The Effect of Official Corruption on Organizational Cynicism Mediated by the Leadership Style (Case Study: Personnel of Zanjan University of Medical Sciences)

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ABSTRACT

The present paper aims to study the effect of official corruption on organizational cynicism mediated by the leadership style among staff of Zanjan University of Medical Sciences. A conceptual model was also proposed to evaluate research variables and helped to overcome limitations of previous studies. Research statistical population included 370 personnel that 188 participants were chosen with simple random sampling, using Morgan table and Cochran formula. Standard questionnaires of Abedi (2016) and Moqimi (2018) were used to collect research data. The validity of items was evaluated using factor analysis method. On the other hand, the research reliability was examined on the basis of Cronbach's alpha and composite reliability. The software packages used to analyze research data via the structural equations modeling (SEM) were SPSS and PLC. The research findings further support researchers' hypotheses. The results showed that effect of leadership style on organizational cynicism is more significant than official corruption. In the same way, providing clients with technology-based information accompanied by providing adequate training, offering well-timed, good support on the services to beneficiaries, as well as promotion of services are worthy of note.

Introduction and problem statement

With the advent of earlier governmental forms, official corruption has formed and the contemporary world is still facing it more or less. It comes up as a serious problem causing many harms and losses to the public interests and diplomacy worldwide. In other words, this is one of the economic problems has been facing countries, especially developing economies, for a long time. According to World Bank definition, official corruption includes misuse of power, authority, position, laws and regulations for personal interests which leads to unequal distribution of incomes, ambiguity in the administrative body, overriding citizens' sociopolitical rights, disturbing the public financial system, like budgeting, having little control over governmental investment and purchases contracts of ministries and executive organizations, and decreasing foreign and domestic investments (Paroun and Moqbel, 2014).

Different politic, economic and social elements such as low level of national incomes, closed and state-based economy of countries, legal ambiguity in executive organizations, economic dilemma, i.e., unemployment and inflation, are among well-known causes involved in creating official corruption. Identification of effective elements in creating or decreasing official corruption play a pivotal role in boosting per capita income as well as economic growth and development. People terribly suffer from cynicism in the new millennium. In particular, there are a lot of disgrace, distrust and opportunistic behavior in large companies (Jeddi, 2016).
The main belief relevant to the cynicism is that justice, honesty and truth have been scarified for the sake of personal interests. This negative attitude has penetrated into many organizations, and it is the leading cause of undesired consequences of organization and one of the challenging issues in workplaces (Dadashi, 2016). Organizational cynicism is resilient to environmental factors. As a result, it is not only attributed to feelings that negative person brings to the organization, but also organizational cynicism is gradually formed by experience. The origin of such experiences is violation of psychiatric convention, failed abeyance and measures concerning changes in managers’ excessive salary and fringe benefits (Wans et al., 2013). In addition to this, a lack of cooperation among supervisors, hypocrisy of senior managers, organizational scandals, failing to meet organizational commitments, job difficulties, serious inconsistencies in roles, and less opportunities to reveal independent behavior are worthy of note (Baroft et al., 2018).

Recent researches suggest that pessimistic staff are less productive, have low level of job satisfaction and organizational commitment, are less likely to collaborate in organizational changes, and have very poor motivation, that all may lead to decrease in their efficiency, lose their interest and create cynicism mainly because the leadership style of managers and supervisors directly affects behavior of staff. Scholars believe that leaders are responsible for integrating staff into and developing their understanding of organizations. The present research aims to study the effect of official corruption on organizational cynicism mediated by the leadership style among staff of Zanjan University of Medical Sciences. Therefore, according to the purpose of the research, this research seeks to answer the following question:

To what extent does official corruption affect organizational cynicism with the moderating role of leadership style (Case study: Zanjan University of Medical Sciences staff)?

Research theoretical foundations

Official corruption and its types

History shows that a lot of attempts have been made to classify corruption and provide a coherent strategy to approach this complicated phenomenon (Dadashi, 2016, p.15). Several studies were carried out with a comprehensive approach in the field of political economy so as to discuss the phenomenon, through which some forms of corruption were introduced as the basis for understanding this social problem (Rose, 2015). In a general investigation, corruption can be grouped into three types, including political, official and elective. It assists to clear some facets of the issue. According to several comprehensive and contemporary definitions, it is defined as misuse of governmental authority, public resources or some public commitments for personal gain (Heidenheimer, 2018). Corruption is a systematic part of the political flow, which is much more important than a simple misuse of delegation powers in order to obtain personal interests (Johnston, 2015).

1. As Hadis (2004) defined, political corruption includes a wide range of illegal offences and acts committed by former political managers while working at and after leaving the organization. It completely differs from petty and/or bureaucratic corruptions committed by political authorities, selected officials and those who are elected representatives of people.

