

## **Corruption in International Business**

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### **Abstract**

We duly anatomized the composition of corruption in transnational business for the last seventeen times from 1992 and 2019. We linked seven exploration aqueducts in this literature: 1) the legislation against corruption, 2) the determinant of corruption, 3) combating corruption, 4) the effect of corruption on enterprises, 5) the political terrain and corruption, 6) corruption is the a big issue for the old systems of operation, and 7) the impact of corruption on foreign direct investment and trade. Grounded on this analysis, we suggest that the transnational laws should reduce the rear effect of corruption on transnational business. Enterprises should also make consideration for corruption when creating strategies to enhance functional-effectiveness/ performance. Corruption challenges have some crucial factor of being systems of operation. Scholars must test and increase the area of these systems by considering corruption as an important problem in transnational business.

### **Keywords**

Corruption, Bribery international business, Politics, Bibliometric analysis Meta-literature review, and Firms content analysis.

### **1. Introduction**

Corruption is a multi-disciplinary issue that scholars from a different areas or fields & disciplines have examined/ anatomized. These are some studies about corruption in several disciplines that's a law (Mijares, 2015), finance (Pantzalis, Chul, & Sutton, 2008; Rose, 2002), economics (Brada, Drabek, 2012; Accounts (Everett, Neu, Rahaman, 2007), and transnational business (Cuervo, Cazorra, 2016). Still, analysis of corruption in transnational business did completely not live before the globalization of business in the 1980s and the 1990s. Globalization urged transnational business experimenters to probe and bandy the environment, confines, models, and propositions about corruption as well as its association with foreign direct investment. The first paper on corruption in transnational business was published in

1992, and an applicable quantum of literature has accumulated on the content during the last 17 times. Still, much of this literature is scattered in multitudinous areas and directions. Thus, we maintain that a methodical, in-depth review that summarizes our rearmost knowledge is essential.

This literature review is unique in its terms & objects and styles, and explores several exploration questions (1) What's the sphere of corruption in transnational business? (2) What are the leading exploration aqueducts? (3) What are the most effective perspectives in the literature in terms of crucial journals, papers, systems, data sources, measures, & theoretical fabrics? (4) How does the literature synthesize corruption in transnational business? (5) What's the direction for the unborn exploration? As an outgrowth of the same analysis, we plant 7 exploration aqueducts, 6 areas in which there are gaps in our knowledge, and 14 unborn exploration questions.

## **2. A Taxonomy of Corruption in International Business**

### **2.1 The Description of Corruption**

Synthesizing the literature, we can define corruption as an illegal exertion (Bribery, Fraud, Financial crimes, Abuse, Falsification, Favoritism, Nepotism, Manipulation, etc.) Conducted from abuse of authority/ power by the government) or private (enterprises), Workers for particular gain in the term of finance or else. Our description of corruption is catching 3 manual characteristics of corruption in the transnational business environment. The first one is that the person/ the establishment is going to conduct some illegal exertion. The alternate bone is that the person/ establishment is misused their power/ authority in breaking of being rules/ regulations or doing the work and crossing the legal limits. The third and last one specific is that the person/ establishment uses their power to get particular benefits not making benefit to the country/ the company.

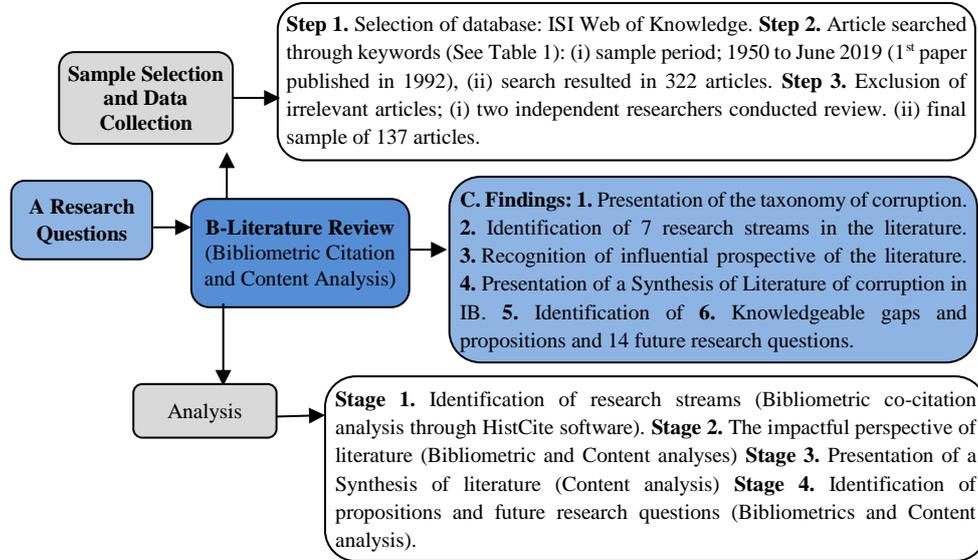
### **2.2. Types and Causes of Corruption**

Different types of corruption are proved and include public corruption (Pontell, Geis, 2007), private corruption (Argandona, 2003), pervasive corruption/arbitrary corruption (Rodriguez, Uhlenbruck, & Eden, 2005). Public corruption Plant in four types pettyv/ sgrand corruption (Elliott, 1997) and organized v/s unorganized corruption (Shleifer, Vishny, 1993).

