

AFFECTING FACTORS ON ADMINISTRATIVE CORRUPTION AT GENERAL OFFICE OF TAX AFFAIRS IN EAST TEHRAN

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Abstract

This study has done to examining the effects of Economic factors, Organizational factors and Individual factors on administrative corruption. The population w of this study was General Office of Tax Affairs in East Tehran. We selected simple size by Cochran Formula. It was 214 person that only 196 person answer our questions. The data collection tool was a questionnaire based on external questionnaire. The reliability of the survey instrument was tested using Cronbach's alpha. Coefficient alpha for the whole questionnaire were obtained 0.84. In order to investigate the research hypotheses were used the regression test. In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used. We use regression to test the hypothesis of the research. Findings show that Economic factors, Organizational factors and Individual factors have impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran

Keywords: Economic factors, Organizational factors, Individual factors, Administrative corruption

INTRODUCTION

Corruption is a universal phenomenon. It is not something new either. Corruption in one form or another existed since time immemorial. A review of penal codes utilized in various ancient civilizations clearly demonstrate that bribery was a serious problem among the Jews, the Chinese, the Japanese, the Greeks, the Romans as well as the Aztecs of the New World (Thakur, 1979:7). In ancient India large-scale corruption dominated public life (Thakur, 1979:12). As has been observed "corruption prevailed on a larger scale in India during the ancient period and the ones that followed" (Padhay 1986:26).

Public-office-centered protagonists stress the fact that misuse by incumbents of public office for private gain is corruption (Theobald, 1990:2). Those who believe in public-opinion-centered definitions of corruption emphasize the perspectives of public opinion about the conduct of politicians, government and probity of public servants (Leys, 1970:31-37). Others have suggested looking at corruption purely in terms of legal criteria in view of the problems inherent

in determining rules and norms which govern public interest, behavior and authority (Scott, 1972).

Administrative corruption is a problem with which all world countries have been grappling to a larger or lesser extent. However, its type, depth and scale differ from one country to another just as its effects are different depending on the type of political and economic structure and the level of a nation's development. Anyway, corrupt leads to decadence, pits the policies of a government against a nation, squanders national resources and reduces the efficiency of governments in running the country's affairs. This erodes people's trust in government and non-government organizations and increases indifference and inefficiency in society. Corruption undermines beliefs and moral values in the society, increases costs of implementing projects and hampers the growth of competitiveness. Nowadays, administrative and financial corruption poses a challenge to the international community. Governments around the world are well aware that the corruption is highly detrimental and knows no limits. The problem could cripple a nation's economy, hamper development, undermine the rule of law and lead to other threats to national security such as extra-national crimes (Mousavi and Pourkiani, 2013: 178).

There are a broad range of factors leading to administrative corruption and cause the problem to spread potentially or actually. Based on those factors, we can devise methods that would play more effective a role in eliminating or at least minimizing administrative corruption in any organization. If we consider the organization as a system, it consists of different subsystems. A key subsystem is human resources. While fighting administrative corruption, focusing on factors directly related to human resources can play a pivotal role in eradicating the problem. Hence, one can refer to the key role that sound management of human resources play for that matter (Mahmoodi, 2011).

Ackerman (1999) studies the economic impacts of corruption and argues that corruption reinforces the efficiency. The first reason for this claim is that if corruption merely causes the transfer of economic rent from one person to a governmental official, it cannot interfere in the economic short term efficiency. He also learned that corruption makes the problem of poverty worse through following channels:

- The poor will receive a lower level of social services.
- The poor may pay a higher tax and receive fewer services.

Tanzi (1997) did a quantitative study- in collaboration with the World Bank in through regression analysis method-on the impact of corruption within the format of four assumed variables of public investment, government income, operational costs and maintaining public capitals and public investment quality. The result of the study indicates the followings:

- Corruption at high level is convergent with public investment at a large scale.
- Corruption at high level is convergent with the low income of government.
- Corruption may cause the reduction of government incomes in particular if it acts in the direction of tax evasion, inappropriate tax exemption or weakness of tax management system.
- As the opportunity for corruption and bribe is created more effectively in new investments rather than administration of existing infrastructural facilities and opportunity for bribe is created through encouraging new public investment, so that corruption can lead to the reduction of allocation of resources.
- Assuming other conditions are fixed, corruption at high level is convergent with low allocation of sources to supply operational costs and maintaining basic investments.

