corruption in public organizations is a widespread problem that undermines the integrity and efficiency of government operations. In Jordan, as in many other nations, this type of corruption not only leads to significant financial losses but also diminishes public trust and obstructs economic growth. Despite the establishment of various legislative measures and anti-corruption strategies, combating financial corruption remains a major challenge. This study seeks to explore whether the implementation and enforcement of Codes of Conduct (CoC) can effectively diminish financial corruption among employees in Jordanian public organizations. The focus is primarily on understanding how CoCs can foster moral values and ethical behavior, thereby reducing the incidence of financial corruption.

Financial corruption is the abuse of public alignment for personal advantage if you are working in the public organizations. The financial corruption is an important issue on which the employee of the public organization should pay increasing attention (Sartor & Beamish, 2020) and (Song et al., 2021).

The topic has a direct relationship to contemporary issues, especially in Jordan, given the scarcity of financial and natural resources and the chronic deficits its budgets have suffered over the past years in light of complex political conditions.

The following study's questions seek to offer a detailed perspective on the impact of CoCs on reducing financial corruption and provide insights for enhancing anti-corruption measures in public organizations in Jordan.

1.What is the current landscape of financial corruption in public organizations in Jordan?

2.In what ways do Codes of Conduct (CoC) impact the ethical practices of employees in public organizations?

3.How do internal auditors and audit committees assess the effectiveness of CoCs in mitigating financial corruption?

4.What are the essential components of an effective CoC that help in minimizing financial corruption?

5.How does the enforcement of CoCs affect shareholders' trust in the ethical conduct of public organization employees?

6.What challenges and barriers exist in the implementation and enforcement of CoCs within public organizations in Jordan?

7.What strategies can be adopted to enhance the effectiveness of CoCs in the fight against financial corruption?

Methodology:

After a pilot study is finished to determine which organizations have a CoC. A designed questionnaire as the main study tool was distributed within the study population which consisted of 204 internal auditors' department's employees (Manager, Supervisor, senior and junior) and audit committee, and the recovered questionnaires were 139. A descriptive and analytical approach was adopted and through the SPSS program data were analyzed and the results received to achieve the current study goal.

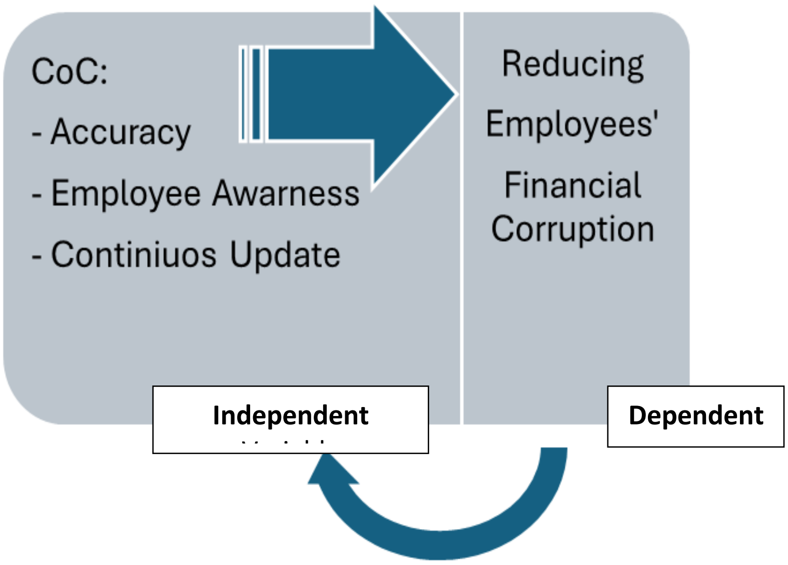

Figure 1: Study Model – Source: Prepared by Researcher

5. Results:

Depending on data collected by study main tool (questionnaire) and by using Statistical Package for Social Sciences (SPSS) the results revealed as following:

Table 1: Cronbach Alpha Measurements for Questionnaire Questions

Study Variables	Variable Type	Cronbach Alpha	Questions
Accuracy	Independent	0.748	5
Employee Awareness		0.819	5
Continuous Update		0.725	5
CoC		**0.838**	**15**
Reducing Employee's Financial Corruption	Dependent	**0.868**	**10**
All Questions		**0.896**	**25**

The data obtained are appropriate and subject to a high degree of reliability for conducting statistical analysis. Testing the internal consistency of the questionnaire questions using Cronbach Alpha. The research specifies the criterion for acceptance or rejection, which here is 70% (Sekeran and Bougie, 2019).