2. Official corruption is another form of corruption that involves the abuse of government responsibility for the acquisition of financial gain. It occurs when official personnel who are reasonable for development and management of state’s economic policies abuse their privileges and grant some concessions to others. As M. Bakou (1996) stated, official corruption provides civil servants with a chance to compensate services they offer to the organization which are more than what they are expected to do by law. Founders of private sector would continue to keep their own exclusive economic situation thanks to official corruption. Policymakers, who serve to protect public property, embark
on misuse of public wealth in order to obtain security and legal monopoly. By and large, official corruption allows the inefficient production to be continued in the business, persuade the government to follow its false economic policies, and provides civil servants with chances to accumulate much more wealth through plunder and bribery. However, when the issue is studied in detail, a wide range of different important corruption methods are revealed which are in proportion to the foregoing classification of political and official corruption. Furthermore, in accordance with the present research, previous studies have demonstrated that corruption is one of the most well-know features of the private sector acts (Harsh, 2013).

3. Accidental and systematic (acute) corruption
Distribution pattern of corruption varies from state to state. If corruption is limited, it is easy to detect and eliminate. On the other hand, it is difficult to find widespread and systematic corruptions, as well as to punish agents thereof, mainly because unlike the former, those involved in the latter are not willing to report wrongdoing (Hashemi and Pouramin Zad, 2014). Wherever systemic corruption is existent, bodies as well as behavioral regulations and standards are required to conform to maps of officialdom and plunder of governmental authorities.

4. Minor and major corruption
There is a world of difference between minor and major corruptions. Corruption among, head of government, ministries and high-ranking state officials is called major. On the other hand, corruption cases among staff such as police officers and tax authorities are known as minor. Controlling and prevention of major corruption predominates, because it is impossible to root out minor corruption as long as the major one is out of control (Zahedi et al. 2013).

Organizational cynicism
Cynicism refers to a form of mentality and life style originated from ancient Greek. There is some doubt as to where the word cynicism came from. Some believe that it is derived from the Greek term κύων (kyôn), which means dog, and analogize pessimists to a dog who commences barking whenever finds a behavior contrary to his/her opinion. Some other believes that it comes from the word “cynosarges”, a town near Athena, where the first pessimism school was founded (Baroft et al., 2018)

According to common culture, the term cynicism describes those who ascribe personal interests as the main motive of human behaviors and don’t believe in sincerity and human perfections as human motives. From Oscar Wild’s viewpoint, pessimist is someone who knows price of everything not its value. Based upon the Oxford Dictionary, cynicism is defined as follows “a state in which the actions and motives of honesty and good man (is denied)” (Vance et al., 2013

Leadership styles: There have been several classifications of leadership style throughout history, however, the contemporary one divides it into transformational and transactional (Akbari et al., 2013).

Transformational leadership: It refers to a process leading to evolution of people and relates to values, moral characteristics, long-term objectives, evaluation of effectual incentives to personnel, satisfaction of demands, and the way to behave them. It needs four elements to come to realize, including paying attention to needs of others, encouraging others to think, inspirational motivation and deep penetration (Hoseini et al., 2010). As Ovelio (1999) defined, striking features of this group are: being optimistic, having self-confidence, being reliable for subordinates so as to achieve goals and empower their capabilities, encouraging people to attain knowledge towards problems and resolving thereof (Saki, 2015).

Transactional leadership: This group of leaders is aiming to concentrate more on motivation and basic demands of employers to reach their certain goals. Transactional leadership mainly depends upon functions of
both economic rewards and an exception-based management. According to Bernoz (1978), it takes over via giving appropriate rewards proportion to performance; that is, employers are paid different types of premiums for specific objectives; moreover, although an active leader seeks to find a deflection away from purposes, those passive look for oncoming actions (Abbas Zade et al., 2014).

**Literature review**

Koratka et al. (2018) published a paper entitled “the effect of poisonous leadership style on organizational cynicism and a sense of the alienation of job mediated by Machiavellianism among staff of Ministry of Sport and Youth”. Research results showed that poisonous leadership has positive impact on organizational cynicism and alienation of job with 0.53 and 0.50 impact factors, respectively. Furthermore, it may allege that influence coefficient of Machiavellianism for the effect of poisonous leadership on organizational cynicism and job alienation are 0.32 and 0.34, respectively.

Rataker and Bakron (2017) carried out a research entitled “the effect of organizational cynicism on bias towards deflective behaviors”. Hypothesis test results suggested that although organizational cynicism has a significant positive impact on attitude towards deflective behaviors among personnel, and transactional leadership can mediate this effect.