Public corruption can be named as an illegal exertion conducted by a government functionary, mandarin, or politician that involves the offer or damage of fiscal or non-financial benefits by other government or private persons. Public corruption is classified as petty when small gifts or favors are changed, and as grand when a large quantum of plutocrats is changed. Public corruption is classified as organized when it's planned, and individualities/ enterprises involved must pay a lump sum, and as unorganized when it's unplanned, and the individualities/ enterprises involved pay an unidentified sum at every step of the illegal exertion. In discrepancy to public corruption, private corruption can be named as an illegal exertion conducted by a hand, director, or establishment that include the offer/ damage of benefits by other private or government persons. Private corruption is classified as pervasive when the hand or director can be certain of the necessity for bribery when dealing with government officers and as arbitrary else (Cuervo-Cazurra, 2016, p. 38]

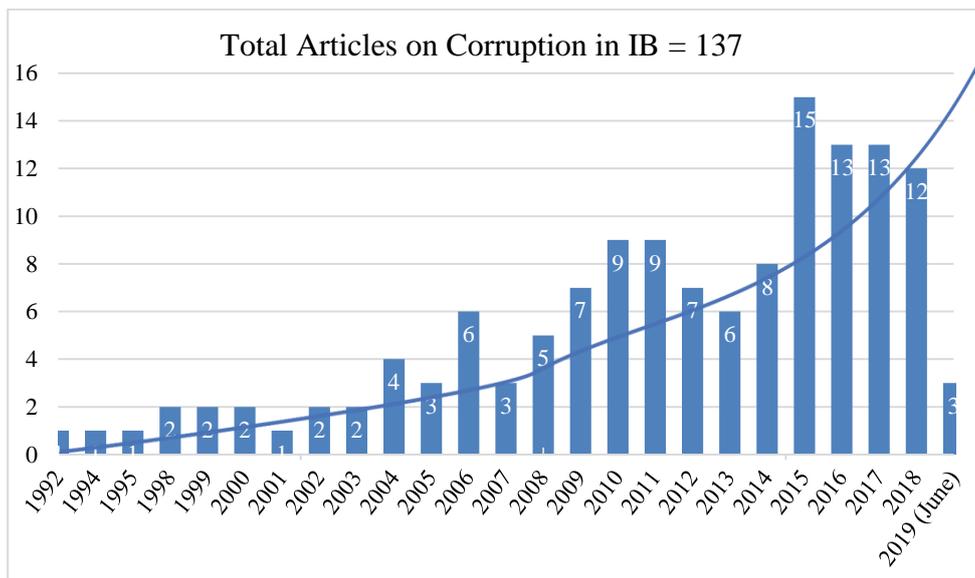
### **3. Research Methodology**

Styles to perform this analysis, we make a unique approach that bibliometric citation analysis (Bahoo, Alon, Paltrinieri, 2019; Fetscherin et al., 2010; Iddy & Alon, 2019; Naatu & Alon, 2019; White et al., 2019) & content analysis (Paul, Benito, 2018; Paul & Rosado, Serrano, 2019; Paul & Singh, 2017; Paul et al., 2017; Rosado-Serrano, Paul, & Dikova, 2018). Price (1965) first supported bibliometric analysis to expose the connections between papers which is dependent on the numbers of citations (Kim & McMillan, 2008), using the composition as the main unit of reserach (Alon, Anderson, Munim, 2018). We used HistCite software for the bibliometric analysis. We present the crucial terms related to the bibliometric analysis in Table 1. Content analysis is an accepted methodology in the social lores (Ahmed, Bahoo, Aslam, and Qureshi, 2020; Bahoo, Saeed, Iqbal 2018; Gaur and Kumar, 2018), classified material by dwindling it to further affiliated, available bits of data (Weber, 1990). Our system, illustrated in Fig. 1, involves 3 way sample selection & data collection, analysis, and results (Gomezelj, 2016).



Source: HistCite Software

**Figure 1: Methodological Approach**



Source: HistCite Software

**Figure 2: Publications on Corruption in IB between 1950 to June 2019\***

\* The first article on the subject published in 1992.

### **3.1. Sample Selection and Data Collection**

Sample selection and data collection our data collection are include 3 ways. First, we named the journals from which we've to collect papers and citation data on the subject. To avoid selection bias we're considering only top-ranked or transnational business journals (Terjesen, Hessels, & Li, 2013), we searched all journals that are listed on the ISI Web of Knowledge (hereafter WoS) database. The WoS consists of five databases which are covering several disciplines and provides citation data about papers dating back to 1950 (Alon et al., 2018).

The alternate bone step was to choose the sample period and the hunt fashion. We reviewed all the papers for corruption in transnational business published from 1950 to June 2019 using lots of keywords by following (Alon et al., 2018), (Fetscherin et al., 2010), and (White et al. 2016), we used seventeen keywords for corruption along with combination of words similar to transnational business, transnational enterprise/ transnational pot, MNCs to cover the complete exploration on the content. Table 1 lists the 17 keywords for corruption and crucial factor applied to plant the exploration.

In the third step, two independent experimenters read through and critically examined the 322 papers using the following criteria the composition must explicitly state that it's about corruption in transnational business and it must address the subject in anon-trivial and non-marginal way. Except for inapplicable papers, our performing dataset included contains for 137 papers. The first paper to address corruption in transnational business explicitly was published in 1992. As Fig. 2 illustrates, there has been continuous development in the literature.

- **Key terms and process of selecting the sample.**

**Table 1: Key Terms Entered into the HistCite software**

<b>Term</b>	<b>Sign</b>	<b>Concept/Definition</b>
<b>Total Global Citation</b>	(TGC)	TGC is the number of times an article is cited by any other articles that are available on the WoS database.
<b>Total Global Citation</b>	(TGC)	TLC is the number of times an article is cited by the same literature sample (in our case, the 137 articles mentioned above).
<b>Total number of Articles Published on the Subject</b>	(PCIB)	PCIB is the total number of articles published on corruption in international business.

