



PERCEPTION OF ADMINISTRATIVE CORRUPTION AMONG BUSINESS MANAGERS IN BAGHDAD,IRAQ

**Research project submitted to the faculty of Business Management in
partial fulfillment of the requirements for the degree of Master of
Business Administration**

Universiti Utara Malaysia

By

Munadil K.Faaeq



**Fakulti Pengurusan Perniagaan
(Faculty of Business Management)
Universiti Utara Malaysia**

**PERAKUAN KERJA KERTAS PROJEK
(Certification of Project Paper)**

Saya, yang bertandatangan, memperakukan bahawa
(I, the undersigned, certify that)

MUNADIL. K. FAEEQ

calon untuk Ijazah
(candidate for the degree of) **MASTER OF BUSINESS ADMINISTRATION**

telah mengemukakan kertas projek yang bertajuk
(has presented his/her project paper of the following title)

PERCEPTION OF ADMINISTRATIVE CORRUPTION AMONG

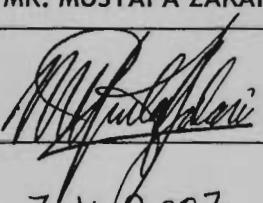
BUSINESS MANAGER IN BAGHDAD, IRAQ

Seperti yang tercatat di muka surat tajuk dan kulit kertas projek
(as it appears on the title page and front cover of project paper)

bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan
meliputi bidang ilmu dengan memuaskan.

(that the project paper acceptable in form and content and that a satisfactory knowledge
of the field is covered by the project paper).

Nama Penyelia
(Name of Supervisor) : **MR. MUSTAFA ZAKARIA**

Tandatangan
(Signature) : 

Tarikh
(Date) : **7.11.2007**

PERMISSION TO USE

In presenting this project as a partial fulfillment of the requirement for a postgraduate degree from University Utara Malaysia, I agree that University Library may make it freely available for inspection. I further agree that permission for copying this project in any manner, on whole or in part, for scholarly purposes may be granted by my supervisor(s) or, in his absence, by the Dean of the Faculty of Business Management. It is understood that any copying or publication or use of this research project or part thereof for financial gain shall not be allowed without any written permission. It is also I understood that due recognition shall be given to me and to University Utara Malaysia for any scholarly use which may be made of any material from my research.

Request for permission to copy or to make other use of material in this project, in whole or in part, should be addressed to:

Faculty of Business Management

University Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

ABSTRACT

This study is an attempt to examine the perception of administrative corruption among managers of business organizations in Baghdad, Iraq. A survey was carried out among 16 business managers in the area of Resafa in Baghdad .The result of the survey showed that the managers are aware about the incident of corruptions. In addition the managers also suggest some measures to reduce corruption in Iraq.

ACKNOWLEDGEMENTS

In the name of Allah.

Most Beneficent and Most Merciful, Praise and thanks to Allah, first and last, lord and Cherisher of all the worlds who taught humankind everything they knew not. May his blessings and His Mercy be upon the holy prophet Muhammad S.A.W the best of mankind.

My aim in this study to start building my country and this is in shallah the first stage for the Iraq and in shallah Allah help me to continue building Iraq without any corruption.

I am very grateful to my uncle Raouf Al-SAMRRAIE because he support me to do my study and building new Iraq.

My heartfelt, special appreciation thanks and love go to my father khalil Faaeq Raoof, mother, brother Alaa, my sisters, and all my relatives and friends, who have constantly, support and motivate me to complete this study. I do and will continue to pray that Allah reward all of them abundantly.

I am very grateful to Universiti Utara Malaysia and especially for Executive Development Center (MBA) for giving me the opportunity to complete my master of Business Administrative (MBA) General.

I would like to thank my supervisor Mr. Mustafa Zakaria for his guidance, critique and comments. I am deeply indebted to him for his kindness and patience throughout the supervision and preparation of this research project from the start until the final stage, is invaluable to me. Words cannot express my sincere appreciation to him.