Abbas pour and Barati (2016) conducted a study entitled “the effect of leadership style on organizational optimism mediate by psychiatric environment”. Research results showed that although the direct relationship between organizational optimism and relation-based leadership style is not significant, there is a positive significant correlation between psychiatric environment and organizational optimism. Likewise, the main hypothesis was accepted and results suggested that the total effect of a relation-based leadership style is specified indirectly through psychiatric environment; thus given research results, the relation-oriented leadership can be used to improve psychiatric environment and organizational optimism among servants and lecturers of university.

Hamoudi and Godarzi (2017) done a research entitled “the effect of managers’ benevolent leadership style on organizational cynicism”. The findings suggest that there is a correlation between managers’ benevolent leadership style and organizational cynicism among female second grade high school teachers of Borujerd, Iran.

**Research conceptual model**

![Figure 1: Research conceptual model](image_url)

**Hypotheses**

**Primary**

There is a positive correlation between official corruption and organizational cynicism mediated by the leadership style.

**Secondary**

There is a positive and significant relationship between official corruption and organizational cynicism.

There is a positive and significant relationship exists between organizational cynicism and leadership style.

**Method**

The present paper aims to examine the effect of official corruption on organizational cynicism mediated by the leadership style among staff of Zanjan University of Medical Sciences. The present study is an applied and qualitative research. The study design is descriptive survey.
The statistical population of this study included 370 staff of Zanjan University of Medical Sciences. By the Cochran formula, the sample size was computed 188 people. Questionnaires were designed and distributed among participants, and the number of those returned was corresponded to the sample size. The questionnaire was of two parts. Demographic questions included in part one and part two was concerning variables of official corruption, organizational cynicism and the leadership style. It was drawn up using both Abedi (2016) and Moqimi (2018) standard questionnaires. In the same way, questions 1-8, 9-15, and 16-27 were concerning official corruption, the leadership style, and organizational cynicism, respectively. Participants responded to this questionnaire based on a five-choice response scale (from strongly agree to strongly disagree). Each question was allotted from 1 to 5 points. The initial questionnaire was sent to some skilled researchers in order to review its content and face validity. After receiving and applying their opinion, the questionnaire was made available for some staff and it was edited in order to make sure that respondents would completely understand it. A Cronbach’s alpha test was exercised to evaluate questionnaire reliability. The Cronbach’s alpha coefficients were computed using SPSS. In the present research, the software application used to prove model validity via the partial least squares (PLS) method was Smartpls, mainly due to existent of multiple independent variables and indices.

Research findings

In the PLS method, three sections are studied in order to fit structural equations models, including measurement equations, structural equations and the total model. Index reliability, convergent and divergent validities were also used to examine fitting of measurement equations. On the other hand, index reliability was evaluated by factor loading coefficients, Cronbach’s alpha and composite reliability.

To measure factor loading coefficients, the total model consisted of all research elements and questions, were entered into the PLS software, hence factor loading coefficients of some questions, 4-9, 7, 11, 18, 22-24, 26, and 27, were less than 0.4 (Fig.1). Therefore, the model was recalled when the forgoing questions were deleted. All questions obtained coefficients more than 0.4 when the model recalled, so it is not required to delete questions anymore. In order to examine the second and third indexes (Cronbach’s alpha and Composite reliability), output data obtained from SmartPLS2 software are summarized in table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s alpha</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official corruption</td>
<td>0.720</td>
<td>0.80</td>
</tr>
<tr>
<td>Leadership style</td>
<td>0.844</td>
<td>0.908</td>
</tr>
<tr>
<td>Organizational cynicism</td>
<td>0.711</td>
<td>0.771</td>
</tr>
</tbody>
</table>

A higher Cronbach’s alpha and composite reliability for the main research constructs of 0.7 confirm the reliability of the model fit index.
criterion level (mean variance extracted) is 0.4 (Magner et al., 1996). The AVE results obtained each element are summarized in table 3. As it is shown in table 3, all AVE are higher than 0.4, so it remains to prove that the convergent validity is adaptable to the model.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Official corruption</th>
<th>Leadership style</th>
<th>Organizational cynicism</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVE</td>
<td>0.81</td>
<td>0.83</td>
<td>0.82</td>
</tr>
</tbody>
</table>

### Divergent reliability

Suggests correlation between an element and its indexes. It meets the standard level when the square of AVE for each element is higher than the common variance between the element and other model’s elements.

As it is shown in Table 3, AVE level of every element (amount of the main diameter) is greater than its correlation coefficients with other elements (amounts of the same row and column), thus, acceptable divergent reliability of elements is supported. Determining the significant coefficients of t and R² were used to study fitting of the structural model.