- With the assumption of fixation of other conditions, there is a convergence between corruption at high level and low quality of basic investments.

In general, they have explained the following results on corruption:

- Corruption will increase the amount of investment and the expenditures of government may be retouching by a high ranking official due to bribe.
- Corruption will make public costs deviate from being spent on education and health issues.
- Corruption tends towards reduction of income tax and benefit because corruption reduces the ability of government to collect taxes and tariff (Taghavi, Nikoomaram, Tootian, 2011).

Studies show that there are numerous studies done by researchers on factors influencing corruption and various theories have been proposed. But many of them explain sociological, psychological, legal, social, individual, political and economic (Parsamehr et al, 2013).

METHOD

This study has done to examining the effects of Economic factors, Organizational factors and Individual factors on administrative corruption. The population w of this study was General Office of Tax Affairs in East Tehran. We selected simple size by Cochran Formula. It was 214 person that only 196 person answer our questions.

The data collection tool was a questionnaire based on external questionnaire. The reliability of the survey instrument was tested using Cronbach's alpha. Coefficient alpha for the whole questionnaire were obtained 0.84. In order to investigate the research hypotheses were used the regression test.

In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used. We use regression to test the hypothesis of the research. In order to determine the differences between the variables of the study, the SPSS tool has been used.

RESULTS

In this paper we have two main hypotheses. The statistical way of analysis of hypotheses is two ways, H_1 is acceptance of hypothesis and H_0 is rejecting of hypothesis. In other words, it means that H_1 has positive meaning and H_0 has no meaning.

First hypothesis: Economic factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

- H_1 : Economic factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.
- H_0 : Economic factors don't has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

Table 1 shows that regression analysis has been done in order to determine the effect of Economic factors as independent variable and administrative corruption as dependent variable.

Table1, Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of the Estimate
.87	.822	.921	.115

Table 2 shows the ANOVA results.

	Square	df	Mean square	F	Sig
Regression	36.897	1	36.879	167.434	.000
Difference	65.637	195	.220		
Total	102.517	196			

Table3, Regression of the independent and dependent variables

Explanatory variable	B	SE	BETA	t	sig
constant	7.995	6.54		1.87	0.040
Economic factors	.78	.19	.73	3.97	0.000

According to the tables, it is observed that the amount of sig is equal 0.000 at 95% confidence level is less than 5%. Therefore, assuming a linear regression model was significant and the model is confirmed. We can accept H₁ and say that Economic factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

Second hypothesis: Individual factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

- H₁: Individual factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.
- H₀: Individual factors don't has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

Table 4 shows that regression analysis has been done in order to determine the effect of individual factors as independent variable and administrative corruption as dependent variable.

Table4, Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of the Estimate
.81	.8940	.939	.156

Table 5 shows the ANOVA results.

	Square	df	Mean square	F	Sig
Regression	36.564	1	36.564	115.988	.000
Difference	93.941	195	.315		
Total	130.505	196			

Table6, Regression of the independent and dependent variables

Explanatory variable	B	SE	BETA	t	sig
constant	7.825	6.52		1.85	0.040
Individual factors	.56	.16	.54	4.91	0.000

According to the tables, it is observed that the amount of sig is equal 0.000 at 95% confidence level is less than 5%. Therefore, assuming a linear regression model was significant and the model is confirmed. We can accept H₁ and say that individual factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

Third hypothesis: Organizational factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

- H₁: Organizational factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.
- H₀: Organizational factors don't has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran.

Table 7 shows that regression analysis has been done in order to determine the effect of organizational factors as independent variable and administrative corruption as dependent variable.

Table7, Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of the Estimate
.86	.908	.907	.124

Table 8 shows the ANOVA results.

	Square	df	Mean square	F	Sig
Regression	36.591	1	36.591	220.969	.000
Difference	50.696	195	.170		
Total	88.287	196			

Table9, Regression of the independent and dependent variables

Explanatory variable	B	SE	BETA	t	sig
constant	7.495	7.04		1.21	0.040
Organizational factors	.64	.19	.54	3.30	0.000

According to the table, it is observed that the amount of sig is equal 0.000 at 95% confidence level is less than 5%. Therefore, assuming a linear regression model was significant and the model is confirmed. We can accept H₁ and say that organizational factors has impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran

Findings show that Economic factors, Organizational factors and Individual factors have impact on incidence of administrative corruption at General Office of. Tax Affairs in East Tehran

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