*Source: HistCite - Glossary, 2018*

**Table 2: The Process of Selecting the Sample from the ISI Web of Knowledge**

<b>S.No.</b>	<b>Seventeen Keywords for Corruption</b>	<b>Search in Combination with the Following words</b>
<b>1</b>	Corruption	International Business
<b>2</b>	Bribe	International Business
<b>3</b>	Bribery	International Business
<b>4</b>	Abuse	International Business
<b>5</b>	Crime	International Business
<b>6</b>	Criminal	International Business
<b>7</b>	Degradation	Multinational Enterprise
<b>8</b>	Extortion	Multinational Enterprise
<b>9</b>	Falsification	Multinational Enterprise
<b>10</b>	Fraud	Multinational Enterprise
<b>11</b>	Graft	Multinational Corporation, MNEs
<b>12</b>	Manipulating	Multinational Corporation, MNEs
<b>13</b>	Manipulation	MNCs
<b>14</b>	Misconduct	MNCs
<b>15</b>	Misconduct	MNEs
<b>16</b>	Misrepresentation	MNEs
<b>17</b>	Wrongdoing	MNEs

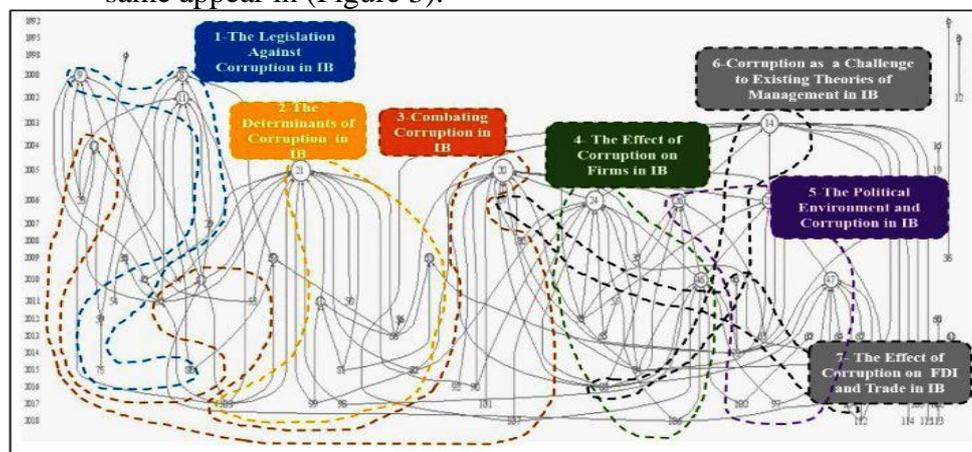
**Table 3: Filters Applied to Search in the ISI Web of Knowledge**

<b>Search filters</b>	Topic (Search keywords in “Title, Keywords, and Abstract”)
<b>Paper type and language</b>	Articles and English
<b>Period of search</b>	1950 to June 2019 (1 <sup>st</sup> paper published in 1992 on the subject)

## 4. Results

### 4.1 Co-citation Mapping: Research Streams in the Literature on Corruption in International Business

Co-citation mapping is the mapping of top-cited papers in relation to the papers that cite those (Alon et al., 2018). Co-citation mapping is conducted with the help of HistCite software. We established the criteria to identify the mapping by following (Alon et al., 2018), Apriliyanti and Alon (2017), and Øyna and Alon (2018). However, the criteria are based on the subject’s nature and the development of the research so we used two-step procedures. First one to be included in the mapping, a journal should have a minimum of 1 total local citation (TLC = 1). We plant 37 influential papers as a sub-sample. Also, we included all papers that cited these 37 influential papers in the mapping. As a result, we added 39 further papers to the sub-sample. Therefore, the co-citation chart has 76 papers, details for the same appear in (Figure 3).



Source: HistCite Software

**Figure 3: Citation Chart of the Exploration on Corruption in Transnational Board. (Chart.76 Papers)**

In Fig. 3, papers, represented by bumps, are deposited with the vertical axis, and details of times of publication are deposited with the perpendicular axis. Co-citation liaisons are depicted by lines that connect the bumps, and the arrows are indicated citing vs cited papers. The size of the knot reflects the magnitude of influence of a composition grounded on total original citations entered (TLC). In our citation chart, the biggest bumps are 20 (i.e., Rodriguez et al, 2005), 21 (Sanyal, 2005), 24 (Uhlen bruck, Rodriguez, Doh, & Eden, 2006), and 14 (Doh, Rodriguez, Uhlen Bruck, Collins, & Eden, 2003).

Also, we asked two independent experimenters to conduct the detailed content analysis of the sub-sample of 76 papers. The detailed content analysis corresponds to a deep review of each composition's title, author, journal, exploration questions, proposition/ data sources, variables, order, & crucial findings (Ahmed, Bahoo, & Ayub, 2019; Bahoo, Hassan, Paltrinieri, & Khan, 2019; Salipante, Notz, & Bigelow, 1982).

As a result of content analysis, along with our bibliometric analysis, we were planted in seven distinctly but inter-related exploration areas in the same analysis on corruption in transnational business (1) the legislation against it / it is determinant / combating it/ its impact on enterprises/ the political terrain and corruption in transnational business, (6) corruption as a challenge to being system of their operation in transnational business , and (7) corruption's impact on foreign direct investments and trade. We can bandy these papers in their affiliated analysis area. The no. relates to Fig. 3. Still, there are 2 papers were cited by another composition but their factor doesn't fit in any of the analysis areas (102 and 115) (Jiménez & Bjorvatn, (2018). Lord and Levi (2017) (no. 102 in Fig. 3) and Karhunen, Kosonen, Mccarthy, and Puffer (2018) (no. 115 in Fig. 3) bandy the fiscal aspects of corruption related to plutocrat laundering and loose exchanges in Chinese Guanxi/ Russian Blat/ Svyazi, independently. We now bandy the seven exploration aqueducts.