#### t-Significant coefficient

The most initial criterion to examine the correlation between model elements, (structural part), is significant t values.

The relationship between elements and as a result hypotheses are supported when the value is higher than 1.96. Accordingly, given the research model, all hypotheses as well as fitting of the structural model were supported.

### R square (R²)

Another criterion to evaluate the fitting of the research structural model is R square (R²). It refers the effect of an independent variable (external) on a dependent one (internal). The higher it is the value, the better model fitting will occur. Chine (1998) introduced 0.19, 0.33, and 0.67 as standard values for low, medium, and high levels of R², respectively. R² for the model main internal variable is 0.23 and 0.30, so it indicates the fitting is adaptable to the research structural model.

### Goodness of Fit (GOF)

Suggested by Tenenhaous et al., (2004), to evaluate the total model. It is computed as follow:

\[
GOF = \sqrt{\sum \text{Communalities} R^2}
\]

\[
GOF = \sqrt{0.5 \times 0.23} = 0.33
\]

\[
GOF = \sqrt{0.5 \times 0.30} = 0.38
\]

The values 0.01, 0.25, and 0.36 were suggested as low, medium, and high values for the total model goodness of fit, respectively. GOF value was 0.33 and 0.38 for the research model, which indicates a powerful total fitting.

### Testing research hypotheses based on the partial least square (PLS)

Concerning hypotheses tests, both path and the given path coefficients are significant and the hypothesis is supported when the t-statistic is higher than 1.96, otherwise, the path coefficient is insignificant and the hypothesis is not supported. Hypotheses results are summarized in table 4.
<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>t-statistics</th>
<th>Path coefficient</th>
<th>Hypothesis result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official corruption has a positive impact on organizational cynicism</td>
<td>8.450</td>
<td>+</td>
<td>accepted</td>
</tr>
<tr>
<td>mediated by the leadership styles among staff of Zanjan University of Medical Sciences.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Official corruption has a positive impact on organizational cynicism</td>
<td>5.514</td>
<td>+</td>
<td>accepted</td>
</tr>
<tr>
<td>among staff of Zanjan University of Medical Sciences.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership style has a positive impact on organizational cynicism among</td>
<td>16.276</td>
<td>+</td>
<td>accepted</td>
</tr>
<tr>
<td>staff of Zanjan University of Medical Sciences</td>
<td></td>
<td></td>
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</tbody>
</table>

**Conclusion**

With the advent of earlier governmental forms, official corruption has been formed and the contemporary world is still facing it more or less. Official corruption comes up as a serious problem causing many harms and losses to the public interests and diplomacy worldwide. In other words, official corruption has been one of the most important economic problems facing countries, especially developing economies, for a long time ago.

The present research aims to study the effect of official corruption on organizational cynicism mediated by the leadership style among staff of Zanjan University of Medical Sciences. By and large, it should be noted that the most important variable indexes were identified based on research theoretical foundations and findings as well as documented scientific reports, and most of them were confirmed as the fundamental working aspects.

As it was mentioned earlier, the current research paper had three hypotheses. *(The official corruption has positive impact on organizational cynicism mediated by leadership style among staff of Zanjan University of Medical Sciences)*, $H_1$, is supported, mainly because its t-statistic is 8.450. Because, its path coefficient and t-statistics are higher than 1.96. *(The official corruption has positive impact on organizational cynicism among staff of Zanjan University of Medical Sciences)*, $H_2$, is also accepted because its coefficient is higher than 1.96. Likewise, $H_3$, the leadership style has positive impact on organizational cynicism among staff of Zanjan University of Medical Sciences, is accepted since its t-statistic is 16.276.

Given the confirmed hypotheses, managers and authorities of Zanjan University of Medical Sciences are suggested to strengthen research variables. In the same way, providing clients with technology-based information accompanied by providing adequate training, offering well-timed, good support on the services to beneficiaries, as well as promotion of services quality are worthy of note. Since, it leads to decrease in official corruption, and so organizational cynicism is dropped as well. Furthermore, modern and resilient leadership styles greatly affect performance and efficiency of the university.

**Limitations and further researches**

A key limitation of this research is that no previous study has investigated organizational cynicism. In addition to this, despite all our efforts to access a large sample, number of dissatisfied participants was varied, mainly because a great deal of staff were unfamiliar with content of the questionnaire, so it looked increasingly likely to affect research results. Thus, it is possible to achieve much more different results by collecting a big sample. Likewise, findings suggest that results of adjusted values for multiple structures would be beneficial. An effective collaboration between variables is also suggested for future researches. Clearly, further research will be required to address the issue using a longitudinal study that probably adds extra aspects to correct research conception.

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