Table 2: Normal distribution of data based on (K-S) test

Variable Type	Study Variables	Mean	Std	K-S	Sig
Independent	Accuracy	4.00	0.534	0.738	0.647
	Employee Awareness	3.92	0.671	1.197	0.114
	Continuous Update	3.97	0.561	1.165	0.133
	CoC	**3.94**	**0.389**	**0.860**	**0.451**
Dependent	Reducing Employee's Financial Corruption	**3.94**	**0.603**	**0.707**	**0.699**

It is clear that the distribution of the data was normal, in terms of the (Sig) value for all variables and dimensions of the study, which amounted to values greater than (0.05).

Table 3: Pearson Correlation Factor for Independent Variables

Variables	Accuracy	Employee Awareness	Continuous Update
Accuracy	1.00		
Employee Awareness	0.234*	1.00	
Continuous Update	0.039	0.079	1.00
Sig level (0.01)			

The values are less than 80% which means, the values are reliable for conducting statistical analysis.

Table 4: The results of testing the impact of the existence of codes of professional conduct on reducing the crime of financial corruption

Dependent Variable	**Model Summary**		**ANOVA**			**Coefficient**				
	R	**R^2**	**F**	**F Sig**	**Df**	**Remarks**	**Std Error**	**Beta**	**T Calculated**	**T Sig**
Reducing Employee's Financial Corruption	0.813	0.661	48.453	0.00*	134/4	Accuracy	0.064	0.185	3.255	0.001*
						Employee Awareness	0.064	0.330	4.671	0.00*
						Continuous Update	0.060	0.021	0.373	0.710
Sig level (0.05)										
F Table Value: 2.37						T Table Value: 1.977				

The value of (R) indicates the existence of a strong relationship between the existence of codes of professional conduct in its dimensions and the reduction of financial corruption crime. In addition, R^2 value indicates that CoC explains 66.1% of reducing financial corruption crime.

Conclusions and Recommendations:

The CoC sets out the rules of operation within the organization such as customer service standards, specific requirements for occupational health and safety, rules for filing a complaint, and accountability requirements. The CoC also helps to make administrative and financial decisions related to training, reward, and punishment.

The CoC and job ethics is an essential part of any corporate program to develop business ethics and combat corruption.

The most appropriate solution to address financial and administrative corruption in Jordan is to tighten control and put in place strict laws to curb corruption and mediation. Taking into consideration, the importance of tightening control and combating aspects of financial corruption and confronting its seriousness, both in the public and private sectors. Developing relations between anti-corruption organizations, and activating the role of scientific research in raising awareness about the negative effects of corruption, and the positive effects of the existence of CoC to make anti-corruption a public culture. The most valuable component in business is ethics.

The research demonstrates that Codes of Conduct (CoCs) play a crucial role in influencing employee behavior and minimizing financial corruption within Jordanian public organizations. The implementation of robust CoCs, which prioritize integrity, transparency, and ethical behavior, significantly reduces the chances of corrupt activities occurring.

The research emphasizes the importance of regularly updating CoCs and conducting ongoing training sessions for employees. This practice ensures that the codes stay pertinent and that employees are adequately informed about the most current ethical standards and legal obligations.

The results also point to the necessity of aligning CoCs with national laws and international anti-corruption treaties. Strengthening legal frameworks and increasing penalties for corruption-related offenses can further enhance the effectiveness of CoCs.

Furthermore, (Kriel et al, 2022) mentioned that the lack of codes of ethics and CoC in teaching practice is of international concern. This leads us to recommend and highlight the role of the CoC as a subject within the teaching process to reduce the negative impact of corruption.

Drawing from the results and conclusions of the discussion regarding organizational ethics, leadership, and training in public organizations here are some basic recommendations to improve ethical standards:

Enhance leadership commitment at every level should operate with ethics and integrity in their behavior, and decision-making. Establish to conduct a leadership workshop for handling ethical dilemmas & situational experiences as leader, through company domain. Enforcing a 'lead by example' policy can do wonders (humans are after all social animals) whereby employees mimic the behavior of their leads.

Create detailed codes of conduct, develop, and periodically revise Codes of Conduct establishing current ethical norms applicable to the Company and make sure that the codes are thorough, understandable by employees; also, the CoC should contain concrete examples and scenarios, which describe the behaviors that are expected in different situations.

Strengthen ethical training programs and organize and continuously run ethical training sessions for all employees, under this every employee is bound to be trained in the ethics of business that were declared as an organization level (it could also reduce chance of misunderstanding within these rules). Also, engage employees in interactive workshops, simulations and role-play exercises as an effective form to increase practical understanding of the ethical issues.

Create an environment of transparent communication that allows employees feel comfortable and motivated enough to raise a complaint related to unethical behavior without being reprimanded. Establish a variety of outlets for employees to confidentially (or anonymously as warranted) report unethical activity

Carry out regular ethical audits and perform periodic audits of adherence to ethical standards and the effectiveness of these Codes,

More transparency and accountability programs to highlight when ethical violations are managed and resolved properly to show the culture within the organization in terms of ethics governance.

Limitations:

This study was conducted in public organizations in Jordan that have CoC.

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