Although I faced with the sadness when my grand father Faaeq Raouf passed away during my study, I prayed that may Allah reward him heaven for his support during my life

TABLE OF CONTENTS

PERMISSION TO USE.....	I
ABSTRACT.....	II
ACKNOWLEDGEMENTS	III
TABLE OF CONTENTS.....	IV
LIST OF THE TABLE.....	V

CHAPTER 1 INTRODUCTION

1.0	Background of study	1
1.1	The research problem	2
1.2	The Objective of the Study	3
1.3	The Research Questions	3
1.4	Scope of Study.....	4
1.5	Sample.....	4
1.6	Method of Analysis	4

CHAPTER 2 LITERATURE REVIEW

2.0	Introduction	5
2.1	Overview on Corruption.....	5
2.2	Definition.....	6
2.3	Corruption in Organization.....	9
2.3.1	Types of administrative corruptions.....	10
	A. Corruption based on offerings	11
	B- Corruption based on practice.....	12
	C- Corruption in general.....	12
2.4	Factors Contributing to Corruption.....	13

CHAPTER 3 METHODOLOGY

3.0	Introduction	15
3.1	Sampling Frame	15

3.2	Data Collection.....	15
3.3	Research Instrument.....	16
3.4	Data Analysis.....	16
3.5	Reliability Analysis.....	16

CHAPTER 4 RESULT

4.0	INTRODUCTION	17
4.1	Respondents background.....	17
4.2	Perception on Corruption in Iraq	18
4.2.1	Administrative corruption	19
4.3.2	Corrupt practices.....	20
4.3.3	Prevention of Administrative Corruption	22

Chapter 5 DISCUSSION AND CONCLUSION

5.0	Introduction	24
5.1	Discussion.....	24
5.2	Implication of the study.....	25
5.3	Recommendation for future research.....	26
5.4	Conclusion.....	26
	REFRENSES	27
	APPENDIX	33

LIST OF THE TABLE

Table 3.5: Measures	16
Table 4.1; Business type.....	17
Table 4.2: Academic achievement.....	18
Table 4.3: Years of Experience.....	18
Table 4.4: Administration Corruption.....	19
Table 4.5: Corrupt Practices.....	20
Table 4.6: Prevention of Administrative Corruption.....	22

CHAPTER 1

INTRODUCTION

1.0 Background of Study

Presently in Iraq the problem of financial and administrative corruption is particularly rampant among government and business officials. While some of the government and business officials in Iraq resort to corruption, the people of Iraq suffered under the yoke of poverty and hunger.

The impact of corruption in the country development is clear .It can be seen from the reluctance of investors to start businesses, weaken development project, high cost of living, and lack of transparency. All these further add to the present problem in Iraq.

The issue of corruption in government and business organizations is a considerable subject to be discussed in the recent time. Corruption is one of the major problems that need to be solved if the country is to develop further.

To conduct a research on the administrative corruption is the first step to come up with a strong administrative system in organization that is going to be able to detect and correct any potential administrative corruption that is present .This study is very important because it discusses one of the most dangerous organizational epidemics that challenge both the private and public sectors together. At the end it destroys the personnel values of the administrative officers and prevents them from achieving the organization objectives, to conduct a research on the administrative system is a first step toward the development of a good administrative system as it is hope that corrupt practices can be prevented and reduces corruption.

The contents of
the thesis is for
internal user
only

References

- 1- Adams, G. Measurement & Evaluation in Education Psychology & Guidance. New York: Holt press, 1960
- 2- Baucus .M. & Near. Can Illegal corporate Behavior predictd An Event History Analysis. Academy of Management Jomal, Vol. 34, January 1991, P .P(9 .46).
- 3- Caiden & Caiden. Administrative Corruption public Administration Review, Vol. 37, Jan 1977, pp.(301-310).
- 4- Daboub, Antony. Top Management Team characteristics And Corporate Illegal Activity. Academy of management Review, Vol.20, 1995, p.p.(138-170).
- 5- Dobel, J. Patrick. The Corruption of State. American political Science Review, Vol. 72, 1978, p.p.(960-980).
- 6- French, B. A. The Corruption As moral person. American philosophical Quarterly Vol. 16, 1979, p.p.(297-317).
- 7- Gzajkosk, Eugen. Bureaucracy and Crime. International Journal of public Administration. Vol. 5, 1983, p.p.(195-215).
- 8- Hambrick, D. Mason. Upper Echelons An organization As Reflection of It Is Top Manager. Academy of management Review, Vol. 9, 1984, p.p.(193-206).
- 9- Hays, Steven, W. Personal Management In the public Sector. Boston: Allyn and Bacon, 1984.
- 10- Heidenherimer, AJ. Politcal Corruption: Readings m Comparative Analysis. New York, MGHAIL. 1975.
- 11- Hope, K.R. Administrative Corruption and administrative Reform in developing States. N.Y. 1987.