#### **4.1.1 The Legislation against Corruption in International Business**

In the 1990s, corruption linked as nationalize political issues along with dire counteraccusations for transnational business (Kaikati, Sullivan, Virgo, Carr, 2000) of transnational legislation to control it (Nichols, 2012). (Everett et al., 2006) (no. 23 in Fig. 3) argue that being anti-corruption laws must

to streamlined by all applicable nonsupervisory bodies. The US was the 1<sup>st</sup> bone who were pass laws that confined corruption by individualities/ enterprises, name, that 1977 Foreign Corrupt Practices Act (Hotchkiss, 1998) (no. 4 in Fig. 3). (Still, Klaw, 2012) (no. 60 in Fig. 3) maintains that the FCPA is unfit to help/ discipline demand/ side corruption in business deals. (Kaikati et al., 2000) (no. 9 in Fig. 3) has suggested that the OECD increased the compass of the Foreign Corrupt Practices Act and borrow the full interpretation of correction. In 1997, for the first time, the UN, OECD, and EU convened to discuss passing legislation against bribery and corruption (Mijares, 2015) (no. 80 in Fig. 3). The guidelines of the UN's 1996 declaration, the OECD's 1997 convention and the EU's 1997 convention were the foundations of current anti-corruption laws (Gantz, 1998). Under these guidelines, many developed and emerging economies have established national anti-corruption laws in international business, including Canada (Mijares, 2015) (no. 80 in Fig. 3), the US (Spalding, 2011) (no. 54 in Fig. 3), and the EU (Pacini, Swingen, & Rogers, 2002) (no. 11 in Fig. 3). Moreover, the OECD convention provides guidelines for member states to establish uniform laws and policies (Pacini et al., 2002). Implementation of the OECD's 1997 convention is compulsory for the 36 signatory countries.

#### **4.1.2 The Determinant of Corruption in International Business**

The analysis stream in the literature is the determinant of corruption in international business. Carmichael (1995) found 3 common situations in which a multinational firm becomes involved in corruption in a host country. The first one is when the company is unfit to engage in a new sale for a new business sale or complete a being one without offering a fix. The alternate bone is that when the legal institutions are weak. The third and last bone is when the transnational establishment is involved in corruption in it is home- country itself. One group of studies début with against the disquisition that the determinant of corruption is the establishment. Chen, Cullen, and Parbo teeah (2015) (no. 82 in Fig. 3) expose the involvement between culture to

operation shareholder control, & an establishment propensity to buy. The plant that director-controlled enterprises are more involves in comparison than the shareholder-controlled enterprises making the sale in bribery. The 2<sup>nd</sup> group of studies debut that artistic factors are determinants of corruption. Depending on the same check they conducted, Guvenli and Sanyal (2012) (no. 56 in Fig. 3) expose whether stations toward bribery are different between men and women in transnational business. They plant that men are largely involved in bribery compared that women. Lately, Tuliao and Chen (2017) (no. 99 in Fig. 3) anatomized gender as a determinant of bribery among CEOs and probed that manly CEOs are maximum involved in corruption. Affiliated, Frei & Muethel, 2017 (no. 103 in Fig. three) the comment that the parentage ground provides by the country for transnational enterprises for corruption has been routed through weak values & laws. Thus, indigenous factors are the main determinants of corruption (Sanyal, Samanta, 2017) (number 98 in Fig. 3). At last, the 3<sup>rd</sup> group of studies claimed that the profitable factors are the determinant of corruption. Sanyal (2005) (no. 21 in Fig. 3) suggests that countries where income is a law and poor income distribution, and those that score grandly on Hofstede's scales of power distance and virility are more interested in bribery. Also, Sanyal and Guvenli (2009) (no. 33 in Fig. 3) show that those enterprises from countries where the power distance or the long-term exposure is low and existent are high are less involved in corruption. Baughn, Bodie, Buchanan, and Bixby (2010) (no. 41 in Fig. 3) confirm that some enterprises from separate countries that's having high-score on power distance are more interested to be involved in bribery. Mazar and Aggarwal (2011) (no. 51 in Fig. 3) find that bribery varies with the degree of collectivism. Huang, Liu, Zheng, Tan, & Zhao, (2015) (no. 81 in Fig. 3) argue that concern about evaluations plays a big part in collectivism and corruption collectivism facilitates shows corruption in countries where there's little concern about evaluations.

### **4.1.3 Combating Corruption in International Business**

Laws and regulations against corruption live but are largely ineffective due to weak judicial systems and the incuriosity of governments Cuervo-Cazurra (2008). The main exploration question in the same area is related to the practical effectiveness of laws, the relinquishment of ethical norms, and the perpetration of legal fabrics to combat corruption.

Hotchkiss, (1998) (no. 4 in Fig. 3) comments that 1977 Foreign Corrupt Practices Act was considered only a moral obligation till the US government did not begin administering it in 1998. Kaczmarek and Newman (2011) show that redundant territorial intervention by Unites countries prosecutors to drop corruption and bribery in main countries is effective. Weber and Getz (2004) (no. 17 in Fig. 3) review the sweats of the EU, US, and Organization for Economic Co-operation and Development to combat corruption. Cuervo-Cazurra (2008) (no. 30 in Fig. 3) part of lawyers are an improvement in the compass of perpetration of current anti-corruption laws and a drop in investment in those countries which has been involved in corruption by signatories to the Organisation for Economic Co-operation and Development convention.

Rose-Ackerman (2002) (no. 12 in Fig. 3) considers abstention from corruption to be the complete responsibility of the enterprises and comments that the ethical norms can be the format for redundant help in this regard. Kaptein (2004) (no.15 in Fig. 3) review the business and their norms of 200 of the largest enterprises and finds that 46 of them have ethical canons against corruption. Osuji (2011) (no. 52 in Fig. 3) some highlight of the significance of ethical commercial social responsibility (CSR) to combat corruption. (Rodriguez et al., 2005) (no. 20 in Fig. 3) dissect the impact of public corruption on transnational enterprises in terms of organizational legality, strategic decision- timber, and entry choice. (Cleveland et al., 2010) (no. 39 in Fig.3) Make a model which is grounded on hard and soft laws, and enforcement and compliance mechanisms to assess progress in grounded the position of bribery.

#### **4.1.4 The Impact of Corruption on Firms in International Business**

How does corruption affect the entry strategy of a company, transnational common gambles, and the performance of accessories? (Uhlenbruck et al., 2006) (no. 24 in Fig. 3) examine the effect of corruption on enterprises' original strategies in foreign requests and plant that enterprises in the telecommunication assiduity face pressure to involve in loose practices for the timing of short term contracts & common gambles. Kouznetsov, Dass, and Schmidt, 2014 (number 70 in Fig. 3) confirm the rear effect of weak laws against corruption on small to medium-sized foreign manufacturing companies in Russia. Roy and Oliver (2009) (no. 37 in Fig. 3) show that they have a strong effect of the rule of law and control of corruption on the selection of mates for common gambles. Krueger (2009) (no. 38 in Fig. 3) argues that transnational enterprises are presently doing business with China is facing ethical issues due to the authoritarian government, weak translucency, and the high position of corruption. Jensen, Li & Rahman, 2010 (no. 46 in Fig. 3) report that where freedom of the press is confined or false exposure option as a tone-protection strategy. In a political terrain, enterprises use a no-comment Lambsdorff (2013) (no. 65 in Fig. 3) comment that enterprises need to be liable for the illegal conditioning of the loose interposers along with whom they involve in business deals. Petrou (2014) (no. 84 in Fig. 3) find that arbitrary corruption effects the performance of accessories. Eventually, Gomes, Vendrell-herrero, Mellahi, Angwin, and Sousa, 2018 (no. 106 in Fig. 3) we plant substantiation that the tone-selection proposition works only in surroundings with low corruption.

#### **4.1.5 The Political Environment and Corruption in International Business**

This analysis area examines the relation between major issue corruption, transnational business, and the political terrain in both countries. Rodriguez, Siegel, Eden, and Hillman (2006) (no. 25 in Fig. 3) reviewed papers on the relation between

politics to corruption to commercial social responsibility and propose some unborn exploration directions. Luo (2006) (no. 26 in Fig.3) uses a structured model to show that in largely loose terrain, transnational enterprises along with a huge position of ethics bargain with governments, while lower ethical enterprises use social and political relation to engage in fix-giving. Chen, Ding, and Kim (2010) (no. 47 in Fig. 3) plant that corruption has further influence on the income cast of largely politically connected enterprises comparison than less politically connected bones. Boubakri, Mansi, and Saffar (2013) (no. 64 in Fig. 3) the document that sound political institutions have a positive effect on commercial threat taking when government involvement is high, also the position of corruption is low. Yim, Lu, and Choi (2017) (no. 100 in Fig. 3)

#### **4.1.6 Corruption as a Challenge to Existing Theories of Management in International Business**

The 6 analysis areas are relatively new and at the fact finding. It frequently provides counter examples to numerous being system of operation in IB because of the unethical, felonious nature of corruption challenges certain hypothetical of those propositions. For illustration, Gomes et al. (2018) (no. 106 in Fig. 3) plant that contrary to the tone selection proposition, if productivity doesn't show a positive effect on the quantum of exports if the position of corruption is high, after reviewing all the analysis related to the establishment's response to government corruption, Galang (2012) (no. 58 in Fig. 3) summary of the crucial studies which support its strategies, like as institutional economics/ institutionalism, resource dependence, public choice, social network, and stakeholder proposition. (Doh et al., 2003) (no. 14 in Fig. 3) Explore the effect of government corruption on transnational enterprises. They give a frame grounded on two confines of government corruption pervasiveness and arbitrariness. The frame proposes several strategies that enterprises need to borrow to respond to corruption avoidance, confirming their entry mode, commercial canons of conduct, training, development and public education, social benefactions and public donations, and laws and agreements. Cuervo-Cazurra (2016)

(no. 88 in Fig. 3) proposes expanding this approach by considering corruption as a laboratory. He reviews and recommends extensions of several propositions agency/ sale cost/ economics, the resource-grounded view, resource dependence, and neo-institutional proposition. He also argues that the agency and resource-dependence propositions are stylish for explaining the causes of corruption, whereas the resource-grounded view and neo-institutional proposition are more applicable for exploring the consequences of corruption. The sale cost proposition is stylish for determining how to control corruption in transnational business.

#### **4.1.7 The Effect of Corruption on Foreign Direct Investment and Trade in International Business**

The 7<sup>th</sup> review area is in the fact-finding/evaluation stage. It examines the impact of home-host both the country corruption on foreign direct investment/ trade. Habib and Zura wicki (2002) finds that corruption has a rear effect on FDI & operation effectiveness. Cuervo-Cazurra (2006) (no. 27 in Fig. 3) shows that business enterprises from the countries with a huge quantum of corruption are more involved to invest in host countries along with a huge quantum of corruption than enterprises from lower loose countries. Driffield, Jones, and Crotty (2013) (no. 63 in Fig. 3) argue that Business conglomerate from countries along with a huge quantum of corruption, weak legal institutions, and lower concern about commercial social responsibility are more involved to invest in host countries with a huge quantum of corruption. Sambharya and Rasheed (2015) argue that if the position of corruption is low, profitable and political freedom has a positive impact on foreign direct investment/ trade. Jiménez, Marcelus, Guoliang, & Jiang, (2017) (no. 104 in Fig. 3) show that host-country corruption is appreciatively related to a high failure rate of private participation systems. Still, Egger, and Winner (2005) demonstrate that corruption stimulates foreign direct investment. Driffield, Jones, and Crotty (2013) (no. 63 in Fig. 3) comment that enterprises from loose countries are veritably involved in investment in spoiled locales and countries.

## **4.2 Influential Aspects of the Literature on Corruption in International Business**

We linked the crucial journals, studies, styles, data sources, measures, and theoretical fabrics in the literature (Alon et al., 2018; Paul & Benito, 2018; Paul et al., 2017). In Section 6, we also point out the route-gaps in our knowledge and posited many propositions.

### **4.2.1 Key Journals**

The 137 papers in our sample came from 85 journals with 3059 total global citations. Table 2 lists the thirty-four leading-journals having an ABS ranking (4 \*-4-3-2-1). We couldn't be suitable to report the remaining fifty-one journals due to a Deficit of space. 61 of our sample reckoned for 2685 of the citations. The biggest no. of papers was published by the Journal of Business Ethics (JBE) (18 papers), Journal of International Business Studies (JIBS) (13 papers), International Business Review (IBR) (6 papers), and Journal of World Business (JWB) (6 papers). This ranking is given by logical review that's 1<sup>st</sup> journal is the most prominent publication outlet in the field of ethics and business, and the 2<sup>nd</sup> bone is the oldest and most prominent journal. The fact is that we plant papers on this content in journals devoted to backing and law confirms its multidisciplinary nature.