12- Kenneth, Kernaghan & O.p Dwivedi. Ethics in the public Services.
International institutes of administrative Sciences, Procsel,
1983.

13- Klitgard , Robert. Managing the Fight Against Corruption. A Case study,
Public Administration Review, Vol. 7, 1984, p.p. (77-98).

14- Kursany, Ibrahim & Kameir. Corruption As Afifth Factor of production
in the Suden. 1985.

15- Ledivina, Carino. Bureaucratic Corruption in Asia: Causes,
Consequences and Controls. Philippines,
1986.

16- Leys, C. What is the problem about Corruption. A. J. 1980.

17 - Mayer, N. Zald. Decentralization - Mythus Reality personnel. 1964.

18- Myrdald, G. Corruption as a hindranse to Modernization in S. Asia.
N.y.1970.

19- Peter, J.G Welch. Political Corruption in American a Search For
Definition and Theory. Political Science Review, Vol. 72,
1978, p.p.(20 1-212).

20- Schwartz, A.H. Corruption And Political Development in the USSR.
Comparitive politics, Vol. 11, 1979, p.p. (151-160).

21- Szwajkowski, E. Organizational Illegality Theoretical Integration And
Administrative Application. Academy of Management
Review, Vol. 10, 1995, p.p.(558-570).

22- Webster S. New Collegiate. Dictionary. 1975, U.S.A.

23- Wemer, Simcha. New Direction in The Study of Administrative
Corruption. Public Administration Review, Vol. 43, 1983,
p.p.(146-154).

25- Baucas .M. & Near. Can Illegal corporate Behavior predicted An Event
History Analysis. Academy of Management Jomal, Vol. 34, J

anuary 1991, P .P(9 .46).

- 26- Abed G.T. & Gupta S. Ed. Governance, Corruption, and Economic Performance, International Monetary Fund, Washington, DC. (2002).
- 27 Acemoglu D.& Verdier, T. The choice between market failures and corruption.
RePEc:aea:aecrev:v:90:y:2000:i:1:p:194-211
- 28- Acemoglu, D. & Verdier, T., "The Choice between Market Failures and Corruption," DELTA Working Papers 97-06, DELTA (Ecole normale supérieure). (1997).
- 29- Aidt, Toke S., "Political internalization of economic externalities and environmental policy," Journal of Public Economics, Elsevier, vol. 69(1), pages 1-16, July (1998).
- 30- Aminuzzaman, S.M. "Accountability and Promotion of Ethics and Standards of Behavior of Public Bureaucracy in Bangladesh", Asian Review of Public Administration Vol.8, No.1 :13-27. (1996).
- 31-Andvig, J.C. & Ove Moene, K., "How Corruption May Corrupt," Memorandum 20/1988, Oslo University, Department of Economics.
- 32-Andvig, Jens Chr. & Moene, Karl Ove., "How corruption may corrupt," Journal of Economic Behavior & Organization, Elsevier, vol. 13(1), pages 63-76, January. (1990)
- 33- Arora, D. "Conceptualizing the Context and Contextualizing the Concept : Corruption Reconsidered", Indian Journal of Public Administration, Vol.39, No.1 : 1-19. (1993).
- 34- Bartlett, C.A., and Ghoshal, S. Managing Across Borders, Boston, MA:

Harvard Business School Press (1989).

35-Basu K., Bhattacharya S. and Mishra A., Notes on bribery and the control of corruption, *Journal of Public Economics*, 48, 349-359.
RePEc:eee:pubeco:v:48:y:1992:i:3:p:349-359

36- Basu, Kaushik & Bhattacharya, Sudipto & Mishra, Ajit., "Notes on bribery and the control of corruption," *Journal of Public Economics*, Elsevier, vol. 48(3), pages 349-359, August. (1992)

37- Beasley T., Cracelio J., Hermanson D., and Lapides P. Fraudulent Financial Reporting: Consideration of Industry Traits and Corporate Governance Mechanism, *Accounting Horizons*, 14:4: 441-454. (2000)

38-Besfamille, Martin, 2004. "Local public works and intergovernmental transfers under asymmetric information," *Journal of Public Economics*, Elsevier, vol. 88(1-2), pages 353-375, January.