### **4.2.2 Key Studies**

Through bibliometric citation analysis, we plant crucial empirical and theoretical papers that had minimal 10 global citations (TGC = 10). In Table 3, and Table 4, give a summary of these empirical and theoretical papers, independently, route from content analysis. Note that in former exploration, empirical papers have entered more citations comparison to theoretical bones. The most cited papers relate to the impact of corruption on enterprises in transnational business (Hearn, 2015; Jensen et al., 2010; Jiménez 2010; Keig, Brouthers, & Marshall, 2015; Lee & Hong, 2012; Meschi, 2009; Mazar & Aggarwal, 2011; Muethel, Hoegl, & Parboteeah, 2011; Pantzalis et al., 2008; Roy & Oliver, 2009; Tunyi & Ntim, 2016; Uhlenbruck et al., 2006), attesting that the establishment is the content of utmost interest.

### **4.2.3 Key Methods**

The experimenters employed qualitative & quantitative styles in the literature to explore corruption in transnational business. Out of 137 papers, 35 (40) used content analysis, 37 (48) used regression analysis, and 12 (8) used document analysis. Analyser used environment review to borrow generalities, theoretical backgrounds, and model applicable to corruption (Cuervo- Cazorra, 2016; Everett et al., 2006; Kaptein, 2004; Krueger, 2009; Rodriguez et al., 2006). They employed simple and panel content to examine the effect of corruption (Cuervo- Cazorra, 2008; Boubakri et al., 2013; Jimenez, 2010, Jimenez, 2011; Sanyal, 2005). Eventually, they borrow the document review approach to test comment on the effect of laws on corruption in transnational business (Kaikati et al., 2000; Kaptein, 2004; Pacini et al., 2002).

### **4.2.4 Data Sources and Measurement of Corruption**

Thirty-six papers were used a corruption indicator, which is a country-position variation, to measure corruption in transnational business. Out of these 36 papers, 22 used the indicators of Translucency International, 9 used World Governance pointers, and five used the International-Country-Risk-Guide as a deputy for corruption in transnational business. Veritably many analyzer is using the corruption indicators of Germany exporters (Hung et al., 2018), the public check or the World Competitiveness Yearbook (Pajunen, 2008). Tuliao, Chen, 2017 and Yim et al., 2017 were used for bribery checks of the enterprises from the World Bank as a deputy for corruption.

### **4.2.5. Theoretical Underpinnings**

We linked several theoretical fabrics within the literature. Of the 137 papers, only 39 (29) examined and bandied any operation proposition. Of those 39 papers, 17 used institutional Proposition, 5 applied agency proposition, and three papers examined the neo-institutional proposition. The employment

of institutional proposition is logical because experimenters consider corruption a deputy for institutional quality at the country position. Likewise, just a few papers used the resource-based view, sale bring proposition, or the resource dependence proposition. Other propositions that appeared named structuration (Luo, 2006), socialization (Muethel et al., 2011), diversification and portfolios (Jimenez, 2010), Stakeholders (Roy & Goll, 2014), property rights (Driffield, Mickiewicz, & Temouri, 2016), tone-selection anomie proposition (Chen et al., 2015), and legality proposition (Blanc, Cho, Sopt, & Branco, 2019). Utmost papers failed to specifically mention the theoretical frame the authors employed. They will have didn't do so because corruption could even be a country-position index, and also the dimension of corruption at the firm position is kind of delicate and un-standardized. We also bandy the crucial propositions within the literature within the approaching section.

#### **4.2.5.1. Institutional Theory**

The institutional proposition deals with nonsupervisory structures, government laws and regulations, courts, and professions (Oliver, 1991). These institutions establish the social/ political & legal morals that affect the decision-timber and conduct (Meyer & Rowan, 1977). The institutional proposition depends on the legal pressure on enterprises to borrow the beliefs, values, and morals of their terrain (Roy & Goll, 2014). This proposition also read the establishment's geste. The institutional frame affects the strategies of enterprises and subventions them legality (North, 1990; Scott, 1995). The power of the host country's institutional terrain in terms of its control of corruption and the rule of law shapes and impact the enterprises' entry strategy (Uhlenbruck et al., 2006), opinions about engaging in transnational common gambles (IJVs) (Roy & Oliver, 2009), the combination of the board of these common gambles (Hearn, 2015), the appointment of public directors (Muellner, Klopff, & Nell,

2017), and bribery geste (Baughn et al., 2010; Yi, Teng, & Meng, 2017) in cross-national deals. The institutional terrain of both countries, of which the quantum of corruption is main factor, that affects an establishment's import position (Krammer, Strange, & Lashitew, 2018), earnings' operation (Lewellyn & Rosey, 2017), junction and accession conditioning (Tunyi & Ntim, 2016), and position of foreign direct investment (Dikova, Panibratov, Veselova, & Ermolaeva, 2016)

#### **4.2.5.2. Neo-Institutional Theory**

Neo-institutional proposition reflects the sociological view of institutions. It suggests that isomorphism, which is a process to forces one unit tore-assemble another unit in the population because they're facing the same type of surroundings, plays a pivotal part in corruption (Hawley, 1968). Isomorphism consists of 3 mechanisms coercive and unoriginal, & normative (DiMaggio & Powell, 1983). Presently, the neo-institutional perspective is relatively popular in the organizational field and transnational business. They've maintained that enterprises have responded to the cognitive and normative, & nonsupervisory pressures on other enterprises which have been considered licit (DiMaggio & Powell, 1983). Gao-2010 used the neo-institutional frame to examine the impact of unoriginal isomorphism on bribery in those enterprises which is working in China. He confirms that the establishment's bribery nature are reflect the nature of other enterprises in China. Agency proposition explains that this behavior creates investment risks and produces the agency problem in international business. In addition to agency problems, Stulz (2005) argues that there is a potential relationship in political institutions & the managers' choice of investment risks.

#### **4.2.5.3 Agency Theory**

Political institutions are managed by governments, which has been play a vital role in the firm managers' decision making through the strict rule of law, over-regulation, and level of corruption. Political institutions & the level of corruption affect corporate risk-taking decisions, & politically-connected firms take more risks, which is the reason for the main problems (Boubakri et al., 2013). This theory discloses the potential conflict relation between the firm's head offices to its foreign subsidiaries in cases of bribe offer raised due to political connections. Firms have two options: lobbying or bribery in the main country. This theory discloses the potential conflict relation between the firm's head offices to its foreign subsidiaries in cases of bribe offer raised due to political connections. Firms have two options: lobbying or bribery in the main country. The impact of lobbying in the host country is a more positive comparison than offering bribes (Yi et al., 2017). Agency theory suggests that manager-controlled firms offer more bribes comparison than shareholder-controlled firms due to conflict of goals, a theory that (Chen et al., 2015) confirmed empirically. There are associates between bribery and the corrupt nature of firms and the nature of boards of governance like CEO duality (Das-Gupta, Wu, 2008), manager/shareholder-controlled firms (Chen et al., 2015), & gender (Tuliao, Chen, 2017). Studies also used agency theory to review corruption at the country's status.

#### **4.2.5.3. Other Theories**

The greatest cause of most of the systems used to investigate corruption in international business is the reducing amount of the clarity in disclosing the multidisciplinary and complex dynamics of corruption at the country and firm levels. Therefore, we call for the extension of these theories by considering corruption as the main fact.

## **5. A Synthesis of Corruption in International Business**

In the 1990s, corruption noticed the serious global political problem effecting IB (Mijares, 2015). To this day, corruption and bribery' remain perplexing problems in investment and trading (Nichols, 2012). Therefore, one of the central questions is: what are the antecedents/consequences of corruption in international business? Fig. 4 illustrates our synthesis of the literature that we used to explore the answer to this question. We utilized our 7 found review areas to synthesize the antecedents/consequences of corruption in the international business literature.

### **5.1. Country Level Antecedents: Host and Home Country**

Country-level play a crucial role as determinants of corruption in both countries. (Everett et al., 2006). The main reason found in analysis area one (legislation against corruption in international business) is the lack of international laws (Everett et al., 2006; Nichols, 2012) and non-enforcement of the OECD convention and FCPA in non-member countries (Kaikati et al., 2000; Klaw, 2012). Therefore, it is necessary to enhance the bilateral implementation of anti-corruption rules route through groups like the World trade organization & The WB (Cuervo-Cazurra, 2008).

In review area 2, scholars found 3 factors that increase corruption economic factors (Chen et al., 2015; Lopatta, Jaeschke, Tchikov, and Lodhia, 2017; Sanyal, Samanta, 2017; Sanyal, 2005), cultural factors (Roy & Goll, 2014), and other factors (Gao, 2011; Sanyal & Samanta, 2017). (Sanyal, Guvenli, 2009) & (Baughn et al., 2010) document the significant impact of economics & global culture factor on the likelihood of individuals/firms to involve in bribery (can see Hofstede, 1980). Gelbrich, Stedham & Gathke, 2016 found and resolve many issues in the measurement of cultural factors and place them as determinants of corruption. (Frei, Muethel, 2017, Sanyal, 2005 & Sanyal & Guvenli, 2009) show that national culture and economic factors are leaders of corrupt activities in both countries.

### **5.2 Corruption**

Country-level corruption leads to a high level of corruption. Corruption has 2 main causes: the demanding & the supplying (Everett et al., 2006). Corruption is also divided into many types, like public (Pontell, Geis, 2007), personal (Argandona, 2003), pervasive, and arbitrary (Rodriguez et al., 2005). Public corruption

is segregated into 4 subtypes: petty and grand (Elliott, 1997) & organized/unorganized (Shleifer, Vishny, 1993). Review analyzer measure corruption from structured interviews/surveys, & indexes like those of the WB and Transparency International.

### **5.2.1 Controlling for Firm-Level Antecedents**

Scholars have explored the country-level antecedents of the firm level consequences of corruption by controlling for firm-level antecedents (see Fig. 4). Their goal is to determine how corruption impacts the firm, which is the main subject of discussion in IB. Hence the scholars control for multiple firm-level factors such as size, age, sales, volume, asset growth, industry, international experience, ownership, loss frequency, leverage, length of operating cycle, earnings volatility, profitability, and number of subsidiaries (Chen, et al., 2010; Driffield et al., 2013; Hung et al., 2018; Luo, 2006; Roy & Oliver, 2009).

### **5.2.2 Extending the Concepts of Corruption**

Cuervo-Cazurra (2016) proposes extending the five important firm theories—agency, transaction cost economics, the resource-based view, resource dependence, and the neo-institutional theory—by considering corruption as a laboratory. Doh et al., 2003 also presents a frame for a transnational establishments that deal with corruption in transnational business.

## **6. Research Agenda**

The literature on corruption in transnational business is growing continually and covers multiple exploration areas. Nonetheless, there are still numerous aspects of corruption in transnational business that are essential to explore. To give recommendations for the unborn exploration docket, we employed a four-step methodology. First, we linked 79 influential papers through bibliometric citation analysis. Second, we anatomized the content of these influential papers through content analysis to determine an unborn exploration docket. Third, we converted the exploration docket into exploration questions and propositions. Eventually, we vindicated and remove linked exploration questions that scholars have formerly addressed. The procedure redounded in 14 unborn exploration questions, and 6 gaps in our knowledge and propositions for addressing them.

## **6.1. Future Research Questions**

### **6.1.1. Legislation against Corruption in International Business**

This analysis area builds on the papers about the European Union, Foreign Corrupt Practices Act, & Organization for Economic Co-operation and Development conventions to make transnational and public laws against corruption in transnational business. Thus, it's necessary to expand the real impact of these conventions on corruption in fix-demanding and fix-supplying countries (Darrough, 2010). Likewise, the area of the review of anti-corruption legislation should be broadened to the country position to decide the part of public laws like the 1999 Australian Criminal Act and the 1998 Canadian Corruption of Foreign Public Officers Act in combating corruption in both the countries (Mijares, 2015; Pedigo, Marshall, 2009).