39-Caiden G.E. "Toward a General Theory of Official Corruption", *Asian Journal of Public Administration*, Vol.10, No.1 : 3-26. (1988).

40-Caiden G.E., "What Really is Public Maladministration?" *Indian Journal of Public Administration*, Vol.37, No.1 :1-16. (1991)

41-Carino, L.V. "The Definition of Graft and Corruption and the Conflict of Ethics and Law", *Philippine Journal of Public Administration*, Vol.23, Nos.3 and 4, : 221-240 (1979).

42-Carson T. L. Self-Interest and Business Ethics: Some Lessons of the Recent Corporate Scandals; *Journal of Business Ethics*, 43,4:389-394. (2003)

43-Carson T. L. Self-Interest and Business Ethics: Some Lessons of The Recent Scandals; *Journal of Business Ethics*, 43: 389-394. (2003)

44- Collier M. W. Explaining corruption: An Institutional Choice Approach; Crime, Law and Social Change, 38 1-32. (2002)

45-Daron Acemoglu & Thierry Verdier, "The Choice between Market Failures and Corruption," American Economic Review, American Economic Association, vol. 90(1), pages 194-211, March. (2000)

46-Della Porta D. and Vannucci A. The a perverse Effects of Political Corruption; Political Studies, XLV, 516-538 Della Porta D. MAny Y. Democracy and Corruption in Europe; Pinter, London. (1997)

47-Doh J. P., Rodriguez K., Uhlenbruck, J.c., and Eden L. Coping with corruption in foreign markets; Academy of Management Executive, 17, 3:114-127. (2003)

48-Doig, Alan, and McIvor S. Corruption and Its Control in The Developmental Context: An Analysis and Selective Review of the Literature. Third World Quarterly 20, 3:657-676. (1999)

49-Ehrlich I. and Lui F.T. Bureaucratic corruption and endogenous economic growth, Journal of Political Economy 107, 270â293. (1999)

50- Eisenhardt, K. M. Agency Theory: An Assessment and Reviewâ, Academy of Management Review 14, 57â74. (1989)

51-Fredriksson P.G., List J.A. and Millimet D.L. Bureaucratic corruption, environmental policy and inbound US FDI: theory and evidence, Journal of Public Economics 87, 1407â1430. (2003)

52-Fredriksson, P.G. and J. Svensson, Political Instability, Corruption and Policy Formation: The Case of Environmental Policy, Journal of Public Economics, 87, 7-8, 13831405. (2003).

53-Fritzsche, D. J. & H. Becker.. Linking management behavior to ethical philosophy. An empirical investigation, Academy of Management Journal, 27, 1: 166-175(1984)

54- Fritzsche D. J. and Becker H. Linking Management Behavior to Ethical Philosophy. An Empirical Investigation; Academy of Management Journal, 27:1: 166-175. (1984)

55- Gambetta D. and Reuter, Peter Conspiracy Among the Many: The Mafia in Legitimate Industries, in Fiorentini G. and Peltzman S. Eds. pp. 116-139. (1995)

56- Isaac Ehrlich & Francis T. Lui,. "Bureaucratic Corruption and Endogenous Economic Growth," Journal of Political Economy, University of Chicago Press, vol. 107(S6), pages S270-29, December. (1999).

57- Stephen P. Dunn,. "Fundamental Uncertainty and the Firm in the Long Run," Review of Political Economy, Taylor and Francis Journals, vol. 12(4), pages 419-433, October. (2000)

58- Toke S. Aidt,. "Economic analysis of corruption: a survey," Economic Journal, Royal Economic Society, vol. 113(491), pages F632-F652, November. (2003).

59-Omran R," administrative corruption "practice in Teshren University, Al-Wehda news paper.(2007)

60- AL-Falahi H," Administrative corruption" ,. Al-Reyad news paper, 24 may (2005)

61-AL-naba information net, Administrative corruption in Iraq .(2007)

62- Al-Sary K," Administrative corruption".2006- no 1616.

63-Al-shIabot M, "return corruption in Iraq". (2006).

64-Begovic B" Corruption : Concepts Types, Causes, and Consequences "(2007).