### **6.1.2. The Determinants of Corruption in International Business**

In the same area, this review focus on the profitable (Roy, Goll, 2014; Sanyal, Guvenli, 2009) and culture factors (Armstrong, 1992; Tsalikis, Latour, 1995) that prompt the position of corruption in transnational business. Still, that all factors are multi-face. Thus, we must examine their link with the sustainability pointers of a country including the avoidance of corruption) (Roy & Goll, 2014). Gender also impacts an establishment's nature about bribery, but it's relatively intriguing to bandy the part of gender in CEO-plurality enterprises (Tuliao, Chen, 2017). The reality of a previous social relationship between the UK and India between fix to demanding and fix to supplying countries may impact the propensity to involve in bribery (Baughn et al., 2010).

### **6.1.3. Combating Corruption in International Business**

This exploration principally focuses on a practical analysis of anti-corruption measures and styles. A deep examination of the effect of the extra-territorial powers of the Unites countries, European countries, and Organization for Economic Co-operation and the Development of corruption in both the countries includes numerous diligence is essential (Kaczmarek & Newman, 2011; Pacini et al., 2002). Cultural-profitable & individual- factors may total this effect. Still, the inter-dependence between the public, firms, might affect the process of combating corruption in transnational business (Frei & Muethel, 2017).

### 6.1.4. The Effect of Corruption on Firms in International Business

The effect of corruption on enterprises in transnational business This exploration area consists of studies on the challenges facing enterprises and the influence of corruption on them (Cuervo-Cazurra-2008; Roy, Oliver, 2009; Uhlenbruck et al., 2006). Enterprises should expand the cost & effect of corruption on their character/ productivity, and import capability. Scholars should determines whether other factors similar to the entrepreneur-boat, inventions, & marketing capacities intervene in the relation-boat between corruption and an establishment’s character/ productivity.

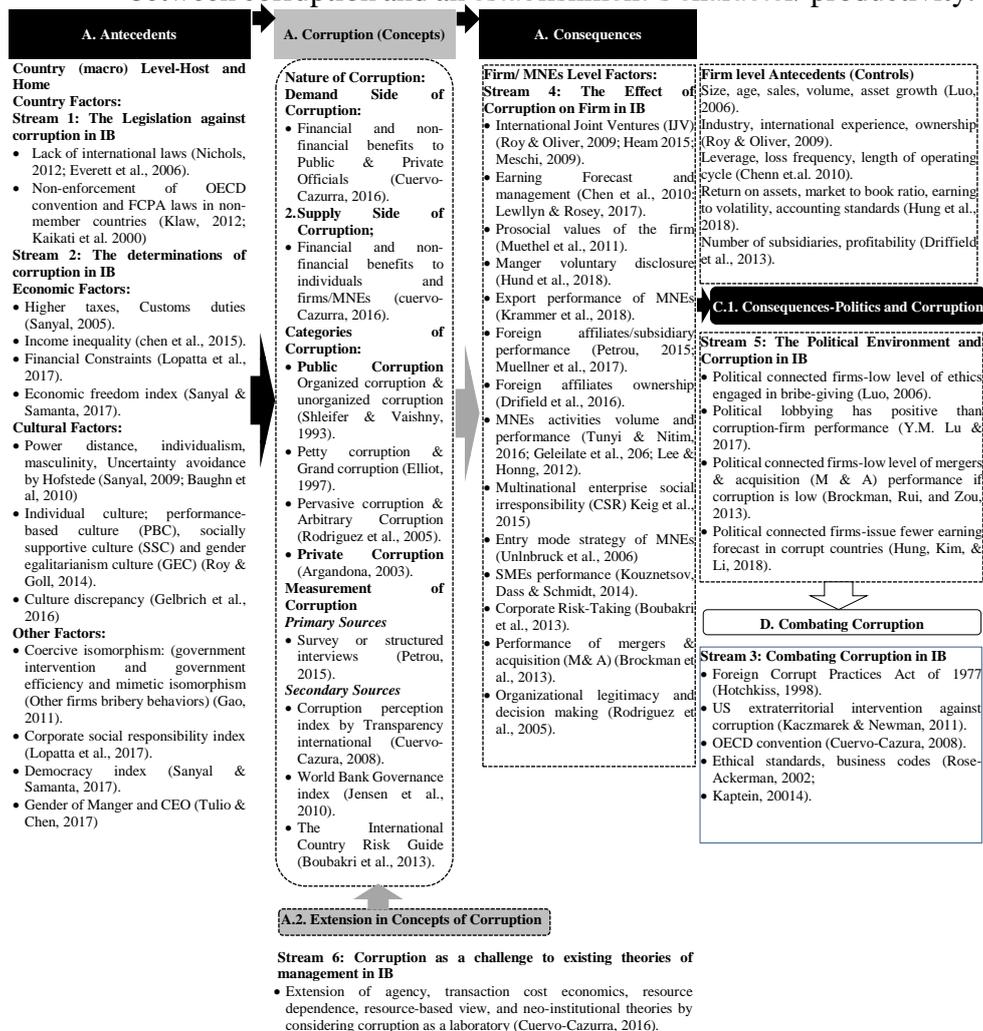


Figure 4: A Short Review of Corruption Process

## 7. Conclusion

Depending on our deep review of corruption in transnational business, we've several policy recommendations. First, the transnational laws/ rules are demanded to reduce the rear impact of corruption on foreign direct investment, trade, business, and enterprises. Second, enterprises are crucial players in IB. Thus, directors and policymakers need to consider corruption when making the enterprises/ organizational structure and creating strategies to enhance functional-effectiveness & performance.

Third, the establishment of an organizational anti-corruption armature system in enterprises is essential to overcome corruption in transnational business. Eventually, corruption challenges have numerous crucial factors of old propositions of operation. Scholars should enhance their examine areas in this current system by considering corruption as an important problem in IB.

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